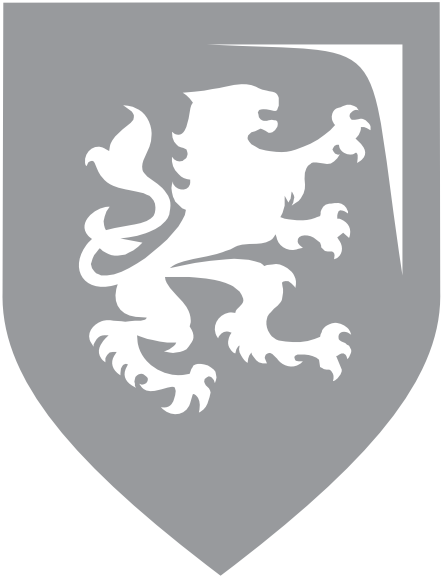


LAKSON TACTICAL FUND

(FORMERLY: LAKSON ASSET ALLOCATION GLOBAL COMMODITIES FUND)

Quarterly Report (September 30, 2016)



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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. Jacques John Visser 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
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	KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No.2, Beaumont Road, Karachi - 75530, Pakistan
Bankers to the Fund	Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Habib Bank AG Zurich JS Bank Limited Tameer Microfinance Bank Limited United Bank Limited NRSP Microfinance Bank Limited Mobilink Microfinance Bank Limited Sindh 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
Rating	1 Year : 4-Star 3 Year : 3-Star AM2 : Asset Manager Rating by PACRA

Review Report of the Directors of the Management Company For the quarter ended September 30, 2016

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Tactical Fund (Formerly Lakson Asset Allocation Global Commodities Fund) ("LTF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended September 30, 2016

Fund Objective

The investment objective of the Lakson Tactical Fund (Formerly Lakson Asset Allocation Global Commodities Fund) is to provide long-term capital appreciation by investing in a mix of securities comprising debt, equity and commodities future contracts.

Fund Profile

Lakson Tactical Fund (Formerly Lakson Asset Allocation Global Commodities Fund) is an asset allocation fund which is allowed to switch exposure between debt, equity based instruments and commodities based on the return expectations of the respective asset classes and the discretion of the management company. This discretion will be exercised after an analysis of the economic environment including but not limited to inflation, currency depreciation, interest rates, GDP growth, government policies, global economic data, commodities prices and supply/demand dynamics. Exposure of the Scheme in the fixed income securities shall be managed through duration and yield curve management by shifting between different maturities of the Government Securities. Exposure in equity securities will be managed by carrying out a bottom up analysis to ascertain fundamental values which would enable the Fund to generate attractive returns. Exposure in commodities may overweight or underweight commodities relative to its benchmark for commodities investments, the DBIQ Optimum Yield Commodity Index Excess Return.

Fund performance

The LTF generated an absolute return of 3.45% in Q1FY17 compared to the Benchmark return of 2.68%. The LTF outperformed the benchmark by 77 bps. As of September 30, 2016, the LTF portfolio is invested 4% in PIBs, 5% in TFCs, 26% in placements with banks & DFIs, 33% in equities and 32% in cash. The fund size of the LTF as of September 30, 2016 was PKR 1,393 million.

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

During Q1FY17 CPI averaged 3.85% as opposed to 1.64% in Q1FY16. As the base effect from lower oil prices fades and food prices start to pick up, we are seeing a gradual increase in the inflation trajectory towards 4.5%-5.0%. With oil prices recovering from multi decade lows and the government seeking to contain the fiscal deficit, regulatory increases in the rate of utilities may also be witnessed. Another source of domestic inflation which has been contained so far is PKR devaluation; any pressure on the currency would directly impact prices across the board. With the inflationary outlook less certain, the SBP chose to maintain the discount and policy rate at 6.25% and 5.75% respectively over the two Monetary Policy Statements announced in July and September. Barring another collapse in commodity prices it seems the interest rate cycle has bottomed out.

Similar uncertainty prevailed on the current account which showed a deficit of USD 1.32 billion during 2MFY17, an increase of 92% over the same period last year. Though oil imports have declined substantially, non oil items have pushed overall imports up by 2.4% while exports have dropped by 7.8%. As a result the trade deficit has expanded by 13.3% to USD 3.75 billion. The fallout from lower oil prices has also started to affect the inflow of worker remittances which were down USD 268 million or 5.4% during Q1FY17. With exports and remittances declining, the ability to maintain FX reserves and USD PKR parity will be reliant on the financial account. On this front the government has had

notable success with the recent launch of a USD 1 billion Sukuk in the international market and continues to tap funding from the World Bank, Asian Development Bank and China Development Bank. FX reserves have increased by 17.6% to USD 23.6 billion over the past year and provide a sizeable import cover of over 6 months.

Other macro indicators are moving in the right direction as evidenced by the 10.5% YoY increase in private sector credit and 2.6% growth in Large Scale Manufacturing (LSM). The main contributors to the upswing in borrowing came from Construction, Chemicals and Telecommunications. More heartening are the prospects of significant FDI flows. Already we have seen interest in various sectors ranging from Cement, Banks, Power and Food with the standout deals being the acquisition of Engro Foods by Frieslandcampina for USD 500 million and Shanghai Electric in talks to buy a controlling stake in K-Electric for USD 1.6 billion. With Pakistan slated for an upgrade to the MSCI Emerging Markets Index in May 2017 more foreign interest can be expected.

Fixed Income Market Review

Keeping in mind the rising inflation trajectory and uncertainty over the balance of payments the SBP opted to keep the discount rate and target rate steady at 6.25% and 5.75% respectively. As a result yields across the board have seen an uptick as enthusiasm over further monetary easing has faded. Yields for the 3, 5 and 10 year bonds have increased by 20 bps since the start of the quarter though they are still down by an average of 1.0%-1.5% over September 2016.

Over Q1FY17 the SBP conducted three PIB auctions and accepted bids worth PKR 655.2 billion. Cut off yields for the 3, 5 and 10 year bonds have remained largely stable around 6.2%, 6.7% and 7.8% respectively. Interest in the 3 year tenor has been growing and shrinking in the 10 year as market participants anticipate higher interest rate risk going forward. Similarly the SBP conducted 7 T bill auctions during the quarter and raised over PKR 1.5 trillion. Cut off yields again remained stable and were recorded between 5.75% - 5.91% for the 3 month, 6 month and 12 month papers.

As seen in previous quarters the SBP remained very active with regards to liquidity management and conducted over 25 open market operations. Most of these were injections in order to provide banks with the liquidity to participate in T bill and PIB auctions. The SBP was on average lending at 5.77% to 5.81% so that banks could earn a spread on their sovereign investments.

Equity Market Review

In September, although the KSE 100 gained 1.84% to reach an all-time high of 40,542 points, the KSE 30 gained only 0.07% to close at 26,470 points. The KSE 30 index, which includes 30 of the most liquid stocks in the market, suffered as investors' interest remained high in small cap stocks.

Average volumes in the market rose 4% to reach 85.9 million shares per day and average daily traded value appreciated by 13% to reach USD 62.5 million per day. Foreigners (USD -82.7 mn) and Individuals (USD -19.2 mn) were net sellers during the month whereas NBFC (USD +18.3 mn), Companies (USD +16.3 mn) and Mutual funds (USD +7.8 mn) were net buyers. Foreigners were major sellers in Construction & Materials (USD -30 mn), food (USD -13 mn) and chemicals (USD -7.5 mn).

The automobile sector (+33.3%) was the best performing sector on the back of aggressive bank financing, expectation of new models and expansion by parts manufacturers which improved the earnings outlook. Personal goods (+12.3%) continued their stellar performance as investors looked to benefit from a possible depreciation of Pakistani rupee which would boost exports. Utilities (+3.8%) continued rising on an anticipated gas price increase in H1FY17. Chemicals (-4.3%) continued to decline over fears of a fertilizer supply glut due to disappointing sales in recent months. The Construction & Materials sector (-5.6%) was the worst performing sector as fears of a price war were triggered by the expansion announcements by major players.

The KSE 30's trailing 12 months (TTM) PE ratio has decreased to 10.2x and continues to trade at a substantial discount to regional markets such as China's Shanghai Composite Index which is trading at 17.5x and India's Sensex Index which is trading at 20.7x.

Future Outlook

The government's ability to manage the PKR while providing exporters with material incentives to arrest the decline in exports will be important to macroeconomic stability. Progress on CPEC especially energy and infrastructure projects will generate much needed activity and possibly push GDP growth over 5.0%. A low interest rate environment coupled with foreign M&A could see consumer sectors such as Autos and Food continue to flourish. Any adverse movement in commodity prices could create devaluation pressure and lead to a reversal in interest rates.

Acknowledgement

The Board would like to thank all 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 Pakistan Stock Exchange Limited for their cooperation and support. We also take this opportunity to acknowledge the hard work and efforts of our team.

For and on Behalf of the Board

Babar Ali Lakhani
Chief Executive Officer

Dated: October 21, 2016

لیکسن ٹیکٹیکل فنڈ

30 ستمبر 2016ء کو ختم ہونے والی مدت کے لیے

مینیجمنٹ کمیٹی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لیڈنگ بورڈ آف ڈائریکٹرز، لیکسن ٹیکٹیکل فنڈ (سابقہ لیکسن لیبیٹ ایلیکشن گلوبل کمیڈیٹیز فنڈ) ("LTF") کی مینیجمنٹ کمیٹی، مختصر عرصہ کی مالیاتی گواہیوں کے ساتھ 30 ستمبر 2016ء کو ختم ہونے والی مدت کے لیے اپنی رپورٹ جمع کراتے ہوئے خوش محسوس کرتے ہیں۔

فنڈ کا مقصد

لیکسن ٹیکٹیکل فنڈ (سابقہ لیکسن لیبیٹ ایلیکشن گلوبل کمیڈیٹیز فنڈ) کی سرمایہ کاری کا مقصد، ڈیبٹ (Debt)، ایکویٹی اور کمیڈیٹیز پر کنٹریکٹس پر مشتمل مختلف طرح کی سیکیورٹیز میں سرمایہ کاری کرتے ہوئے سرمائے کی قدر میں طویل مدتی اضافہ کرنا ہے۔

فنڈ پروفائل

لیکسن ٹیکٹیکل فنڈ (سابقہ لیکسن لیبیٹ ایلیکشن گلوبل کمیڈیٹیز فنڈ) ایک لیبیٹ ایلیکشن اسکیم ہے جسے متعلقہ اثاثوں کی کلاسز کے متوقع منافع جات اور مینیجمنٹ کمیٹی کی صوابدہ کی بنیاد پر ڈیبٹ (Debt)، ایکویٹی پر مبنی انسٹرومنٹس اور کمیڈیٹیز کے درمیان سرمایہ کاری کے رد و بدل کی اجازت ہے اس صوابدہ کا اطلاق اقتصادی ماحول کے تجربے کے بعد کیا جائے گا جس میں افراط زر، کرنسی کی قدر میں کمی، شرح سود، GDP کی نمو، حکومتی پالیسیز، عالمی اقتصادی ڈینا، کمیڈیٹیز کی قیمتیں اور رسد اطلب کا تحریک شامل ہے۔ فکسڈ انکم سیکیورٹیز میں اسکیم کی سرمایہ کاری کا انتظام و انصرام حکومتی سیکورٹیز کی مختلف میچورٹیز کے درمیان منتقلی کے ذریعے دورانہ اور yield curve مینیجمنٹ کے ذریعے کیا جائے گا۔

ایکویٹی میں سرمایہ کاری کا انتظام و انصرام ان بنیادی اقدار کے تعین کے لیے نیچے سے اوپر کی طرف تجربے کے ذریعے کیا جائے گا جو فنڈ کو پرکشش منافع کمانے کے قابل بنائیں۔ حکومتی سیکورٹیز کی مختلف میچورٹیز کے درمیان منتقلی کے ذریعے دورانہ اور yield curve مینیجمنٹ کے ذریعے کیا جائے گا۔ کمیڈیٹیز میں سرمایہ کاری کمیڈیٹیز انویسٹمنٹس، DBIQ Optimum Yield Commodity index excess return کے لیے شیئنگ مارک سے تعلق کی بنیاد پر اور وریٹ یا انڈر وریٹ ہو سکتی ہے۔

فنڈ کی کارکردگی

LTF نے مالی سال 2017ء کی پہلی سرمایہ کے دوران شیئنگ مارک منافع 2.68% کے مقابلے میں 3.45% خالص منافع حاصل کیا۔ LTF نے شیئنگ مارک کو 77 بنیادی پوائنٹس سے پیچھے چھوڑ دیا۔ 30 ستمبر 2016ء کے مطابق LTF پورٹ فولیو نے PIBs میں 4%، TFCs میں 5%، بینکوں اور DFIs میں 26%، ایکویٹیز میں 33% اور کیش میں 32% سرمایہ کاری کی۔ LTF کا فنڈ سائز، 30 ستمبر 2016ء کے مطابق 1,393 ملین روپے تھا۔

فی شیئر آمدنی (EPU)

فی شیئر آمدنی (EPU) ظاہر نہیں کی گئی ہے کیوں کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے موزوں اور وسط پینس کا تعین اوپن اینڈ فنڈز کے لیے قابل عمل نہیں ہے۔

معاشی جائزہ

مالی سال 2016ء کی پہلی سرمایہ میں 1.64% کے مقابلے میں مالی سال 2017ء کی پہلی سرمایہ کے دوران CPI کی اوسط 3.85% رہی۔ جیسا کہ تیل کی کم قیمتوں کا بنیادی اثر غالب ہو رہا ہے اور رکھانے کی ایشیا کی قیمتوں میں اضافہ ہونا شروع ہو گیا ہے، ہم افراط شرح میں تدریج 5%-4% کی طرف اضافہ دیکھ رہے ہیں۔ تیل کی قیمتوں کی

کئی عشروں کی کم ترین سطح سے، بحالی اور حکومت کی طرف سے تجارتی خسارہ محدود کرنے کی جستجو کے ساتھ پینٹیلیٹر کی شرح میں انتظامی اضافہ بھی نظر آ سکتا ہے۔ مگلی افراط زر کا ایک اور ذریعہ، جس نے افراط زر کو ابھی تک محدود رکھا ہے، پاکستانی روپے کی قدر میں کمی ہے، کرنسی پر کوئی بھی دباؤ تمام شعبوں میں قیمتوں پر براہ راست اثر انداز ہوگا۔ افراط زر کی غیر یقینی توقعات کے ساتھ SBP نے جولائی اور ستمبر میں میں اعلان کردہ دو مالیاتی پالیسی ایجنٹس میں ڈسکاؤنٹ اور پالیسی ریٹ ہائزریب 6.25% اور 5.75% برقرار رکھے کو ترجیح دی۔

اسی طرح کی غیر یقینی کیفیت کرنٹ اکاؤنٹ میں بھی برقرار رہی جس نے مئی سال 2017 کے دو ماہ کے درمیان 1.32 ارب امریکی ڈالر خسارہ دکھایا جو گزشتہ سال اسی مدت کے مقابلے میں 92% اضافہ ہے۔ اگر تیل کی درآمدات میں نمایاں کمی ہوئی ہے، تیل کے علاوہ ایشیائی مجموعی درآمدات پر دباؤ ڈال کر 2.4% بڑھادیا ہے، جب کہ برآمدات میں 7.8% گرتگیں۔ جس کے نتیجے میں تجارتی خسارہ 13.3% اضافے کے ساتھ 3.75 ارب امریکی ڈالر ہوگا۔ تیل کی کم قیمتوں کے اثرات کارکنوں کی طرف سے ملک میں تربیلا تذر کو بھی متاثر کرنے لگے ہیں جن میں مئی سال 2017 کی پہلی سہ ماہی کے دوران 268 ملین امریکی ڈالر یا 5.4% کمی ہوئی۔ برآمدات اور تربیلا تذر میں گراؤت کے ساتھ غیر مگلی زر مبادلہ برقرار رکھنے اور امریکی ڈالر اور پاکستانی روپے میں مساوات برقرار رکھنے کی اہلیت فنانسنگ اکاؤنٹ پر انحصار کرے گی۔ اس مجاز پر حکومت نے بین الاقوامی مارکیٹ میں 1 ارب امریکی ڈالر کے سولڈ کی حالیہ لالچ کے ساتھ نمایاں کامیابی حاصل کی ہے اور ورلڈ بینک، ایشیائی ڈیولپمنٹ بینک اور چائنا ڈیولپمنٹ سے فنڈنگ کے حصول کا سلسلہ جاری رکھے ہوئے ہے۔ غیر مگلی زر مبادلہ کے ذخائر گزشتہ سال میں 17.6% اضافے کے ساتھ 23.6 ارب امریکی ڈالر تک پہنچ گئے اور 6 ماہ سے زائد کا خطیر ایپورٹ کو فراہم کرتے ہیں۔

دیگر وسیع تر اثرات صحیح سمت میں آگے بڑھ رہے ہیں جیسا کہ پرائیویٹ سیکٹور کیڈٹ میں سال بہ سال 10.5% اضافے اور لارج اسکیل بینڈیکٹورگ (LSM) میں 2.6% اضافے سے شہادت ملتی ہے۔ کنسٹرکشن، ٹیکسٹائل اور ٹیلی کمیونیکیشنز نے قرض کے حصول میں اضافے میں مرکزی کردار ادا کیا۔ FDI کے خاطر خواہ بہاؤ کے امکانات زیادہ جوصلہ افزا ہیں۔ ہم پہلی سہ ماہی سینٹ پیٹکس، پاور اور فوڈ جیسے مختلف شعبوں میں ہم پہلی سہ ماہی دل چسپی دیکھ رہے ہیں ان میں نمایاں ڈیلز میں Frieslandcampina کی طرف سے 1500 امریکی ڈالر میں اینڈرو فوڈ کی خریداری قابل ذکر ہے جب کہ ٹیکنالوجی کی ایکٹریک کی طرف سے 1.6 ارب امریکی ڈالر میں کے ایکٹریک کے کنٹرول ایگمنٹس کی خریداری کی بات چیت جاری ہے۔ مئی 2017 میں پاکستان کی MSCI ایمرجنگ مارکیٹس انڈیکس میں ترقی کی امید کے ساتھ مزید غیر مگلی دل چسپی متوقع ہے۔

فکسڈ انکم مارکیٹ کا جائزہ

افراط زر کی بڑھتی سطح اور ادائیگیوں کے توازن پر بے یقینی کو ذہن میں رکھتے ہوئے SBP نے ڈسکاؤنٹ ریٹ اور نارگٹ ریٹ کو ہائزریب 6.25% اور 5.75% پر برقرار رکھنے کا فیصلہ کیا۔ جس کے نتیجے میں منافع جات میں بحیثیت مجموعی اضافہ دیکھنے میں آیا جیسا کہ مزرید مالیاتی نرمی پر جوش و خروش کا غالب ہو چکا ہے۔ سرمایہ کے آغاز سے 3 اور 5 سالہ بانڈز کے لیے منافع جات میں 20 بنیادی پوائنٹس کا اضافہ ہوا ہے، اگرچہ ستمبر 2016 کے مقابلے میں اب بھی اوسطاً 1.0% تا 1.5% کم ہیں۔

مئی سال 2017 کی پہلی سہ ماہی کے دوران SBP نے PIB کی تین بنیادیوں کا انعقاد کیا اور 1655.2 ارب روپے مالیت کی بلیاں قبول کیں۔ 5 اور 10 سالہ بانڈز کے لیے حتیٰ آمد نمایاں ہائزریب 6.2%، 6.7% اور 7.8% کے گزردہ زیادہ تر حکم رہی۔ 3 سالہ میڈا میں دل چسپی بڑھ رہی اور 10 سالہ میڈا میں کم ہو رہی ہے، جیسا کہ مارکیٹ کے شرکاء پیش قدمی میں بلند تر انٹرسٹ ریٹ رسک کی پیش بینی کرتے ہیں۔ اسی طرح SBP نے سرمایہ کے دوران T بلز کی سات بنیادیوں کا انعقاد کیا اور 1.5 ٹریلین روپے اکٹھے کیے۔ 3 اور 6 ماہ اور 12 ماہ کے سچے زکے لیے حتیٰ آمد نمایاں ایک بار پھر مستحکم رہیں اور 5.75% تا 5.91% ریٹرز کی گئیں۔

جیسا کہ سابقہ سہ ماہیوں میں دیکھا گیا، SBP لیکویڈٹی میں تنجمنٹ کے حوالے سے بہت فعال رہا اور 25 سے زائد ماہی مارکیٹ آرپیشنز کا انعقاد کیا۔ ان میں سے زیادہ تر بینکوں کو T بلز اور PIB بنیادیوں میں شمولیت کے لیے لیکویڈٹی فراہم کرنے کے لیے اکٹھے تھے۔ SBP نے قرض کی شرح اوسطاً 5.77% سے 5.81% تک رکھی ہے جبکہ اپنی غیر مگلی سرمایہ کاروں پر قیمت خرید اور قیمت فروخت کے فرق (spread) سے منافع کمائیں۔

ایکیٹیوی مارکیٹ کا جائزہ

اگرچہ KSE 100 نے 1.84% منافع نمایا کیا جس کے ساتھ انڈیکس 40,542 پوائنٹس کے ساتھ تاریخ کی بلند ترین سطح تک پہنچ گیا، تاہم KSE 30 نے صرف 0.07% منافع حاصل کیا اور 26,470 پوائنٹس پر بند ہوا۔ KSE 30 انڈیکس، جس میں مارکیٹ کے 30 سب سے زیادہ لیکویڈ اسٹاکس شامل ہیں، متاثر ہوا کیوں کہ سرمایہ کار کی دل چسپی سرمایہ والے اسٹاک میں زیادہ رہی۔ مارکیٹ میں کا اوسط حجم 4% اضافے کے ساتھ یومیہ 85.9 ملین شیئرز تک پہنچ گیا اور اوسط یومیہ تجارتی قدر 13% اضافے کے ساتھ 62.5 ملین امریکی ڈالر یومیہ تک پہنچ گئی۔ غیر ملکی (82.7- ملین امریکی ڈالر) اور افراد (19.2- ملین امریکی ڈالر) مہینے کے دوران خالص فروخت کنندگان رہے، جبکہ NBFC (+18.3 ملین امریکی ڈالر)، کمپنیاں (+16.3 ملین امریکی ڈالر) اور میڈیکل ڈیوائسز (+7.8 ملین امریکی ڈالر) خالص خریدار رہے۔ غیر ملکی کنٹریٹیشن اور میڈیکل ڈیوائسز (30.0- ملین امریکی ڈالر) فروڈ (13.0- ملین امریکی ڈالر) اور ٹیکنیکل (7.5- ملین امریکی ڈالر) میں بڑے فروخت کنندگان رہے۔

چارحانہ بینک فنانسنگ، نئے ڈائریکٹوری اور پارٹ میٹو پیکچرز میں اضافے کے بل پر، جس سے منافع جات کی توقع بہتر ہوئی، آٹوموبیل کا شعبہ (+33.3) سب سے اچھی کارکردگی دکھانے والا شعبہ رہا۔ ذاتی استعمال کی ایشیا (+12.3%) نے اپنی شاندار کارکردگی کا سلسلہ جاری رکھا جیسا کہ سرمایہ کار روپے کی قدر میں کمی کے فائدہ اٹھانے کی توقع رکھتے ہیں، جس سے برآمدات زور پکڑیں گی۔ مالی سال 2017 کی پہلی سہ ماہی میں گیس کی قیمتوں میں توقع اضافے پر پمپلیٹی (+3.8) کی قیمتوں میں اضافہ جاری رہا۔ حالیہ مہینوں میں مایوس کن ہیلز کی وجہ سے فریڈا نوز کی سپلائی کی بھرمار کے خوف کی وجہ سے کھینکر (-4.3) کی قیمتوں میں کمی کا سلسلہ جاری رہا۔ صنعت کے بڑے کھلاڑیوں کی طرف سے توسیع کے اعلانات سے شروع ہونے والی قیمتوں کی جنگ کے نتیجے میں کنسٹرکشن اور میٹیریلز سیکٹر (-5.6%) نے سب سے خراب کارکردگی کا مظاہرہ کیا۔

KSE 30 کا گزشتہ 12 ماہ (TTM) کا PE تناسب 10.2x تک گھٹ گیا ہے اور علاقائی مارکیٹوں اس کا نمایاں رعایتی دامنوں پر لین دین جاری ہے۔ مثلاً چین کی ہنگامی کمپوزٹ انڈیکس میں اس کا 17.5x پر اور انڈیا کے Sensex انڈیکس پر 20.7x کی شرح پر لین دین ہو رہا ہے۔

مستقبل کی توقعات

حکومت کی پاکستانی روپے کے نظم و نسق کی اہلیت نیز برآمدات میں کمی روکنے کے لیے ایکسپورٹرز کو خاطر خواہ رعایتوں کی فراہمی مجموعی اقتصادی استحکام کے لیے اہم ہوگی۔ سی بی سی میں پیش رفت خصوصاً بجلی اور انفراسٹرکچر پراجیکٹس انتہائی ضروری سرگرمی مہیا کریں گے اور ممکنہ طور پر GDP کی نمو 5.0 فیصد تک پہنچا دیں گے۔ سوڈی کمیشنوں کا ماحول غیر ملکی M&A کے ساتھ مل کر کنزرویٹو سیکٹرز مثلاً آٹوموٹو ڈیویڈسٹور پروان چڑھانا ہے۔ گا۔ کوڈیشیز کی قیمتوں میں کوئی منفی حرکت روپے کی قدر میں کمی کا باوجود آج بھی آسکتی ہے اور شرح سوڈی کی واپسی کا سبب بن سکتی ہے۔

اظہار تشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، ہنڈلڈ کرسٹی میٹریل ڈیپازٹری کمیٹی آف پاکستان، ایگزیکٹو بورڈ پاکستان اسٹاک ایکسچینج کا، ان کے تعاون اور مدد پر شکر گزار ہے۔ منجانب کمیٹی کے ڈائریکٹرز فنڈ کی ترقی اور عمدہ نظم و نسق کے لیے اپنی ٹیم کی کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے دستخط اور ڈ

بائریل لاکھانی

چیف ایگزیکٹو آفیسر

تاریخ: 21 اکتوبر 2016

Condensed Interim Statement of Assets and Liabilities
As at September 30, 2016

	Note	September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
		(Rupees)	
ASSETS			
Bank balances	6	440,371,519	385,952,227
Investments	8	574,105,718	388,668,703
Loans and receivables	7	370,000,000	80,000,000
Mark-up receivable		9,652,554	2,392,565
Deferred formation cost		13,166	137,741
Deposits, prepayments and other receivables		6,354,354	3,552,346
TOTAL ASSETS		1,400,497,311	860,703,582
LIABILITIES			
Payable to the Management Company	9	3,678,695	2,763,234
Payable to the Trustee		219,376	127,114
Annual fee payable to the Securities and Exchange Commission of Pakistan		279,885	239,139
Payable against redemption of units		-	150,000,000
Accrued expenses and other liabilities	10	3,693,723	1,883,942
TOTAL LIABILITIES		7,871,679	155,013,429
NET ASSETS		1,392,625,632	705,690,153
UNITHOLDERS' FUND (as per statement of movement in unit holders' fund)		1,392,625,632	705,690,153
CONTINGENCIES AND COMMITMENTS			
	11		
		(Number of units)	
Number of units in issue		13,117,053	6,876,413
		(Rupees)	
Net assets value per unit		106.1690	102.6247

The annexed notes from 1 to 16 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 September 30, 2016

INCOME	Note	2016	2015
		(Rupees)	
Income from Government securities		1,180,071	4,039,169
Mark-up income		13,494,249	264,886
Dividend income		2,943,054	-
Capital gain on sale of investments - net		1,365,482	-
Exchange gain / (loss) on foreign currency deposits		<u>(1,114)</u>	<u>1,044</u>
		18,981,742	4,305,099
Unrealised appreciation / diminution in the fair value of investments classified as 'held for trading' - net		<u>22,789,366</u>	<u>1,000,341</u>
		41,771,108	5,305,440
EXPENSES			
Remuneration of the Management Company		<u>3,979,310</u>	520,331
Sales tax on remuneration to the Management Company		517,310	84,502
Federal excise duty on remuneration to the Management Company	9.2	-	83,253
Remuneration of the Trustee		606,164	200,590
Annual fee to the Securities and Exchange Commission of Pakistan		279,885	44,868
Auditors' remuneration		88,103	96,754
Fees and subscription		69,458	63,956
Printing charges		5,041	5,027
Brokerage, bank and settlement charges		391,821	5,055
Amortisation of deferred formation cost		124,575	124,235
Workers' Welfare Fund	10.1	-	79,955
		<u>6,061,667</u>	<u>1,308,526</u>
Net income from operating activities		35,709,441	3,996,914
Element of gain / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		27,162,105	(79,121)
Net income for the period before taxation		<u>62,871,546</u>	<u>3,917,793</u>
Taxation	12	-	-
Net income for the period after taxation		<u>62,871,546</u>	<u>3,917,793</u>

The annexed notes from 1 to 16 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 September 30, 2016

	2016	2015
	(Rupees)	
Net income for the period after taxation	62,871,546	3,917,793
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>62,871,546</u>	<u>3,917,793</u>

The annexed notes from 1 to 16 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 September 30, 2016

	2016	2015
	(Rupees)	
Undistributed income at the beginning of the period - Realised	14,301,498	1,521,214
Undistributed income at the beginning of the period - Unrealised	3,747,320	5,587,881
Undistributed income at the beginning of the period	<u>18,048,818</u>	<u>7,109,095</u>
Total comprehensive income for the period	62,871,546	3,917,793
Undistributed income at the end of the period	<u>80,920,364</u>	<u>11,026,888</u>
Undistributed income at the end of the period - Realised	58,130,998	10,026,547
Undistributed income at the end of the period - Unrealised	22,789,366	1,000,341
Undistributed income at the end of the period	<u>80,920,364</u>	<u>11,026,888</u>

The annexed notes from 1 to 16 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 September 30, 2016**

	2016	2015
	(Rupees)	
Net assets at the beginning of the period	705,690,153	186,114,663
Cash received on issue of 6,260,216 (2015: Nil) units	653,276,560	-
Cash paid on redemption of 19,576 (2015: 13,998) units	(2,050,522)	(1,478,970)
	651,226,038	(1,478,970)
Element of gain / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	(27,162,105)	79,121
Total comprehensive income for the period	62,871,546	3,917,793
Net assets at the end of the period	<u>1,392,625,632</u>	<u>188,632,607</u>
Net assets value per unit at the beginning of the period	<u>102.6247</u>	<u>103.9714</u>
Net assets value per unit at the end of the period	<u>106.1690</u>	<u>106.2086</u>

The annexed notes from 1 to 16 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 September 30, 2016

	2016	2015
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	62,871,546	3,917,793
Adjustments for non-cash charges and other items:		
Amortisation of deferred formation cost	124,575	124,235
Unrealised (appreciation) / diminution in the fair value of investments classified as held for trading' - net	(22,789,366)	(1,000,341)
Element of (gain) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	(27,162,105)	79,121
	13,044,650	3,120,808
(Increase) / decrease in assets		
Investments - net	(162,647,649)	(36,846,270)
Loans and receivables	(290,000,000)	-
Mark-up receivable	(7,259,989)	1,659,377
Prepayments	(2,802,008)	(33,112)
	(462,709,646)	(35,220,005)
Increase / (decrease) in liabilities		
Payable to the Management Company	915,461	117,336
Payable to the Trustee	92,262	7,874
Annual fee payable to the Securities and Exchange Commission of Pakistan	40,746	(154,806)
Accrued expenses and other liabilities	1,809,781	(34,620)
	2,858,250	(64,216)
Net cash used in from operating activities	(446,806,746)	(32,163,413)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issue of units	653,276,560	-
Cash paid on redemption of units	(152,050,522)	(1,478,970)
Net cash used in / (generated) from financing activities	501,226,038	(1,478,970)
Net decrease / (increase) in cash and cash equivalent	54,419,292	(33,642,383)
Cash and cash equivalent at the beginning of the period	385,952,227	36,231,618
Cash and cash equivalent at the end of the period	440,371,519	2,589,235

The annexed notes from 1 to 16 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 Information (Unaudited) For the quarter ended September 30, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

Lakson Tactical Fund (Formerly: Lakson Asset Allocation Global Commodities 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 7, 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 Pakistan Stock Exchange Limited (previously: Lahore Stock Exchange Limited). 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 listed equity securities, Government securities, debt securities, deposits with banks, preference shares, placement of funds with financial institutions, reverse repo, margin trading system, money market placement, commercial paper, unlisted equity securities only if an application for listing of such securities has been accepted by the stock exchange, future contract of equity and commodity both and any other instruments authorized by the SECP in Pakistan. Further, as allowed by SECP and State Bank of Pakistan, 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 commodities, index tracker funds tracking different commodities indices, actively managed commodities based funds, equities and debt securities of companies with exposure in commodities, future contracts of different commodities and 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.

On October 13, 2016 (JCR-VIS) has assigned the Fund based performance ranking for the period ended June 30, 2016 (1 Year Ranking, 4-Star, 3 Years Ranking, 3-Star), the Pakistan Credit Rating Agency Limited (PACRA) has harmonized asset manager rating of the Company to the new scale i.e. AM2 (stable outlook), on June 08, 2016 (2015: AM2- as on April 22, 2015).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial informations have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the requirements of the Rules, the Regulations and the directives issued by the SECP shall prevail.

These condensed interim financial informations do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended June 30, 2016. However, selected explanatory notes are included to explain events and transactions that are significant.

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 (NBFC Regulations).

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

2.2 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.

2.3 Functional And Presentation Currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest rupees.

2.4 SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

The significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2016.

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, 2016.

		September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
	Note	(Rupees)	
6 BANK BALANCES			
In local currency			
In profit and loss sharing accounts	6.1	439,806,965	385,386,393
In current account		17,344	17,510
In foreign currency			
In current account	6.2	547,210	548,324
[USD\$ 5,230 (2016: USD\$ 5,230)]		<u>440,371,519</u>	<u>385,952,227</u>

6.1 These carry mark-up rates ranging from 4.00% to 10.00% (2016: from 4.00% to 8.00%) per annum.

6.2 This represents USD denominated current account maintained in foreign country.

7	LOANS AND RECEIVABLES	Note	September 30,	June 30,
			2016 (Unaudited)	2016 (Audited)
			(Rupees)	
	Term Deposit Receipts	7.1	310,000,000	80,000,000
	Certificate of Investments	7.2	60,000,000	-
			<u>370,000,000</u>	<u>80,000,000</u>

7.1 These carry mark-up rate ranging from 6.95% to 12.00% (June 30, 2016: 11.00%) per annum.

7.2 This carry mark-up rate at 6.40% (June 30, 2016: Nil) per annum.

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

Government securities

Market Treasury Bills	8.1	-	34,345,990
Pakistan Investments Bonds	8.2	52,640,400	12,639,732
		<u>52,640,400</u>	<u>46,985,722</u>

Term Finance Certificates and Sukuk

Term Finance Certificates -un-listed	8.3	43,750,000	50,000,000
Sukuk Certificates	8.4	20,000,000	-
		<u>20,000,000</u>	<u>-</u>

Listed Equity Securities

Investment in equity securities	8.5	457,715,318	291,682,981
		<u>574,105,718</u>	<u>388,668,703</u>

8.1 Market Treasury Bills

Note	Number of treasury bills				Balance as at September 30, 2016			Market value as a percentage of netassets of the Fund	Market value as a percentage of total investments
	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Coast	Market value	Unrealized appreciation		
Treasury Bills - 3 months (face value of Rs. 100,000 each)	-	-	-	-	-	-	-	-	-
Treasury Bills - 12 months (face value of Rs. 100,000 each)	350	-	350	-	-	-	-	-	-
Total - September 30, 2016									
Total - June 30, 2016					34,328,307	34,345,990	17,683	4.87%	8.84%

8.2 Pakistan Investment Bonds

Note	Number of units				Balance as at September 30, 2016			Market value as a percentage of netassets of the Fund	Market value as a percentage of total investments
	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealized appreciation		
3 years Pakistan Investment Bond (face value of Rs. 100,000 each)	120	-	120	-	-	-	-	-	-
5 years Pakistan Investment Bond (face value of Rs. 100,000 each)	8.1.1	250	-	250	25,981,228	26,026,800	45,572	1.87%	4.53%
10 years Pakistan Investment Bond (face value of Rs. 100,000 each)	8.1.2	250	-	250	26,562,274	26,613,600	51,326	1.91%	4.64%
Total - September 30, 2016					<u>52,543,502</u>	<u>52,640,400</u>	<u>96,898</u>	<u>3.78%</u>	<u>9.17%</u>
Total - June 30, 2016					12,998,587	12,639,732	(358,855)	1.79%	3.25%
Total investment - September 30, 2016					<u>52,543,502</u>	<u>52,640,400</u>	<u>96,899</u>	<u>3.78%</u>	<u>9.17%</u>
Total investment - June 30, 2016					47,326,894	46,985,722	(341,172)	6.66%	12.09%

- 8.1.1 This represented investment in 5 years Pakistan Investment Bonds carrying effective profit rates of 7.75% (2016: Nil) per annum having maturity on April 21, 2021. The face value of Pakistan Investment Bonds as at September 30, 2016 25 million (June 30, 2016: Nil).
- 8.1.2 This represented investment in 10 years Pakistan Investment Bonds carrying effective profit rates of 8.75% (2016: Nil) per annum having maturity on April 21, 2026. The face value of Pakistan Investment Bonds as at September 30, 2016 amounted to Rs. 25 million (June 30, 2016: Nil).

8.3 Term Finance Certificates - un-listed

Name of Security	Note	Number of certificates				Balance as at September 30, 2016			Market value as percentage of net assets of the Fund	Market value as percentage of total investment	Face value as percentage of size of the issue
		Number of holdings at beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying Value	Market value	Unrealized diminution			
Microfinance Bank											
NRSP Microfinance Bank PPTFC (face value of Rs. 5,000 each)	8.3.1	10,000	-	-	10,000	43,750,000	43,750,000	-	3.14%	7.62%	1.67%
Total as at September 30, 2016						43,750,000	43,750,000	-	3.14%	7.62%	0.02%
Total as at June 30, 2016						50,000,000	50,000,000	-	7.09%	12.86%	1.67%

- 8.3.1 This represents unlisted term finance certificates and carry a rate of mark-up equal to the base rate of 3 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 2.35% receivable quarterly in arrears with no floor or cap and will mature in June 30, 2018. The principal amount shall be redeemable at Rs. 625 on 08 equal quarterly installments. These term finance certificates are secured. The rating of the instrument is A.

8.4 Sukuk Certificates

Name of Security	Note	Number of certificates				Balance as at September 30, 2016			Market value as percentage of net assets of the Fund	Market value as percentage of total investment	Face value as percentage of size of the issue
		Number of holdings at beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying Value	Market value	Unrealized (diminution)			
Pak Elektron Limited (face value of Rs. 1,000,000 each)											
	8.4.1	-	20	-	20	20,000,000	20,000,000	-	1.44%	3.48%	1.87%
Total as at September 30, 2016						20,000,000	20,000,000	-	1.44%	3.48%	1.87%
Total as at June 30, 2016						-	-	-	-	-	-

- 8.4.1 These represent sukuk certificates having a face value of Rs. 1,000,000 each and carry a rate of profit equal to the base rate of 3 months of Karachi Inter Bank Offer Rate (KIBOR) plus margin of 2.50%. These sukuk certificates will mature on Nov 25, 2017. The rating of the instrument is A.



8.5 Investment in equity securities

Shares of listed companies – fully paid up ordinary shares of Rs. 10 except K-Electric Ltd which have a par value of Rs. 3.5 each unless stated otherwise

Name of the Investee Company	Holding as at July 01, 2016	Purchased during the year	Bonus shares received during the year	Disposed during the year	Holding as at September 30, 2016	Carrying value as of September 30, 2016	Market value as of September 30, 2016	Unrealised Appreciation / (diminution)	Market value as percentage of total Investments	Market value as percentage of net assets	Par value of share held as a percentage of total paid up equity investee company
			Number of Shares			(Rupees)	(Rupees)	(Rs)	(%)	(%)	(%)
Commercial Banks											
MCB Bank Limited	27,900	72,050	-	-	99,950	21,891,400	22,068,960	177,560	3.84	1.58	0.01
Allied Bank Limited	37,500	47,121	-	-	84,621	7,845,597	8,307,244	461,647	1.45	0.60	0.01
Bank Al Habib Limited	-	188,693	-	-	188,693	8,293,735	8,487,411	193,676	1.48	0.61	0.02
United Bank Limited	94,100	50,700	-	4,150	140,650	26,659,472	27,958,407	1,688,935	4.87	2.01	0.01
Meezan Bank Limited	-	161,918	-	-	161,918	8,564,803	8,907,109	342,306	1.55	0.64	0.02
Habib Bank Limited (8.5.1)	108,490	-	-	1,900	106,590	2,107,920	23,536,138	2,476,218	4.10	1.69	0.01
						99,922,927	99,265,269	5,342,342	17.29	7.13	
Chemicals											
Achona Pakistan Limited	11,300	1,100	-	-	12,400	6,065,055	7,338,028	1,272,973	1.28	0.53	0.04
ICI Pakistan Limited	17,750	10,400	-	-	28,150	13,688,187	18,359,149	4,670,962	3.20	1.32	0.03
						19,753,242	25,697,177	5,933,935	4.47	1.84	
Fertilizers											
Engro Corporation Limited (8.5.1)	64,350	17,400	-	14,200	67,550	22,445,290	19,673,938	(2,771,352)	3.43	1.41	0.01
Engro Fertilizer Limited	156,554	146,240	-	65,217	237,577	15,680,084	14,648,998	(1,041,086)	2.55	1.05	0.02
Fauji Fertilizer Company Limited	84,100	-	-	84,100	-	-	-	-	-	-	-
						38,135,374	34,322,936	(3,812,438)	5.98	2.46	
Glass and Ceramics											
Tariq Glass Industries Limited	60,700	28,535	-	-	89,235	7,226,468	8,546,036	1,319,568	1.49	0.61	0.12
						7,226,468	8,546,036	1,319,568	1.49	0.61	
Insurance											
Adameer Insurance Company Limited	-	102,500	-	102,500	-	-	-	-	-	-	-
						20,065,987	24,273,970	4,207,983	4.23	1.74	0.05
						20,065,987	24,273,970	4,207,983	4.23	1.74	0.05
Textile Composite											
Nihari Mills Limited	75,360	96,518	-	-	172,278	-	-	-	-	-	-
						25,522,262	26,108,373	586,111	4.55	1.87	0.01
Cement											
Fauji Cement Company Limited	96,500	2,000	-	98,500	38,550	25,522,262	26,108,373	586,111	4.55	1.87	0.01
Lucky Cement Company Limited	27,750	13,300	-	2,500	139,232	27,137,582	25,880,444	(1,257,138)	4.51	1.86	0.03
D.G Khan Cement Company Limited (8.5.1)	110,700	41,450	-	12,918	183,200	4,940,349	4,706,211	(134,138)	0.82	0.34	0.01
Kohat Cement Company Limited	5,200	11,100	-	11,100	18,300	9,334,455	9,859,216	524,761	1.72	0.71	0.04
Cherat Cement Company Limited	68,080	20,300	-	11,700	76,630	18,948,772	18,083,559	(765,213)	3.15	1.30	0.08
Pioneer Cement Company Limited	142,500	56,500	-	27,900	171,100	84,683,420	84,687,803	(1,045,617)	14.74	6.08	
						15,645,220	17,604,961	1,959,741	3.07	1.26	0.01
Power Generation & Distribution											
K-Electric Limited	1,373,353	648,152	-	110,000	1,911,505	4,820,289	4,784,556	(35,733)	0.83	0.34	0.00
The Hub Power Company Limited	40,149	-	-	-	40,149	1,518,455	10,930,835	(887,660)	1.50	0.78	0.01
Kor-Addi Power Company Limited	121,494	24,500	-	15,383	130,611	33,083,964	33,560,332	476,368	3.80	2.39	
						6,731,738	6,872,616	140,878	1.70	0.49	0.01
Oil and Gas Exploration Companies											
Milco Energy Company Limited	132,103	7,200	-	-	272,303	37,919,861	38,457,351	537,492	6.70	2.76	0.01
Oil and Gas Development Company Limited	124,600	140,200	-	-	264,800	20,680,348	21,638,991	958,643	3.77	1.55	0.01
Pakistan Petroleum Limited	-	54,200	-	46,650	132,150	5,412,320	5,638,406	226,086	0.98	0.40	0.01
Pakistan Oilfield Limited	-	14,050	-	-	14,050	70,754,267	72,597,366	1,843,099	12.65	5.21	

Name of the Investee Company	Holding as at July 01, 2016	Purchased during the year	Bonus shares received during the year	Disposed during the year	Holding as at September 30, 2016	Number of Shares				Market Value			Par value of shares of the investee company	
						Holding as at July 01, 2016	Purchased during the year	Bonus shares received during the year	Disposed during the year	Holding as at September 30, 2016	Market value as percentage of total investments	Unrealised Appreciation / (diminution)		Market value as percentage of net assets
						(Rupees)				(%)				
Oil and Gas Marketing Companies														
Attock Petroleum Limited	-	9,400	-	-	9,400	4,975,099	4,888,000	(87,099)	0.85	0.35	0.01			
Pakistan State Oil Company Limited	56,500	24,800	-	16,300	65,000	25,170,139	26,919,100	1,748,961	4.69	1.93	0.02			
						30,145,238	31,807,100	1,661,862	5.54	2.28				
Automobile Assemblers														
Millat Tractors Limited	4,200	4,994	-	-	9,194	5,225,887	6,242,542	1,016,655	1.09	0.45	0.02			
Indus Motor Company Limited	2,650	2,300	-	995	3,955	4,494,125	5,934,003	1,439,878	1.03	0.43	0.01			
						9,720,012	12,176,545	2,456,533	2.12	0.87				
Software and Computer Services														
Systems Limited	-	127,800	-	-	127,800	8,419,034	8,961,336	542,302	1.56	0.64	0.12			
						8,419,034	8,961,336	542,302	1.56	0.64				
Pharmaceuticals														
The Searl Company Limited	-	14,150	-	-	14,150	8,113,999	8,115,025	1,036	1.41	0.58	0.01			
						8,113,999	8,115,025	1,036	1.41	0.58				
Engineering														
Mughal Iron & Steel Industries Limited	65,400	46,129	-	23,300	88,229	6,161,570	7,544,461	1,382,891	1.31	0.54	0.07			
International Steels Limited	70,000	-	-	70,000	-	-	-	-	-	-	-			
Amneel Steels Limited	66,600	32,015	-	8,000	90,615	4,837,348	6,459,942	1,622,594	1.13	0.46	0.03			
						10,998,918	14,004,403	3,005,485	2.44	1.01				
Paper and Board														
Cherat Packaging Company Limited	12,200	-	-	12,200	-	-	-	-	-	-	-			
						435,022,850	457,715,318	22,692,468	79.73	32.87				
Total as at September 30, 2016						287,594,489	291,682,981	4,088,492	75.05	41.33				
Total as at June 30, 2016														

8.5.1 Following shares have been pledged with National Clearing Company of Pakistan Limited having market values as follows:

	September 30, 2016	June 30, 2016	September 30, 2016	June 30, 2016
	----- (Number of shares) -----		----- (Rupees in '000) -----	
Habib Bank Limited	50,000	50,000	11,041	9,878
D.G Khan Cement Company Limited	70,000	70,000	13,012	13,334
Engro Corporation Limited	20,000	20,000	5,825	6,659
	140,000	140,000	29,878	29,871

9 PAYABLE TO THE MANAGEMENT COMPANY	Note	September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
		(Rupees)	
Remuneration payable to the Management Company	9.1	1,533,652	717,163
Sales tax payable on remuneration to the Management Company		456,007	357,035
Federal excise duty payable on remuneration to the Management Company	9.2	1,686,556	1,686,556
Sales load payable		2,480	2,480
		3,678,695	2,763,234

9.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding 2% per annum of the average annual net assets of the Fund. However, the Management Company is currently charging a fee at the rate of 10% of the gross earnings of the scheme, calculated on a daily basis after the approval of SECP. The fee is subject to a minimum of 1% and maximum of 2% of the average annual net assets of the Fund.

9.2 The Finance Act, 2013 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 was 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 for a period till next hearing.

Further, the Federal Government vide Finance Act 2016 has excluded asset management companies and other non banking finance companies from charge of FED on their services.

Furthermore, the Sindh High Court in its order dated June 30, 2016 rendered the FED on certain services to be 'ultra vires' in the presence of Sindh Sales Tax Act, 2011. The asset management companies, in view of the Finance Act 2016 and based on the Sindh High Court order, filed a petition against the FED charge on previous years from 2013. The Sindh High Court in its decision dated July 16, 2016 maintained the previous order on the FED. The FBR on September 23, 2016 has filed an appeal against the order in Supreme Court.

In view of the pending decision and 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. 1.687 million (June 30, 2016: Rs. 1.687 millions). Had the said provision of FED not been recorded in the books of account of the Fund, the net asset value per unit of the Fund would have been higher by Re. 0.13 / 0.13%. (June 2016: Re. 0.25 / 0.25%).

	September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
Note	(Rupees)	
10 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	278,602	206,699
Workers' Welfare Fund	10.1 1,210,503	1,210,503
Payable to broker	2,064,222	403,387
Settlement charges	99,225	43,353
Others	41,171	20,000
	<u>3,693,723</u>	<u>1,883,942</u>

10.1 Workers' Welfare Fund

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) 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 Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

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 legal infirmity and overruled a single-member LHC bench judgment issued in August 2011.

However, the Honorable Peshawar High Court on May 29, 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.

Furthermore, the Federal Government vide Finance Act, 2015, excluded mutual funds from the levy of WWF under the Workers' Welfare Fund Ordinance, 1971, and hence no charge for WWF has been made from July 01, 2015 and onwards. The management is of the view that

the matter regarding provision for WWF pertaining to previous years would either need to be clarified by FBR or would be resolved through courts.

Had the recognition in previous years not been made, the net assets value per unit of the Fund would be higher by Re. 0.09 / 0.09% (June 30, 2016: Re. 0.18 / 0.18%)

11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at September 30, 2016.

12 TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to 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 capital gains to the unit holders. The management intends to distribute atleast 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 this condensed interim financial statement.

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons 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 September 30, 2016.

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 other than those disclosed elsewhere are as follows:

13.1 Balance as at year end	Note	September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
		(Rupees)	
Lakson Investments Limited - Management Company			
Payable to Management Company	9	<u>3,676,215</u>	<u>2,760,754</u>
Sales load payable		<u>2,480</u>	<u>2,480</u>
Central Depository Company of Pakistan Limited - Trustee			
Remuneration payable		<u>219,376</u>	<u>127,114</u>
CDC Charges payable		<u>14,759</u>	<u>15,683</u>
Security deposit		<u>100,000</u>	<u>100,000</u>
Habib Bank AG Zurich - Custodian			
Bank deposits		<u>547,210</u>	<u>548,324</u>

13.2 Unit Holders' Fund

Lakson Investments Limited - Management Company
Directors, Chief Executive and their spouse and minors

Associated companies / undertakings of the Management Company

Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	4,805								493,112			510,142
Princeton Travels (Private) Limited Employees Contributory Provident Fund Trust	19,488								1,999,950			2,069,021
Lakson Investments Limited Employees Contributory Provident Fund Trust	2,587								265,490			274,659
Tetley Clover (Private) Limited Employees Contributory Provident Fund Trust	8,742								897,145			928,129
Century Insurance Company Limited Employees Contributory Provident Fund Trust	58,844								6,038,848			6,247,409
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	193,400								19,847,617			20,533,085
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	139,177								14,282,998			14,776,283
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust	28,172								2,891,143			2,990,993
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	1,102,653								113,159,433			117,067,566
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	634,662								65,131,997			67,381,430
SIZA Services (Private) Limited Employees Contributory Provident Fund Trust	40,799								4,186,985			4,331,589
Other Internet Services (Private) Limited Employees Contributory Provident Fund Trust	264,240								27,117,551			28,054,097
Merit Packaging Limited Employees Contributory Provident Fund Trust	56,673								5,816,050			6,016,916
Merit Packaging Limited Employees Contributory Provident Fund Trust	22,176								2,275,805			2,354,404
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	144,657								14,845,381			69,125,999
Century Paper & Board Mills Limited Employees Gratuity Fund	472,292								48,468,825			105,939,658
Clover Pakistan Limited Employees Contributory Provident Fund Trust	17,811								1,827,849			1,890,976
Century Insurance Company Limited Premier Fashions (Private) Limited	1,935,558								198,636,059			205,496,257
Siza Commodities (Private) Limited Syzid (Private) Limited Employees Contributory Provident Fund Trust	238,739								24,500,518			97,541,023
Others - Connected Person due to holding more than 10% outstanding units	223,627								22,949,654			106,250,075
	66,550								6,825,674			7,065,547
												202,860,370

Period ended September 30, 2016										
Number of Units					Rupees					
Number of Units as at July 01, 2016	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Number of units as at September 30, 2016	Balance as at July 01, 2016	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance as at September 30, 2016	
1,072,161				1,072,161	110,030,201				113,830,261	

	Period ended September 30, 2015									
	Number of Units			Rupees						
	Number of Units as at July 01, 2015	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Number of units as at September 30, 2015	Balance as at July 01, 2015	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance as at September 30, 2015
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors	1,005,359	-	-	-	1,003,359	104,320,653	-	-	-	106,565,956
Associated companies / undertakings of the Management Company										
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	4,431	-	-	-	4,431	460,695	-	-	-	470,613
Princeton Travels (Private) Limited Employees Contributory Provident Fund Trust	4,544	-	-	-	4,544	472,469	-	-	-	482,614
Lakson Investments Limited Employees Contributory Provident Fund Trust	2,386	-	-	-	2,386	248,048	-	-	-	253,415
Telley Clover (Private) Limited Employees Contributory Provident Fund Trust	7,952	-	-	-	7,952	826,819	-	-	-	844,575
Century Insurance Company Limited Employees Contributory Provident Fund Trust	13,633	-	-	13,633	-	1,417,405	-	1,440,503	-	-
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	36,354	-	-	-	36,354	3,779,783	-	-	-	3,861,126
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	21,585	-	-	-	21,585	2,244,225	-	-	-	2,292,523
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	246,524	-	-	-	246,524	25,631,407	-	-	-	26,183,092
Colgate Palmolive (Pakistan) Limited Employees SIZA Services (Private) Limited Employees Contributory Provident Fund Trust	93,156	-	-	-	93,156	9,685,601	-	-	-	9,894,015
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	10,327	-	-	-	10,327	1,073,756	-	-	-	1,096,821
Ment Packaging Limited Employees Contributory Provident Fund Trust	49,986	-	-	-	49,986	5,197,152	-	-	-	5,308,968
Ment Packaging Limited Employees Contributory Provident Fund Trust	52,258	-	-	-	52,258	5,433,386	-	-	-	5,550,275
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	20,449	-	-	-	20,449	2,126,107	-	-	-	2,171,870
Century Paper & Board Mills Limited - Employees Gratuity Fund	144,657	-	-	-	144,657	15,040,200	-	-	-	15,363,990
Century Paper & Board Mills Limited - Employees Gratuity Fund	77,816	-	-	-	77,816	8,090,590	-	-	-	8,264,767

	2016	September 30, 2015
	(Unaudited) (Rupees)	
13.3 Transaction during the period		
Lakson Investments Limited - Management Company		
Remuneration during the period	<u>3,979,310</u>	<u>520,331</u>
Sindh Sales Tax on Remuneration	<u>517,310</u>	<u>84,502</u>
Federal Excise Duty on Remuneration	<u>-</u>	<u>83,253</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee	<u>606,164</u>	<u>200,590</u>
CDC Charges	<u>12,570</u>	<u>-</u>

14 TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 2.15% as of September 30, 2016 and this includes 0.28% representing Sindh Sales tax and SECP fee.

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 21, 2016 by the Board of Directors of the Management Company.

16 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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