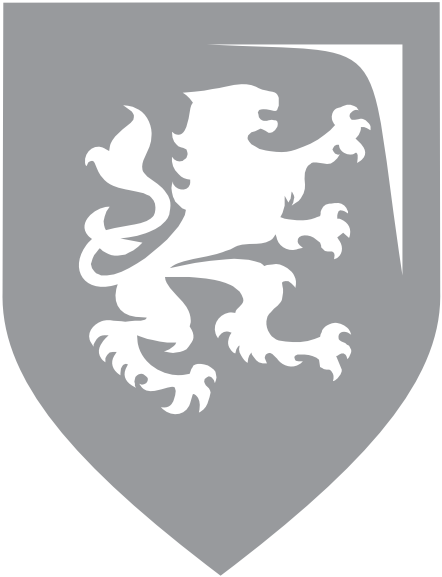


LAKSON ASSET ALLOCATION EMERGING MARKETS FUND
Quarterly Report (March 31, 2015)



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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.li.com.pk
E-mail: info@li.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. Mahomed J. Jaffer
Mr. Amin Mohammed Lakhani
Mr. Sher Afgan Malik
Mr. Daniel Scott Smaller
Mr. Zahid Zakiuddin

**Chief Financial Officer &
Company Secretary
of the Management Company**

Ms. Sana Quadri

Audit Committee

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

Human Resource and Remuneration Committee

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani
Mr. Daniel Scott Smaller

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 - 74200.

Bankers to the Fund

Allied Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Habib Bank AG Zurich
United Bank Limited

Legal Adviser

Fazleghani Advocates
F-72/1, Block 8, KDA-5,
Kehkashan, Clifton,
Karachi, Pakistan.

Registrar

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

Distributor

Rabia Fida

Rating

1-Star (Normal): Fund Performance
Ranking (JCR-VIS)

AM2- : Asset Manager Rating by PACRA

Review Report of the Directors of the Management Company For the nine months period ended March 31, 2015

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Asset Allocation Emerging Markets Fund ("LAAEMF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended March 31, 2015.

Fund Objective

The investment objective of the Lakson Asset Allocation Emerging Markets Fund is to provide long-term capital appreciation by investing in a mix of domestic debt and Emerging Markets Securities.

Fund Profile

LAAEMF is an open end asset allocation scheme. The Scheme is managed using an active investment management style which focuses on an analysis of the macro factors such as government policies, global economic data, commodities prices and supply / demand dynamics. The Scheme switches exposure between the domestic Government Securities and the Emerging Markets securities based on the outlook of the Investments Team of the performance of the Emerging Markets. The Scheme may overweight or underweight countries relative to its benchmark for Emerging Markets investments, the MSCI Emerging Markets Index. Exposure of the Scheme in the fixed income securities is managed through duration and yield curve management by shifting between different maturities of the Government Securities.

Fund performance

During the 9MFY15 and 3QFY15 the LAAEMF has provided a return of 4.19% and 2.18% respectively. During the same period the Benchmark returned 2.52% and 2.06% respectively. The Fund has outperformed the Benchmark by 167bps over 9MFY15. As of March 31, 2015, the LAAEMF is invested 42% in T-Bills, 23% in PIBs and 35% in cash. As of March 31, 2015 the LAAEMF has PKR 103 million in assets under management.

Earning per Unit (EPU)

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

Economic Review

While the first half of the year gripped the country with host of negatives, the third quarter surprised with a series of improvements in the country's macro environment. Pakistan's credit rating outlook was raised from Stable to Positive by Moody's Investors Service, as the economy steadily improved. Moreover, the rating agency's improved outlook has signaled that a rating upgrade has become a distinct possibility for the first time since 2006. The new outlook was based on a rapidly strengthening external liquidity position, continued efforts toward fiscal consolidation, and the government's steady progress in achieving structural reforms under the IMF program.

Declining international crude oil prices have brought windfall gains for the economy most notably in inflation which has declined to multi-year lows. CPI inflation further eased off during the quarter and averaged 3.2% YoY in 3QFY15 compared to 4.7% YoY witnessed during the previous quarter. Inflation started to abate after the government reduced the prices of petroleum products along with the electricity tariff; the effects of which were felt across the board. 9MFY15 average inflation has moderated to 5.2% YoY, compared to 8.6% during the corresponding period of last year. In line with easing inflation, the State Bank of Pakistan ("SBP") reduced the discount rate by 150 bps to 8.0% during the two monetary policy meetings conducted in the quarter. The shift towards expansionary policy by the central bank came against the backdrop of a positive external account outlook. Interestingly, the SBP also toned down its inflation forecast for FY15 and now expects CPI to range between 4.0% to 5.0%.

On the fiscal side, the country was not able to meet the targets owing to some unforeseen reasons. According to provisional figures, the Federal Board of Revenue ("FBR") collected PKR 1,755 billion during 9MFY15, against PKR 1,575 billion in the corresponding period of last year, reflecting a YoY increase of 11.4%. Tax officials held tumbling petroleum product prices responsible for missing the revenue collection target during the 9M of current fiscal year. The current pace of tax collection indicates that government may not be able to achieve the twice-revised target of PKR 2,691 billion.

The most notable improvement in macro indicators was visible in the external account, as it improved on the back of a declining import bill along with financial inflows from multiple sources. The country received its sixth tranche of USD 550 million from IMF along with USD ~750 million on account of coalition support fund during 3QFY15. Meanwhile, the current account witnessed a surplus of USD 803 million during the first two months of the quarter, limiting the cumulative deficit for 8MFY15 to USD 1,614 million. The country topped up USD ~920 million to foreign exchange reserves during the quarter which have brought the reserves to USD 16.2 billion, providing an import cover of 5.5 months.

With the secondary public offering of HBL a success FX reserves are expected to climb towards USD 18.0 billion. Despite a healthy reserve position the PKR depreciated by 1.3% against the greenback to close at 101.9, owing to strengthening of USD against global currencies.

Fixed Income Review

After keeping the discount rate steady at 10% in 1QFY15, the central bank cut the discount rate by 0.5% in 2QFY15. In the 3rd quarter of FY15, the central bank continued with its monetary easing stance and cut the discount rate by a further 1.5% to 8.0%. In the 19 t-bill auctions held so far during FY15, the government was able to raise over PKR 2.6 trillion. Yields have continued to decline across the board in this period as the 3-month yield has gone down from 9.48% in Dec '14 to 7.96% in the last auction held in March '15. Similarly, 6-month yields have gone down from 9.47% in Dec '14 to 7.94% in March '15 and 12-month yields have gone down from 9.42% to 7.84%. In the 9 PIB auctions held during FY15, approximately PKR 860 billion was realized and the yields on the 3 year, 5 year and 10 year bonds have declined by 3.89%, 3.89% and 3.50% respectively.

Real interest rates during 9MFY15 have averaged an astonishing 4.2% against the 1.5% average during FY10-FY14. With FX reserves projected to hit USD 18.0 billion by the end of FY15, there remains significant room for the SBP to continue cutting rates. There is now a very real possibility that the discount rate could drop below its all time low of 7.5% in the current year. In anticipation of this, market participants have built up historically high inventories of longer tenor bonds. This has resulted in a narrowing of the spread between these bonds and the discount rate which had been abnormally high at 2.2% over the last 3 years. Going forward this spread is expected to remain in line with the longer term trend of 1.0% - 1.5%.

Emerging Markets Review

Emerging market equities outperformed its peers in 3QFY15, as the MSCI Emerging Market index increased by 1.9% compared to the MSCI Developed Market's gain of 1.8%, limiting the losses for 9MFY15 to 7.3%. The index heavyweight China has gained 14.6% in the quarter after the People's Bank of China eased its reserve requirement ratio for banks and cut interest rates to support the economy. Further, the Chinese premier's comments that policymakers would implement further stimulus measures if growth falls below the government's 7% target created excitement amongst market participants. Hopes for the stimulus increased after data highlighted significant weakness in China's property market.

On the other hand, Russian equities surged 16.4% during the quarter due to a rise in oil prices and hopes emerged of a possible peace plan to stop fighting in the Ukraine. Along with that, the Central Bank of Russia ("CBR") unexpectedly cut its key interest rate by 200 bps, to 15%. Market participants weren't expecting the CBR to loosen its policy, after it raised the rate by a massive 500 bps to 17% in December 2014, in an effort support the collapsing Rouble and curb inflationary pressures. Further, Indian Equities also inched up during the quarter, with the BSE Sensex30 gaining 1.7%. The Reserve Bank of India provided the impetus after it reduced interest rates by 25bps to 7.75% from 8.0% earlier—the first reduction since May 2013.

Future Outlook

With the recovery in macroeconomic indicators on track the government should be able to continue its pro-growth fiscal and monetary policies. Energy reform will be instrumental in generating the desired level of GDP growth as it remains one of the main impediments to private investment. Recent developments on rationalizing gas and electricity tariffs, along with the injection of imported LNG into the system bode well in this regard. With yields on sovereign instruments projected to decline and capital adequacy ratios at comfortable levels, banks should begin lending to the private sector in order to maintain profitability and fulfill their long neglected role as financial intermediaries. Capital markets, both debt and equity provide an excellent opportunity to capitalize on the higher growth trajectory.

Acknowledgement

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 the growth and the prudent management of the Fund.

For and on Behalf of the Board

Dated: April 20, 2015

**Babar Ali Lakhani
Chief Executive Officer**

**Condensed Interim Statement of Assets and Liabilities
As at March 31, 2015**

	Note	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
		(Rupees)	
ASSETS			
Bank balances	5	37,173,557	120,430,883
Investments	6	67,168,062	57,816,627
Mark-up receivable		555,207	602,201
Prepayment		84,631	-
Deferred formation cost		770,481	1,149,007
TOTAL ASSETS		<u>105,751,938</u>	<u>179,998,718</u>
LIABILITIES			
Payable to the Management Company	7	1,178,882	1,104,215
Payable to the Trustee		59,455	57,536
Annual fee payable to Securities and Exchange Commission of Pakistan		90,063	184,852
Payable against redemption of units		-	10,000,000
Accrued expenses and other liabilities	8	1,085,234	1,192,977
TOTAL LIABILITIES		<u>2,413,634</u>	<u>12,539,580</u>
NET ASSETS		<u>103,338,304</u>	<u>167,459,138</u>
UNIT HOLDERS' FUND (as per statement of movement in Unit holders' Fund)		<u>103,338,304</u>	<u>167,459,138</u>
CONTINGENCIES AND COMMITMENTS	9		
(Number of units)			
Number of units in issue		<u>950,713</u>	<u>1,605,203</u>
(Rupees)			
Net assets value per unit		<u>108.6956</u>	<u>104.3227</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

Condensed Interim Income Statement (Unaudited)

For the nine months and quarter ended March 31, 2015

INCOME	Note	Nine months ended		Quarter ended	
		March 31, 2015	2014	March 31, 2015	2014
----- (Rupees) -----					
Income from Government securities		5,035,404	7,404,040	1,347,110	2,874,141
Capital gain / (loss) on sale of investments - net		885,442	535,454	-	(18,479)
Dividend income - net		-	369,529	-	-
Exchange gain / (loss) on foreign currency deposits		213,387	97,908	505,884	(36,072)
Mark-up income		1,070,643	2,257,424	224,251	283,356
		<u>7,204,876</u>	<u>10,664,355</u>	<u>2,077,245</u>	<u>3,102,946</u>
Unrealised appreciation / (diminution) in the fair value of investments classified as 'held for trading' - net		2,193,728	2,616,994	997,130	(4,855,733)
		<u>9,398,604</u>	<u>13,281,349</u>	<u>3,074,375</u>	<u>(1,752,787)</u>
EXPENSES					
Remuneration to the Management Company		1,620,147	2,989,251	303,697	917,344
Sales tax on remuneration to the Management Company		281,906	554,805	52,844	170,259
Federal excise duty on remuneration to the Management Company	7.2	259,224	478,280	48,592	146,775
Remuneration to the Trustee		525,480	525,480	172,603	172,603
Annual fee to Securities and Exchange Commission of Pakistan		90,063	141,989	24,037	43,574
Brokerage, custody, settlement and bank charges		238,910	200,892	7,384	33,410
Amortization of deferred formation cost		378,526	378,526	124,334	124,334
Auditors' remuneration		231,077	222,035	58,120	70,424
Fees and subscription		105,370	22,520	46,849	7,397
Printing charges		18,262	30,535	4,931	14,018
Workers' Welfare Fund	8.1	27,106	125,122	27,106	(77,356)
		<u>3,776,071</u>	<u>5,669,435</u>	<u>870,497</u>	<u>1,622,782</u>
Net income / (loss) from operating activities		5,622,533	7,611,914	2,203,878	(3,375,569)
Element of loss and capital losses included in the prices of units issued less those of units redeemed - net		(4,294,318)	(1,480,958)	(4,171)	(414,915)
		<u>1,328,215</u>	<u>6,130,956</u>	<u>2,199,707</u>	<u>(3,790,484)</u>
Net income / (loss) for the period		1,328,215	6,130,956	2,199,707	(3,790,484)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the nine months and quarter ended March 31, 2015**

	Nine months ended March 31,		Quarter ended March 31,	
	2015	2014	2015	2014
	------(Rupees)-----			
Net income / (loss) for the period	1,328,215	6,130,956	2,199,707	(3,790,484)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>1,328,215</u>	<u>6,130,956</u>	<u>2,199,707</u>	<u>(3,790,484)</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Distribution Statement (Unaudited)
For the nine months and quarter ended March 31, 2015**

	Nine months ended March 31,		Quarter ended March 31,	
	2015	2014	2015	2014
	------(Rupees)-----			
Undistributed income at the beginning of the period - realised	1,152,791	22,314,982	4,870,745	3,229,143
Undistributed income / (accumulated losses) at the beginning of the period - unrealised	5,786,044	(6,704,932)	1,196,598	7,472,727
Undistributed income at the beginning of the period	6,938,835	15,610,050	6,067,343	10,701,870
Final distribution: nil (2013: Rs 5.5839 per unit approved on July 08, 2013)				
- Cash dividend	-	(1,536,706)	-	-
- Issue of bonus units	-	(13,292,914)	-	-
	-	(14,829,620)	-	-
Total comprehensive income / (loss) for the period	1,328,215	6,130,956	2,199,707	(3,790,484)
Undistributed income at the end of the period	<u>8,267,050</u>	<u>6,911,386</u>	<u>8,267,050</u>	<u>6,911,386</u>
Undistributed income at the end of the period - realised	6,073,322	4,294,392	6,073,322	4,294,392
Undistributed income at the end of the period - unrealised	2,193,728	2,616,994	2,193,728	2,616,994
Undistributed income at the end of the period	<u>8,267,050</u>	<u>6,911,386</u>	<u>8,267,050</u>	<u>6,911,386</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

**Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)
For the nine months and quarter ended March 31, 2015**

	Nine months ended March 31,		Quarter ended March 31,	
	2015	2014	2015	2014
	------(Rupees)-----			
Net assets at the beginning of the period	167,459,138	281,188,242	101,185,412	193,539,356
Amount received on issue of 568,495 (2014: 790,290) units and nil (2014: nil) units for the nine months and quarter respectively	60,000,000	82,000,000	-	-
Amount paid on redemption of 1,222,985 (2014: 1,849,304) units and 468 (2014: 99,068) units for the nine months and quarter respectively	(129,743,367)	(189,421,344)	(50,986)	(10,321,681)
Element of loss and capital loss in prices of units sold less those of units redeemed - net	4,294,318	1,480,958	4,171	414,915
Final distribution : nil (2013: Rs 5.5839 per unit approved on July 08, 2013)				
- Cash distribution	-	(1,536,706)	-	-
- Issue of bonus units	-	(13,292,914)	-	-
	-	(14,829,620)	-	-
Issue of bonus units as final distribution: nil (2013: 132,539)	-	13,292,914	-	-
Total comprehensive income / (loss) for the period	1,328,215	6,130,956	2,199,707	(3,790,484)
Net assets at the end of the period	103,338,304	179,842,106	103,338,304	179,842,106
Net assets value per unit at the beginning of the period	104.3227	105.8777	106.3787	105.8532
Net assets value per unit at the end of the period	108.6956	103.9966	108.6956	103.9966

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

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

Chief Executive Officer

Director

Condensed Interim Cash Flow Statement (Unaudited) For the nine months and quarter ended March 31, 2015

	Nine months ended March 31,		Quarter ended March 31,	
	2015	2014	2015	2014
------(Rupees)-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (loss) for the period	1,328,215	6,130,956	2,199,707	(3,790,484)
Adjustments for non-cash charges and other items:				
Capital (gain) / loss on sale of investments - net	(885,442)	(535,454)	-	18,479
Unrealised (appreciation) / diminution in the fair value of investments classified as 'held for trading' - net	(2,193,728)	(2,616,994)	(997,130)	4,855,733
Amortisation of deferred formation cost	378,526	378,526	124,334	124,334
Element of loss and capital losses included in the prices of units issued less those of units redeemed - net	4,294,318	1,480,958	4,171	414,915
	<u>2,921,889</u>	<u>4,837,992</u>	<u>1,331,082</u>	<u>1,622,977</u>
(Increase) / decrease in assets				
Investments - net	(6,272,265)	61,541,655	(8,354,443)	(20,826,536)
Mark-up receivable	46,994	846,480	712,765	74,001
Prepayment	(84,631)	(7,480)	(69,754)	7,397
	<u>(6,309,902)</u>	<u>62,380,655</u>	<u>(7,711,432)</u>	<u>(20,745,138)</u>
(Decrease) / increase in liabilities				
Payable to the Management Company	74,667	244,290	62,730	140,859
Payable to the Trustee	1,919	(3,819)	-	-
Annual fee payable to Securities and Exchange Commission of Pakistan	(94,789)	(266,957)	24,037	43,574
Payable against redemption of units	(10,000,000)	-	-	-
Accrued expenses and other liabilities	(107,743)	90,305	(24,903)	(32,220)
	<u>(10,125,946)</u>	<u>63,819</u>	<u>61,864</u>	<u>152,213</u>
Net cash (used in) / generated from operating activities	<u>(13,513,959)</u>	<u>67,282,466</u>	<u>(6,318,486)</u>	<u>(18,969,948)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from issuance of units	60,000,000	82,000,000	-	-
Cash paid on redemption of units	(129,743,367)	(189,421,344)	(50,986)	(10,321,681)
Cash dividend paid	-	(1,536,706)	-	-
Net cash used in financing activities	<u>(69,743,367)</u>	<u>(108,958,050)</u>	<u>(50,986)</u>	<u>(10,321,681)</u>
Net decrease in cash and cash equivalents	<u>(83,257,326)</u>	<u>(41,675,584)</u>	<u>(6,369,472)</u>	<u>(29,291,629)</u>
Cash and cash equivalents at the beginning of the period	120,430,883	45,378,624	43,543,029	32,994,669
Cash and cash equivalents at the end of the period	<u>37,173,557</u>	<u>3,703,040</u>	<u>37,173,557</u>	<u>3,703,040</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

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

Chief Executive Officer

Director

**Notes to and forming part of the Condensed Interim
Financial Information (Unaudited)
For the nine months and quarter ended March 31, 2015**

1. LEGAL STATUS AND NATURE OF BUSINESS

Lakson Asset Allocation Emerging Markets Fund (the "Fund") was established under Trust Deed executed on May 30, 2011 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 July 07, 2011 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. The registered office of the Management Company is located at 14 - Ali Block, New Garden 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 is authorized to invest in Government Securities, deposits and foreign currency deposits with local or foreign banks etc. in Pakistan. Further, as allowed by SECP and SBP, the Fund can invest abroad up to 30% of the aggregated funds mobilized (including foreign currency funds) subject to a maximum limit of USD 15 million. The investments authorized outside Pakistan include exchange traded funds based on equities / debt with exposure in the emerging markets, index tracker funds tracking different emerging markets, actively managed emerging markets funds, equities and debt securities of companies with exposure in emerging markets, foreign currency deposits etc.

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.

The JCR-VIS credit rating company limited has assigned 1-Star ranking to the fund.

Subsequent to the period ended March 31, 2015 the Pakistan Credit Rating Agency Limited (PACRA) has upgraded the asset manager rating of the management company to 'AM2-'.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Fund for the nine month period ended March 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, 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 where requirements differ, the provisions of or 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 have been followed.

The disclosures in this condensed interim financial information are presented in accordance with International Accounting Standard 34 "Interim Financial Reporting" and do not contain all the information required for full annual financial statements. Consequently, this condensed interim financial information should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2014.

This condensed interim financial information comprise of condensed interim statement of assets and liabilities as at March 31, 2015 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of

movement in Unit Holder's Fund, and notes thereto, for the nine month period ended March 31, 2015.

- 2.2 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38(g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Directors of the Management Company declare that these condensed interim financial information gives a true and fair view of the the state of affairs of the fund.

2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for investments that are stated at fair values.

This Condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

2.5 Use of estimates and judgments

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to financial statements for the year ended June 30, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the published annual financial statements as at and for the year ended June 30, 2014.

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 June 30, 2014.

5. BANK BALANCES	Note	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
		(Rupees)	
In local currency			
PLS savings accounts	5.1	1,876,959	119,906,355
In foreign currency			
Current account [USD\$: 346,234 (June 30, 2014: 5,309)]	5.2	35,296,598	524,528
		<u>37,173,557</u>	<u>120,430,883</u>

- 5.1 These carry mark-up rates ranging from 6.50% to 7.60% (2014: from 7.00% to 11.83%) per annum.

- 5.2 This represents USD denominated current account maintained in foreign currency.

6. INVESTMENTS - financial assets at fair value through profit or loss - held for trading

	Note	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
		(Rupees)	
In local currency			
Government securities - Market Treasury Bills	6.1	42,935,662	-
Government securities - Pakistan Investment Bonds	6.2	24,232,400	-
In foreign currency			
Exchange Tarded Funds	6.3	-	57,816,627
		67,168,062	57,816,627

6.1 Government Securities - Market Treasury Bill

Note	Number of holdings				Balance as at March 31, 2015			Market value as a percentage of net assets	Market value as a percentage of total investments
	Number of holding at the beginning of the period	Acquired during the period	Disposed / matured during the period	number of holding at the end of the period	Carrying Value	Market value	Unrealized appreciation		
	Rupees								
Treasury Bills: 3-months (face value of Rs. 100,000 each)	-	700	700	-	-	-	-	-	-
Treasury Bills: 6-months (face value of Rs. 100,000 each)	-	850	850	-	-	-	-	-	-
Treasury Bills: 12-months (face value of Rs. 100,000 each)	6.1.1	1,160	700	460	42,915,035	42,935,662	20,627	41.55%	63.92%
Total - March 31, 2015					42,915,035	42,935,662	20,627	41.55%	63.92%
Total - June 30, 2014					-	-	-	-	-

6.1.1 These represent 12 months Government Treasury bills carrying effective yield ranging from 7.7683% to 9.9900% per annum (June 30, 2014:nil) maturing between October 29, 2015 to March 17, 2016. The face value of Treasury Bills held as at March 31, 2015 amounted to Rs. 46 million (June 30, 2014: nil).

6.2 Government securities - Pakistan Investment Bonds

Note	Number of holdings				Balance as at March 31, 2015			Market value as a percentage of net assets	Market value as a percentage of total investments	
	Number of holding at the beginning of the period	Acquired during the period	Disposed / matured during the period	number of holding at the end of the period	Carrying Value	Market value	Unrealized (diminution) / appreciation			
	Rupees									
3 years Pakistan Investment bond (face value of Rs. 100,000 each)	6.2.1	-	100	-	100	9,793,388	10,648,430	855,042	10.30%	15.85%
5 years Pakistan Investment bond (face value of Rs. 100,000 each)	6.2.2	-	60	-	60	6,139,884	6,625,554	485,670	6.41%	9.86%
10 years Pakistan Investment bond (face value of Rs. 100,000 each)	6.2.3	-	180	120	60	6,126,027	6,958,416	832,389	6.73%	10.36%
Total - March 31, 2015						22,059,299	24,232,400	2,173,101	23.45%	36.08%
Total - June 30, 2014						-	-	-	-	-

6.2.1 This represents investment in 3 years Pakistan Investment Bonds carrying effective profit rate of 11.25% (June 30, 2014: nil) per annum having maturity on July 17, 2017. The Face value of Pakistan Investment Bonds as at March 31, 2015 amounted to Rs. 10 million (June 30, 2014: nil).

6.2.2 This represents investment in 5 years Pakistan Investment Bonds carrying effective profit rate of 11.50% (June 30, 2014: nil) per annum having maturity on July 17, 2019. The Face value of Pakistan Investment Bonds as at March 31, 2015 amounted to Rs. 6 million (June 30, 2014: nil).

6.2.3 This represents investment in 10 years Pakistan Investment Bonds carrying effective profit rate of 12.00% (June 30, 2014: nil) per annum having maturity on July 17, 2024. The Face value of Pakistan Investment Bonds as at March 31, 2015 amounted to Rs. 6 million (June 30, 2014: nil).

6.3 Exchange Traded fund : Foreign investment

	Number of units				Balance as at March 31, 2015				
	As at July 01, 2013	Purchase during the period	Disposed during the period	Number of holding at the end of the period	Carrying Value	Market value	Unrealized appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
Ishares MSCI Emerging Markets Index Fund	13,536	-	13,536	-	-	-	-	-	-
Total - March 31, 2015					-	-	-	-	-
Total - June 30, 2014					52,030,583	57,816,627	5,786,044	34.53%	100.00%
Total investment - March 31, 2015					64,974,334	67,168,062	2,193,728	65.00%	100.00%
Total investment - June 30, 2014					52,030,583	57,816,627	5,786,044	34.53%	100.00%

7. REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY

	Note	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
Remuneration payable to the Management Company		104,220	295,945
Sindh Sales Tax on Management remuneration		158,870	151,702
Federal Excise Duty on Management remuneration	7.1	911,423	652,199
Sales load payable		4,369	4,369
		<u>1,178,882</u>	<u>1,104,215</u>

7.1 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED is not justified.

On September 4, 2013, a constitutional petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative collective investment schemes through their trustee, challenging the levy of FED. In this respect, the Honorable SHC has issued a stay order against recovery proceedings. The hearing of the petition is in progress.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from June 13, 2013, aggregating to Rs. 0.911 million (June 30, 2014: Rs 0.652 million).

	Note	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		160,277	202,800
Custody fee payable		-	74,651
Workers' Welfare Fund	8.1	909,945	882,838
Others		15,012	32,688
		<u>1,085,234</u>	<u>1,192,977</u>

- 8.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it is alleged that all Collective Investment Schemes (CISs) / mutual funds whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year 2011, a single bench of the Lahore High Court (LHC) in a constitutional petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. However, in the month of March 2013, a larger bench of the Sindh High Court (SHC) in various constitutional petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or the Honourable Peshawar High Court on 29 May 2014 on a petition filed by certain aggrieved parties (other than the mutual funds) have adjudicated that the amendments introduced in the Workers Welfare Fund Ordinance, 1971 through the Finance Acts of 1996 and 2009 lacks the essential mandate to be introduced and passed through the money bill under the Constitution of Pakistan and hence have been declared as ultra vires the Constitution.

However, as per the advice of legal counsel of MUFAP, the stay granted to CIS (as mentioned in the first paragraph) remains intact and the constitution petitions filed by the CIS to challenge the Workers Welfare Fund contribution have not been affected by the SHC judgment.

As the matter relating to levy of WWF is currently pending in the Court, the Management Company, as a matter of prudence and abundant caution, has decided to make provision for WWF amounting to Rs. 0.909 million up to March 31, 2015.

Had the above recognition not been made, the net assets value per unit of the Fund would be higher by Re. 0.96 / 0.96% (June 30, 2014: 0.55 / 0.55%).

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2015.

10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. 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 to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in these condensed interim financial information.

11. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Habib Bank AG Zurich being the Custodian, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel,

other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at March 31, 2015.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively. Other transactions are in normal course of business, at contracted rates and terms determined in accordance with the market rates.

Transactions and balances with related parties are as follows:

	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
	(Rupees)	
11.1 Balance as at period / year end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable	<u>1,174,513</u>	<u>1,099,846</u>
Sales load payable	<u>4,369</u>	<u>4,369</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	<u>59,455</u>	<u>57,536</u>
Habib Bank AG Zurich - Custodian		
Bank deposits	<u>35,296,598</u>	<u>524,528</u>
Custody fee payable	<u>-</u>	<u>74,651</u>
Others - connected person due to holding more than 10% outstanding units		
Bank deposits	<u>-</u>	<u>2,438,462</u>
Profit receivable	<u>-</u>	<u>17,090</u>

11.2 Unit Holders' Fund

		Nine months ended March 31, 2015					Rupees				
		Number of Units			Number of Holdings		As at July 01, 2014			Balance at the end of the period (Investment at current NAV)	
Number of Units as at July 01, 2014	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Number of holdings at the end of the period	As at July 01, 2014	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)		
90,463	-	-	6,329	84,134	9,437,330	-	-	-	9,144,945		
50	-	-	-	50	5,231	-	-	-	5,450		
4458	-	-	-	4,458	465,037	-	-	-	484,530		
4,572	-	-	-	4,572	476,961	-	-	-	496,954		
2400	-	-	-	2,400	250,405	-	-	-	260,901		
8,001	-	-	-	8,001	834,682	-	-	-	869,670		
9,715	-	-	-	9,715	1,013,543	-	-	-	1,056,027		
13,716	-	-	-	13,716	1,430,884	-	-	-	1,490,862		
36,576	-	-	-	36,576	3,815,690	-	-	-	3,975,633		
21,717	-	-	-	21,717	2,265,566	-	-	-	2,360,532		
6,858	-	-	-	6,858	715,442	-	-	-	745,431		
248,030	-	-	-	248,030	25,875,150	-	-	-	26,959,760		
93,726	-	-	-	93,726	9,777,707	-	-	-	10,187,559		
10,287	-	-	-	10,287	1,073,163	-	-	-	1,118,147		
50,292	-	-	-	50,292	5,246,574	-	-	-	5,466,495		
16,002	-	-	-	16,002	1,669,365	-	-	-	1,739,339		
40,005	-	-	-	40,005	4,173,411	-	-	-	4,348,348		
52,578	-	-	-	52,578	5,485,055	-	-	-	5,714,972		
20,574	-	-	-	20,574	2,146,326	-	-	-	2,236,294		
43,065	95,386	-	-	138,451	4,492,632	10,000,000	-	-	15,048,987		
74,733	-	-	-	74,733	7,796,331	-	-	-	8,123,130		
530,411	-	-	518,536	11,875	55,333,863	-	-	55,334,142	1,290,794		

Directors, Chief Executive & their Spouse and Minors
 Key Management personnel, employees and connected
 persons of the Management company *

**Associated companies / undertakings of the
 Management Company**

Lakson Business Solutions Limited - Employees
 Contributory Provident Fund Trust
 Princeton Travels (Private) Limited - Employees
 Contributory Provident Fund Trust
 Lakson Investments Limited - Employees
 Contributory Provident Fund Trust
 Tetley Clover (Private) Limited - Employees
 Contributory Provident Fund Trust
 Clover (Private) Limited - Employees
 Gratuity Fund Trust
 Century Insurance Company Limited - Employees
 Contributory Provident Fund Trust
 GAM Corporation (Private) Limited - Employees
 Contributory Provident Fund Trust
 SIZA Foods (Private) Limited - Employees
 Contributory Provident Fund Trust
 Hasanain Karabhai Foundation - Employees
 Contributory Provident Fund Trust
 Collgate Palmolive (Pakistan) Limited - Employees
 Contributory Provident Fund Trust
 Collgate Palmolive (Pakistan) Limited - Employees
 Gratuity Fund
 SIZA Services (Private) Limited - Employees
 Contributory Provident Fund Trust
 Cyber Internet Services (Private) Limited -
 Employees Contributory Provident Fund Trust
 Hybrid (Private) Limited - Employees
 Contributory Provident Fund Trust
 Accury Surgicals Limited - Employees
 Contributory Provident Fund Trust
 Merit Packaging Limited - Employees
 Contributory Provident Fund Trust
 Merit Packaging Limited - Employees Gratuity Fund
 Century Paper & Board Mills Limited - Employees
 Contributory Provident Fund Trust
 Century Paper & Board Mills Limited - Employees
 Gratuity Fund
 Century Insurance Company Limited

*Nil (June 30, 2014: 6,329) units held in joint account with spouse Mrs. Zil Lakhani and 1,730 (June 30, 2014: 1,730) units are held by minor son Mr. Hassan Ali Lakhani.

		Nine months ended March 31, 2014					Rupees					
		Number of Units			Number of Holdings		As at July 01, 2013			Balance at the end of the period (Investment at current NAV)		
		Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Number of holdings at the end of the period	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	As at July 01, 2013	Units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
Directors, Chief Executive & their Spouse and Minors Key Management personnel, employees and connected persons of the Management company		474,127	26,397	412,087	88,437	-	2,647,482	41,813,413	17,874,550	-	-	9,197,199
		168,823	9,399	178,173	49	-	942,669	18,078,720	-	-	-	5,098
Associated companies / undertakings of the Management Company												
Size (Private) Limited		78,015	4,344	82,359	-	-	435,627	8,216,049	8,260,029	-	-	-
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust		4128	230	-	4,358	-	230	-	437,068	-	-	453,204
Princeton Travels (Private) Limited - Employees Contributory Provident Fund Trust		4,234	236	-	4,470	-	23,642	-	448,275	-	-	464,825
Lakson Investments Limited - Employees Contributory Provident Fund Trust		2,223	124	-	2,347	-	12,412	-	235,344	-	-	244,033
Tritec Cotton Mills Limited - Employees Contributory Provident Fund Trust		2,858	159	3,017	-	-	15,958	321,023	302,586	-	-	-
Tetley Clover (Private) Limited - Employees Contributory Provident Fund Trust		7,409	413	-	7,822	-	41,373	-	784,481	-	-	813,444
Clover (Pakistan) Limited - Employees Contributory Provident Fund Trust		16,936	943	17,879	-	-	94,567	1,895,470	1,793,100	-	-	987,753
Century Insurance Company Limited - Employees Contributory Provident Fund Trust		8,997	501	-	9,498	-	50,238	-	952,584	-	-	-
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust		12,702	707	-	13,409	-	70,925	-	1,344,825	-	-	1,394,475
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust		33,871	1,886	-	35,757	-	189,133	-	3,586,200	-	-	3,718,601
Hasanail Karabahal Foundation - Employees Contributory Provident Fund Trust		20,111	1,120	-	21,231	-	112,298	-	2,129,306	-	-	2,207,919
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust		6,351	353	-	6,704	-	35,462	-	672,413	-	-	697,238
Comite Pakistanive (Pakistan) Limited - Employees Gratuity Fund		229,689	12,788	-	242,477	-	1,282,559	-	24,318,919	-	-	25,216,763
SIZA Services (Private) Limited - Employees Contributory Provident Fund Trust		86,795	4,832	-	91,627	-	484,654	-	9,189,638	-	-	9,528,915
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust		9,526	531	-	10,057	-	53,194	-	1,008,619	-	-	1,045,857
Sybird (Private) Limited - Employees Contributory Provident Fund Trust		46,573	2,593	-	49,166	-	260,058	-	4,931,025	-	-	5,113,076
Accuray Surgical's Limited - Employees Contributory Provident Fund Trust		14,819	825	-	15,644	-	82,746	-	1,568,963	-	-	1,626,888
Merit Packaging Limited - Employees Contributory Provident Fund Trust		37,047	2,062	-	39,109	-	206,864	-	3,922,406	-	-	4,067,220
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust		48,690	2,711	-	51,401	-	271,879	-	5,155,163	-	-	5,345,489
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust		19,053	1,060	-	20,113	-	106,387	-	2,017,238	-	-	2,091,713
Century Paper & Board Mills Limited - Employees Gratuity Fund		178,882	-	-	178,882	-	-	-	18,939,619	-	-	18,603,124
Gratuity Insurance Company Limited		96,321	-	-	96,321	-	-	-	10,198,257	-	-	10,017,067
Gratuity Insurance Company Limited		370,466	20,625	350,000	518,535	-	2,068,644	36,649,060	39,224,064	50,000,000	-	53,925,904
Other - connected person due to holding more than 10% outstanding units		528,789	29,441	706,331	164,745	-	2,952,706	72,084,853	55,986,998	32,000,000	-	17,132,923

11.3 Other transaction during the period

	Nine months ended March 31,		Quarter ended March 31,	
	2015	2014	2015	2014
Lakson Investments Limited - Management Company of the Fund	(Unaudited)			
	(Rupees)			
Remuneration to the Management Company	1,620,147	2,989,251	303,697	917,344
Sindh sales tax on remuneration of Management Company	281,906	554,805	52,844	170,259
Federal Excise Duty on Remuneration of Management Company	259,224	478,280	48,592	146,775
	<u>2,161,277</u>	<u>4,022,336</u>	<u>405,133</u>	<u>1,234,378</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund				
Remuneration for the period	<u>525,480</u>	<u>525,480</u>	<u>172,603</u>	<u>172,603</u>

	Nine months ended March 31,	
	2015	2014
	(Unaudited)	
	(Rupees)	
Habib Bank AG Zurich - Custodian		
Brokerage and Settlement charges	<u>157,470</u>	<u>62,688</u>
Custody charges	<u>27,031</u>	<u>90,400</u>
Bank Charges	<u>29,895</u>	<u>26,927</u>
Others - connected person due to holding more than 10% outstanding units		
Profit on bank deposits	<u>-</u>	<u>217,506</u>
Bank Charges	<u>-</u>	<u>4,626</u>

12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 20, 2015 by the Board of Directors of the Management Company.

13. GENERAL

Figures have been rounded off to the nearest rupee.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director



A Lakson Group Company

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