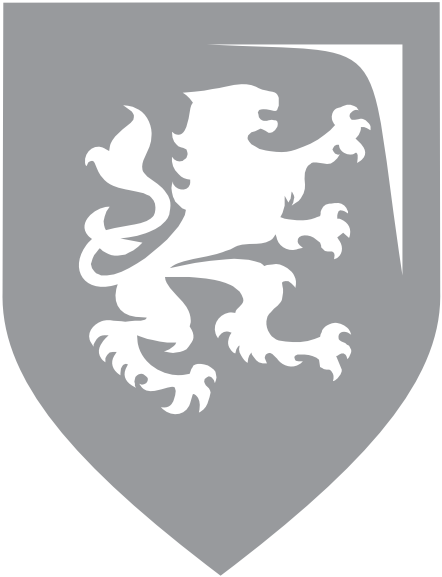


LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND
Half Yearly Report (December 31, 2015)



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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 Faysal Bank 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 (By JCR-VIS) AM2- : Asset Manager Rating by PACRA |

Review Report of the Directors of the Management Company For the half year ended December 31, 2015

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Asset Allocation Developed Markets Fund ("LAADMF") is pleased to submit its review report together with Condensed Interim Financial Statements for the half year ended December 31, 2015.

Fund Objective

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

Fund Profile

LAADMF 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 Developed Markets securities based on the outlook of the Investments Team of the performance of the Developed Markets. The Scheme may overweight or underweight countries relative to its benchmark for Developed Markets investments, the MSCI World 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 first half year of FY16 the LAADMF provided a return of 3.65% compared to the Benchmark return of 1.08%. As of December 31, 2015, the LAADMF is invested 18% in T-Bills, 27% in Developed Market Equities, 48% in PIBs and 7% in cash. As of December 31, 2015 the LAADMF has PKR 298 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

Pakistan's macro environment continued to remain favorable in the second half of 2015 with considerable positive developments on both the domestic and external front. This was reflected in the initiation of sovereign ratings by the international rating agency - Fitch Ratings, which assigned to Pakistan a rating of 'B stable' (a notch higher than comparable ratings by Moody's at B3 and S&P at B-). The manufacturing sector also showed improvement with large scale manufacturing (LSM) growing by 4.2% YoY in October 2015 compared to 1.9% YoY in October 2014.

In the September monetary policy statement (MPS) the State Bank of Pakistan (SBP) decreased the discount and target rates by 50 bps each to 6.5% and 6.0% respectively, the lowest levels on record, bringing the total reduction in interest rates to 350 bps over the last year. This decision was made on the back of low inflation and a comfortable external account position on account of weak commodity prices. The cut was the last in a series of cuts in the year 2015 as the SBP decided to maintain its policy rate during the quarter October to December as inflation is expected to now move on an upward trend. The rupee dollar parity saw appreciation in the last quarter of the year, with the parity averaging PKR 104.9.

CPI-based inflation reached its multi-year low to average 2.1% YoY in 2H2015 vs. 6.1% in the corresponding period last year creating expectations of another rate cut going forward. Inflation was recorded at 3.2% YoY in December '15 as opposed to 4.3% in December 2014. The increase was largely attributed to the low base effect as inflation had fallen in Q4CY14 due to a 25% decline in oil prices. December's inflation was below the market consensus of 3.8% as food items, which contribute almost 35% to the index, declined on the back of seasonality and ample supply. Headline inflation averaged 2.1% in 1H2015 as against 6.1% in the same period the previous year.

As the Chinese authorities devalued the Yuan in August 2015 in an attempt to kick start faltering economic growth, regional currencies also faced downward pressure as they sought to maintain

competitiveness in the global export market. Pakistan's forex market also succumbed to this pressure and the Pakistani Rupee came under panic selling to depreciate by 2.5% in a single day - the largest daily decline in over a year. This massive depreciation, however, did not prompt intervention from the SBP, as the government sought to pacify exporters who have long complained of an overvalued PKR.

The country's exports declined by 11.0% YoY from USD 12.2 billion to USD 10.8 billion during H1FY16. Consistently lower oil prices contributed in curtailing imports which dropped 10.0% YoY to USD 19.9 billion in the same period. Despite the lackluster performance of the export sector, the trade deficit narrowed from USD 9.9 billion in H1FY15 to USD 9.1 billion in H1FY16. With worker remittances growing 6.3% YoY to USD 9.7 billion, the current account deficit for H1FY16 was just USD 1.3 billion, a staggering decline of 48.6% over H1FY15.

On the external front, the country's foreign exchange reserves reached a record high of USD 21 billion after receiving a USD 1 billion tranche from the IMF, a USD 375 million CSF payments and developmental loans worth USD 1.4 billion from the World Bank and the Asian Development Bank. Moreover, the government successfully issued a 10-year Eurobond worth USD 500 million with a coupon rate of 8.25%. Foreign exchange reserves now provide an import cover for the country for almost 6 months. On the fiscal front, the government has made a net collection of approximately PKR 785 billion in the period October to December 2015 against a target of PKR 750 billion. In the previous quarter, July - September 2015, the net collection was recorded at PKR 600 billion against a target of PKR 640 billion. This takes the net collection for H1FY16 to PKR 1.385 trillion, a jump of 19% from the same period of the previous year.

Outlook

Going forward, contained inflation, a low discount rate and growth in development spending particularly related to the China Pakistan economic Corridor (CPEC) are likely to boost investment and consumption. However, the government needs to take initiatives to boost dwindling exports especially in the textile sector and also improve the tax machinery by expanding the tax net.

Fixed Income Review

To enhance the effectiveness of monetary policy and better manage liquidity in the interbank market, SBP improved the structure of its Interest Rate Corridor (IRC) framework by introducing the 'SBP target rate' for the money market overnight repo rate as the new and main Policy Rate of SBP. This step aligned SBP's operational target with the new Policy Rate set within IRC, i.e., 50 basis points below the ceiling rate. The main objective of adopting an improved IRC by SBP was to stabilize short-tenor interest rates around the 'Policy Rate' for smooth transmission of monetary policy. To keep the overnight interest rate and KIBOR close to the target rate, SBP conducted more frequent and larger volume Open Market Operations (OMOs) to meet liquidity needs of the market. As a result, in the period since May 2015 monetary policy statement, the overnight repo rate remained (on average) close to the new SBP target rate (Policy Rate), indicating successful implementation of the monetary policy stance.

Currently, the discount (or ceiling) rate is 6.5% while the newly introduced target rate stands at 6%. The SBP reduced the target rate from 6.5% to 6% in its last announcement in September after bringing it down by 300 basis points in 2014-15 (from 9.5% to 6.5% in CY15).

SBP uses monetary policy tool to achieve price stability and economic growth targets. Throughout the year, SBP kept the stance of monetary easing in response to declining inflation, mainly contributed by subdued global oil prices along with other major commodities. WTI declined by 30.5% from 53.27 to USD 37.04/barrel. Inflation, as measured by the consumer price index (CPI), clocked in at 2.55% for CY15 as compared to 7.23% in CY14.

In Q1CY15, the government raised Rs823 billion through the Market Treasury Bills (3, 6 and 12-month), the average yield of which fell by at least 100 basis points following a cut in the discount rate. The target was Rs775 billion.

During July to December, the government borrowed Rs534 billion from banks against Rs443 billion during the same period of last fiscal year. In the last T-Bill auction of CY15, the SBP realized PKR 30.39

billion having weighted average yield of 6.3374%, 6.3637% and 6.3914% for 3?Month, 6?Month and 12?Month respectively. Whereas, in the last PIB auction, the SBP accepted an amount totaling PKR 36.23 billion having a weighted average yield of 6.9987%, 7.9873%, 9.0995% for 3?Year, 5?Year and 10-Year PIBs respectively. The government did not receive bids for 20-year PIBs indicating that investors continue to have less appetite for long-term bonds in an uncertain interest rate environment.

Developed Markets Review

Just like the first half of 2015, the second half of 2015 continued to be in turmoil. A major event of this period was in August when in a surprise move, the People's Bank of China decided to devalue the Yuan. This action triggered massive global sell-offs amid concerns over a slowdown in China's economy as well as supply glut of oil.

In August, U.S. stocks had their worst monthly performance in 3 years with the Dow Jones industrials ending 6.6% lower and the S&P down 6.3%. NASDAQ also saw a massive decline and closed 6.9% lower. However, the Federal Reserve finally raised interest rates from near zero levels after receiving positive data on unemployment and inflation. The S&P 500 closed 0.93% lower in the July - December 2015 period to reach a level of 2,044. The Dow took a bigger blow in the period and closed down 1.1% but the NASDAQ which rose 0.4% in the period did slightly better as technology stocks were safe from the commodities rout.

The UK's FTSE 100 saw its all-time high over 7,000 points in April but could not sustain the rise due to falling commodity prices. The index declined almost 4.3% in the July - December 2015 period. Following suit the Spanish Index - CAC 40 was down 3.2% and the German index declined almost 2% in the same period.

Japanese equities also posted negative returns with the Nikkei index down almost 6% in the second half of 2015 despite monetary easing by the Bank of Japan and a substantial rise in corporate earnings.

Outlook

In 2016, divergent monetary policies are likely to prevail. The U.S. Federal Reserve is expected to continue raising interest rates as indicated by the chairwoman Janet Yellen in the December 2015 Fed meeting. The Bank of England is also likely to raise interest rates this year as inflation is likely to pick up. The ECB and the Bank of Japan are likely to opt for monetary easing so as to boost their flagging economies. The reduction in discount rates is likely to give a much needed impetus to their equity markets. Thus, 2016 is likely to witness divergence both in terms of monetary policies as well as by region.

Acknowledgment

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan, the Trustee of the Fund-Central Depository Company of Pakistan Limited and the management of the Pakistan Stock Exchange Limited (previously, Lahore Stock Exchange Limited) 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

Babar Ali Lakhani
Chief Executive Officer

Dated: February 06, 2016

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office

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TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Lakson Asset Allocation Developed Markets Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund for the period ended December 31, 2015 in accordance with the provisions of the following:

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


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

Karachi: February 18, 2016



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Pakistan

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND** ("the Fund") as at December 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 holders' fund and notes to the accounts for the six-month period then ended (here-in-after referred to as "condensed interim financial information"). Management Company of the Fund is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six months period ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

The figures for the quarter ended December 31, 2015 and December 31, 2014 in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 06 FEB 2016


CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

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

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

| | December 31, 2015 (Unaudited) | June 30, 2015 (Audited) |
|---|-------------------------------------|-------------------------------|
| Note | ----- (Rupees) ----- | |
| ASSETS | | |
| Bank balances | 5 21,461,672 | 179,718,580 |
| Investments | 6 277,335,922 | 141,096,027 |
| Dividend and mark-up receivable | 7,052,567 | 7,416,291 |
| Deferred formation cost | 391,424 | 645,022 |
| Prepayment | 165,076 | 37,260 |
| TOTAL ASSETS | 306,406,661 | 328,913,180 |
| LIABILITIES | | |
| Payable to the Management Company | 7 4,848,974 | 4,601,457 |
| Payable to the Trustee | 67,588 | 81,454 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 142,981 | 542,810 |
| Accrued and other liabilities | 8 2,962,309 | 2,885,849 |
| TOTAL LIABILITIES | 8,021,852 | 8,111,570 |
| NET ASSETS | 298,384,809 | 320,801,610 |
| UNITHOLDERS' FUND (as per statement of movement in Unit holders' Fund) | 298,384,809 | 320,801,610 |
| CONTINGENCIES AND COMMITMENTS | 9 | |
| | (Number of units) | |
| Number of units in issue | 2,503,874 | 2,790,213 |
| | (Rupees) | |
| Net assets value per unit | 119.1692 | 114.9738 |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

Condensed Interim Income Statement (Unaudited) For the half year ended December 31, 2015

| | Note | Half year ended December 31, | | Quarter ended December 31, | |
|--|------|---------------------------------|-------------------|-------------------------------|-------------------|
| | | 2015 | 2014 | 2015 | 2014 |
| ----- (Rupees) ----- | | | | | |
| INCOME | | | | | |
| Income from Government securities | | 8,956,404 | 17,296,017 | 4,562,450 | 7,890,533 |
| Mark-up income | | 1,347,532 | 1,633,514 | 311,537 | 911,208 |
| Capital (loss) / gain on sale of investments - net | | (1,952) | 4,764,404 | - | 4,778,408 |
| Dividend income | | 513,254 | 1,621,051 | 267,729 | 697,371 |
| Exchange (loss) / gain on foreign currency deposits | | (7,559) | 492,836 | 3,412 | 309,839 |
| Unrealised appreciation / (diminution) in the fair value of investments classified as 'held for trading' - net | | 4,313,340 | 1,533,082 | 6,654,820 | (772,460) |
| | | 15,121,019 | 27,340,904 | 11,799,948 | 13,814,899 |
| EXPENSES | | | | | |
| Remuneration of the Management Company | | 2,310,579 | 5,438,768 | 1,176,599 | 2,463,289 |
| Sales tax on remuneration to the Management Company | | 375,238 | 946,346 | 191,080 | 428,613 |
| Federal excise duty on remuneration to the Management Company | 7.2 | 369,693 | 870,203 | 188,256 | 394,126 |
| Remuneration of the Trustee | | 401,181 | 566,916 | 200,591 | 269,368 |
| Annual fee to the Securities and Exchange Commission of Pakistan | | 142,981 | 269,285 | 71,401 | 127,950 |
| Auditors' remuneration | | 179,208 | 172,955 | 82,454 | 81,827 |
| Fees and subscription | | 47,257 | 20,165 | 23,629 | 10,083 |
| Rating fee | | 101,328 | 43,397 | 60,999 | 43,397 |
| Printing charges | | 15,056 | 23,731 | 10,029 | 18,690 |
| Brokerage, custody, settlement and bank charges | | 257,848 | 1,022,925 | 39,758 | 911,454 |
| Amortisation of deferred formation cost | | 253,598 | 254,294 | 126,799 | 127,147 |
| Workers' Welfare Fund | 8.1 | 126,880 | 312,655 | 126,880 | 249,610 |
| | | 4,580,847 | 9,941,640 | 2,298,475 | 5,125,554 |
| Net income from operating activities | | 10,540,172 | 17,399,264 | 9,501,473 | 8,689,345 |
| Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed - net | | (4,323,029) | (2,079,154) | (464,013) | 3,541,578 |
| Net income for the period | | 6,217,143 | 15,320,110 | 9,037,460 | 12,230,923 |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)
 For the half year ended December 31, 2015**

| | Half year ended December 31, | | Quarter ended December 31, | |
|--|---------------------------------|-------------------|-------------------------------|-------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | ------(Rupees)----- | | | |
| Net income for the period | 6,217,143 | 15,320,110 | 9,037,460 | 12,230,923 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | <u>6,217,143</u> | <u>15,320,110</u> | <u>9,037,460</u> | <u>12,230,923</u> |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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

 Chief Executive Officer

 Director

**Condensed Interim Distribution Statement (Unaudited)
For the half year ended December 31, 2015**

| | Half year ended December 31, | | Quarter ended December 31, | |
|---|---------------------------------|-------------------|-------------------------------|-------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | ------(Rupees)----- | | | |
| Undistributed income at the beginning of the period - realised | 31,460,919 | 5,911,565 | 41,301,462 | 38,316,821 |
| Undistributed income / (accumulated loss) at the beginning of the period - unrealised | 10,319,380 | 31,621,610 | (2,341,480) | 2,305,542 |
| Undistributed income at the beginning of the period | <u>41,780,299</u> | <u>37,533,175</u> | <u>38,959,982</u> | <u>40,622,363</u> |
| Total comprehensive income for the period | 6,217,143 | 15,320,110 | 9,037,460 | 12,230,923 |
| Undistributed income at the end of the period | <u>47,997,442</u> | <u>52,853,285</u> | <u>47,997,442</u> | <u>52,853,285</u> |
| Undistributed income at the end of the period - realised | 43,684,102 | 51,320,203 | 43,684,102 | 51,320,203 |
| Undistributed income at the end of the period - unrealised | 4,313,340 | 1,533,082 | 4,313,340 | 1,533,082 |
| Undistributed income at the end of the period | <u>47,997,442</u> | <u>52,853,285</u> | <u>47,997,442</u> | <u>52,853,285</u> |

The annexed notes from 1 to 14 form an integral part of this 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 half year ended December 31, 2015**

| | Half year ended December 31, | | Quarter ended December 31, | |
|--|---------------------------------|--------------------|-------------------------------|--------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | ------(Rupees)----- | | | |
| Net assets value per unit at the beginning of the period | 320,801,610 | 598,492,198 | 291,903,361 | 535,465,329 |
| Amount received on issue of nil (2014: 916,630) units and nil (2014: 916,630) units for the half year and quarter respectively | - | 99,899,569 | - | 99,899,569 |
| Amount paid on redemption of 286,338 (2014: 1,195,959) units and 25,559 (2014: 534,799) units for the half year and quarter respectively | (32,956,973) | (129,911,646) | (3,020,025) | (58,174,858) |
| | (32,956,973) | (30,012,077) | (3,020,025) | 41,724,711 |
| Element of loss / (income) and capital losses / (gains) included in the prices of units issued less those in units redeemed - net | 4,323,029 | 2,079,154 | 464,013 | (3,541,578) |
| Total comprehensive income for the period | 6,217,143 | 15,320,110 | 9,037,460 | 12,230,923 |
| Net assets at the end of the period | <u>298,384,809</u> | <u>585,879,385</u> | <u>298,384,809</u> | <u>585,879,385</u> |
| Net assets value per unit at the beginning of the period | <u>114.9738</u> | <u>106.6908</u> | <u>115.4026</u> | <u>108.2091</u> |
| Net assets value per unit at the end of the period | <u>119.1692</u> | <u>109.9157</u> | <u>119.1692</u> | <u>109.9157</u> |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Cash Flow Statement (Unaudited)
For the half year ended December 31, 2015**

| | Half year ended December 31, | | Quarter ended December 31, | |
|---|---------------------------------|----------------------|-------------------------------|---------------------|
| | 2015 | 2014 | 2015 | 2014 |
| ------(Rupees)----- | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net income for the period | 6,217,143 | 15,320,110 | 9,037,460 | 12,230,923 |
| Adjustments for non-cash charges and other items: | | | | |
| Capital loss / (gain) on sale of investments - net | 1,952 | (4,764,404) | - | (4,778,408) |
| Amortisation of deferred formation cost | 253,598 | 254,294 | 126,799 | 127,147 |
| Unrealised (appreciation) / diminution in the fair value of investments classified as held for trading ¹ - net | (4,313,340) | (1,533,082) | (6,654,820) | 772,460 |
| Element of loss / (income) and capital losses / (gains) included in the prices of units issued less those in units redeemed - net | 4,323,029 | 2,079,154 | 464,013 | (3,541,578) |
| | 6,482,382 | 11,356,072 | 2,973,452 | 4,810,544 |
| (Increase) / decrease in assets | | | | |
| Investments - net | (131,928,507) | (381,486,348) | 1,779,582 | (43,114,744) |
| Dividend and mark-up receivable | 363,724 | (7,027,332) | (3,775,963) | (7,201,374) |
| Prepayment | (127,816) | (136,438) | (94,704) | (106,520) |
| | (131,692,599) | (388,650,118) | (2,091,085) | (50,422,638) |
| (Decrease) / increase in liabilities | | | | |
| Payable to the Management Company | 247,517 | 744,949 | 235,056 | 211,122 |
| Payable to the Trustee | (13,866) | 1,619 | 2,179 | 1,984 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | (399,829) | (268,033) | 71,402 | 127,950 |
| Accrued and other liabilities | 76,460 | 332,654 | 166,768 | 472,867 |
| | (89,718) | 811,189 | 475,405 | 813,923 |
| Net cash (used in) / generated from operating activities | (125,299,935) | (376,482,857) | 1,357,772 | (44,798,171) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Cash received from issue of units | - | 99,899,569 | - | 99,899,569 |
| Cash paid on redemption of units | (32,956,973) | (129,911,646) | (3,020,025) | (58,174,858) |
| Net cash (used in) / generated from financing activities | (32,956,973) | (30,012,077) | (3,020,025) | 41,724,711 |
| Net decrease in cash and cash equivalent during the period | (158,256,908) | (406,494,935) | (1,662,253) | (3,073,460) |
| Cash and cash equivalent at the beginning of the period | 179,718,580 | 419,698,826 | 23,123,925 | 16,277,352 |
| Cash and cash equivalent at the end of the period | 21,461,672 | 13,203,891 | 21,461,672 | 13,203,891 |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

**Notes to and Forming Part of the Condensed Interim
Financial Statements (Unaudited)
For the half year ended December 31, 2015**

1. LEGAL STATUS AND NATURE OF BUSINESS

Lakson Asset Allocation Developed 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 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 Fund has commenced its operations on October 11, 2011. 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 the Pakistan Stock Exchange Limited (previously Lahore Stock Exchange Limited). Units are offered for public subscription on a continuous basis. The units are transferable and can 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 up to 30% of the net aggregate 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 developed markets, index tracker funds tracking different developed markets, actively managed developed markets funds, equities and debt securities of companies with exposure in developed 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 maintained 1-Star ranking to the Fund and the Pakistan Credit Rating Agency Limited (PACRA) has upgraded rating to 'AM2-' (Management company quality rating) for the Management Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the fund for the six month period ended December 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 issued under 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, 2015.

This condensed interim financial information comprises of condensed interim statement of assets and liabilities as at December 31, 2015 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim

distribution statement, condensed interim statement of cash flow, condensed interim statement of movement in Unit Holder's Fund, and notes thereto, for the six month period ended December 31, 2015.

- 2.2 This condensed interim financial information is unaudited, however, limited scope review has been performed by the external auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance.
- 2.3 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.

2.4 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.

2.5 Functional and presentation currency

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

2.6 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 as at and for the year ended June 30, 2015.

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 annual audited financial statements as at and for the year ended June 30, 2015.

IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the condensed interim financial information of the Fund's, except certain additional disclosures.

4 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2015.

| | | December 31, 2015 (Unaudited) | June 30, 2015 (Audited) |
|--------------------------------------|-------------|-------------------------------------|-------------------------------|
| 5. BANK BALANCES | Note | (Rupees) | |
| In local currency | | | |
| In profit and loss sharing accounts | 5.1 | 19,726,323 | 179,077,648 |
| In current accounts | | 8,097 | - |
| In foreign currency | | | |
| In current account | | | |
| [USD\$: 16,491 (June 2015: 6,297)] | 5.2 | 1,727,252 | 640,932 |
| | | <u>21,461,672</u> | <u>179,718,580</u> |

- 5.1 These carry mark-up rates ranging from 4.5% to 7.40% (June 30, 2015: 4.50% to 6.00%) per annum.
- 5.2 This represents USD denominated current account.

| | December 31, 2015 (Unaudited) | June 30, 2015 (Audited) |
|--|-------------------------------------|-------------------------------|
| Note | (Rupees) | |
| 6. INVESTMENTS - financial assets at fair value through profit or loss - held for trading | | |
| In local currency | | |
| Government securities-Market Treasury Bills | 6.1 | 52,948,779 |
| Government securities-Pakistan Investment Bonds | 6.2 | 144,200,054 |
| | | 141,096,027 |
| In foreign currency | | |
| Exchange traded fund | 6.3 | 80,187,089 |
| | | - |
| | <u>277,335,922</u> | <u>141,096,027</u> |

6.1 Government securities - Market Treasury Bills

| Note | Number of Treasury bills | | | | Balance as at December 31, 2015 | | | Market value as a percentage of net assets 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 / diminution | | | |
| | | | | | | | | | | Rupees |
| Treasury Bills - 3 months (face value of Rs. 100,000 each) | 6.1.1 | - | 950 | 800 | 150 | 14,948,928 | 14,947,739 | (1,189) | 5.01% | 5.39% |
| Treasury Bills - 12 months (face value of Rs. 100,000 each) | 6.1.2 | - | 400 | - | 400 | 38,048,352 | 38,001,040 | (47,312) | 12.74% | 13.70% |
| Total - December 31, 2015 | | | | | | <u>52,997,279</u> | <u>52,948,779</u> | <u>(48,500)</u> | <u>17.75%</u> | <u>19.09%</u> |
| Total - June 30, 2015 | | | | | | - | - | - | - | - |

- 6.1.1 These represent 3 months Government Treasury bill carrying an effective yield of 6.3038% per annum and will mature on January 21, 2016. The face value of Treasury Bills held as at December 31, 2015 amounted to Rs. 15 million. (June 30, 2015: Nil).
- 6.1.2 These represent 12 months Government Treasury bills carrying an effective yield of 6.3098% per annum and will mature on October 27, 2016. The face value of Treasury Bills held as at December 31, 2015 amounted to Rs. 40 million. (June 30, 2015: Nil).

6.2 Government securities - Pakistan Investment Bonds

| Note | Number of PIBs | | | | Balance as at December 31, 2015 | | | Market value as a percentage of net assets 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 / diminution | | | |
| | | | | | | | | | | Rupees |
| Pakistan Investments Bond - 3 Years (face value of Rs. 100,000 each) | 6.2.1 | 310 | - | - | 310 | 33,418,911 | 33,075,481 | (343,430) | 11.08% | 11.93% |
| Pakistan Investments Bond - 5 Years (face value of Rs. 100,000 each) | 6.2.2 | 275 | - | - | 275 | 30,041,214 | 30,817,792 | 776,578 | 10.33% | 11.11% |
| Pakistan Investments Bond - 10 Years (face value of Rs. 100,000 each) | 6.2.3 | 695 | - | - | 695 | 77,517,748 | 80,306,781 | 2,789,033 | 26.91% | 28.96% |
| Total - December 31, 2015 | | | | | | <u>140,977,873</u> | <u>144,200,054</u> | <u>3,222,181</u> | <u>48.33%</u> | <u>51.99%</u> |
| Total - June 30, 2015 | | | | | | <u>130,776,647</u> | <u>141,096,027</u> | <u>10,319,380</u> | <u>43.98%</u> | <u>100.00%</u> |

- 6.2.1 These represent 3 years Pakistan Investments Bond carrying a fixed mark-up rate of 11.2500% per annum and will mature on July 17, 2017. The face value of Pakistan Investments Bond held as at December 31, 2015 amounted to Rs. 31 million. (June 30, 2015: Rs. 31 million).

- 6.2.2 These represent 5 years Pakistan Investments Bond carrying a fixed mark-up rate of 11.5000% per annum and will mature on July 17, 2019. The face value of Pakistan Investments Bond held as at December 31, 2015 amounted to Rs. 27.5 million. (June 30, 2015: Rs. 27.5 million).
- 6.2.3 These represent 10 years Pakistan Investments Bond carrying a fixed mark-up rate of 12.0000% per annum and will be maturing between July 19, 2022 to July 17, 2024. The face value of Pakistan Investments Bond held as at December 31, 2015 amounted to Rs. 69.5 million. (June 30, 2015: Rs. 69.5 million).

6.3 Exchange traded fund: Foreign investment

| | Number of units | | | | Balance as at December 31, 2015 | | | 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 during the period | Number of holdings at the end of the period | Carrying value | Market value | Unrealized appreciation | | |
| | | | | | -----Rupees----- | | | | |
| Power shares QQQ Trust Series 1 | - | 3,450 | - | 3,450 | 39,493,397 | 40,421,332 | 927,935 | 13.55% | 14.57% |
| Vanguard S&P 500 UCITS ETF | - | 9,700 | - | 9,700 | 39,554,033 | 39,765,757 | 211,724 | 13.33% | 14.34% |
| Total - December 31, 2015 | | | | | 79,047,430 | 80,187,089 | 1,139,659 | 26.87% | 28.91% |
| Total - June 30, 2015 | | | | | | | | | |
| Total investment - December 31, 2015 | | | | | 273,022,582 | 277,335,922 | 4,313,340 | 92.95% | 100.00% |
| Total investment - June 30, 2015 | | | | | 130,776,647 | 141,096,027 | 10,319,380 | 43.98% | 100.00% |

| | December 31, 2015 (Unaudited) | June 30, 2015 (Audited) |
|-------------|--|--|
| Note | (Rupees) | |

7. PAYABLE TO THE MANAGEMENT COMPANY

| | | | |
|---|-----|-------------------------|-------------------------|
| Remuneration to the Management Company | 7.1 | 389,995 | 537,851 |
| Federal excise duty payable on remuneration to the Management Company | 7.2 | 3,814,340 | 3,444,647 |
| Sales tax payable on remuneration to the Management Company | | 641,680 | 616,000 |
| Sales load payable | | 2,959 | 2,959 |
| | | <u>4,848,974</u> | <u>4,601,457</u> |

- 7.1 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 3% per annum of the average annual net assets of the Fund during first five years of the Fund's existence and thereafter an amount not exceeding 2% per annum of such net assets of the Fund. However, the rate of fee is temporarily reduced to 15% of the gross earnings of the scheme, calculated on a daily basis. The fee is subject to a minimum of 1.25% and maximum of 2% of the average annual net assets of the Fund after the approval from SECP since December 2014.
- 7.2 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 04, 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. 3.814 million (June 30, 2015: Rs. 3.445 million).

| | December 31, 2015 (Unaudited) | June 30, 2015 (Audited) |
|---|-------------------------------------|-------------------------------|
| Note | (Rupees) | |
| 8. ACCRUED AND OTHER LIABILITIES | | |
| Auditors' remuneration | 159,608 | 204,750 |
| Brokerages payable | - | 1,911 |
| Custody fee payable | 6,579 | - |
| Workers' Welfare Fund | 8.1 2,786,068 | 2,659,188 |
| Others | 10,054 | 20,000 |
| | <u>2,962,309</u> | <u>2,885,849</u> |

8.1 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 (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 Honorable High Court of Sindh, 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, vide the Finance Act, 2015, the mutual funds have been excluded from the levy of WWF. Workers' Welfare Fund Ordinance, 1971, Accordingly, the management is of the view that this change is applicable from 01 July 2015. However, the matter regarding previous years would either need to be clarified by FBR or would be resolved through courts.

Had the above recognition not been made, the net assets value per unit of the Fund would be higher by Re. 1.1127/ 1.1127% (June 30, 2015: Re. 0.95/ 0.95%).

9. CONTINGENCIES AND COMMITMENTS

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

10. TAXATION

The Fund is exempt from taxation under clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. 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 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. The management intends to distribute at least 90% of the income earned during the year by the Fund to the unit holders. Accordingly, no provision has been made in these condensed interim financial information.

During the year ended June 30, 2014, the FBR has issued show cause notices to the Fund under section 122(9) for proceeding u/s 122(5A) of the Income Tax Ordinance, 2001 for amendment of assessment on grounds that exemption from tax claimed under clause 99 of Part-I of the Second Schedule is not as per law. Total tax including Workers' Welfare Fund payable as per amended assessment would be Rs. 7.203 million and Rs 19.001 million for the tax years 2012 and 2013 respectively. Trustee of the Fund has filed a suit in the High Court of Sindh for declaration and permanent injunction for which a stay order has been granted by Sindh High Court. The management expects a favorable outcome and, accordingly, no provision has been recorded in respect of this matter.

11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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 and entities having holding more than 10% in the units of the Funds as at December 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 other than those disclosed elsewhere are as follows:

| | December 31, 2015 (Unaudited) | June 30, 2015 (Audited) |
|---|--|--|
| | (Rupees) | |
| 11.1 Balance as at period end | | |
| Lakson Investments Limited - Management Company | | |
| Remuneration payable | <u>4,846,015</u> | <u>4,598,498</u> |
| Sales load payable | <u>2,959</u> | <u>2,959</u> |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable | <u>67,588</u> | <u>81,454</u> |
| Habib Bank AG Zurich - Custodian | | |
| Bank deposits | <u>1,727,252</u> | <u>640,932</u> |
| Custody fee payable | <u>6,579</u> | <u>-</u> |
| Others - Connected Person due to holding more than 10% outstanding units | | |
| Bank deposits | <u>1,611,283</u> | <u>4,925,000</u> |
| Profit receivable | <u>90,255</u> | <u>25,565</u> |

| | Six months period ended December 31, 2015 | | | | | | | | | |
|---|---|--------------------------------------|----------------------------------|---|-----------------------------|--------------------------------|--------------------------------------|----------------------------------|---|--|
| | Number of Units | | | | | Rupees | | | | |
| | Units issued during the period at July 01, 2015 | Bonus units issued during the period | Units redeemed during the period | Number of units as at December 31, 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 December 31, 2015 (Investment at current NAV) | |
| Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company | 1,025,080 | - | - | 1,025,080 | 117,857,364 | - | - | - | 122,157,964 | |
| Associated companies / undertakings of the Management Company | 163,397 | 118 | 118 | 163,397 | 18,786,363 | 14,112 | - | 14,152 | 19,471,890 | |
| Lakson Business Solutions Limited - Employees | 4,715 | - | - | 4,715 | 542,102 | - | - | - | 561,883 | |
| Contributory Provident Fund Trust | 4,836 | - | - | 4,836 | 556,002 | - | - | - | 576,302 | |
| Princeton Travels (Private) Limited - Employees | 2,539 | - | - | 2,539 | 291,901 | - | - | - | 302,571 | |
| Contributory Provident Fund Trust | 8,463 | - | 8,463 | - | 973,004 | - | - | 985,449 | - | |
| Tetley Clover (Private) Limited - Employees | 14,508 | - | - | 14,508 | 1,668,007 | - | - | - | 1,728,907 | |
| Contributory Provident Fund Trust | 38,687 | - | - | 38,687 | 4,448,019 | - | - | - | 4,610,299 | |
| Century Insurance Company Limited - Employees | 22,971 | - | - | 22,971 | 2,641,011 | - | - | - | 2,737,436 | |
| GAM Corporation (Private) Limited - Employees | 262,348 | - | - | 262,348 | 30,163,125 | - | - | - | 31,263,801 | |
| SIZA Foods (Private) Limited - Employees | 99,136 | - | - | 99,136 | 11,398,047 | - | - | - | 11,813,958 | |
| Colgate Palmolive (Pakistan) Limited - Employees | 10,881 | - | - | 10,881 | 1,251,005 | - | - | - | 1,296,680 | |
| Contributory Provident Fund Trust | 53,195 | - | - | 53,195 | 6,116,025 | - | - | - | 6,339,206 | |
| Colgate Palmolive (Pakistan) Limited - Employees | 16,926 | - | 16,926 | - | 1,946,008 | - | - | 2,014,222 | - | |
| Contributory Provident Fund Trust | 42,314 | - | - | 42,314 | 4,865,020 | - | - | - | 5,042,526 | |
| Accuray Surgicals Limited - Employees | 55,613 | - | - | 55,613 | 6,394,027 | - | - | - | 6,627,357 | |
| Merit Packaging Limited - Employees | 21,762 | - | - | 21,762 | 2,502,010 | - | - | - | 2,593,360 | |
| Contributory Provident Fund Trust | 272,857 | - | - | 272,857 | 31,371,427 | - | - | - | 32,516,150 | |
| Century Paper & Board Mills Limited - Employees | 147,068 | - | - | 147,068 | 16,908,915 | - | - | - | 17,525,976 | |
| Contributory Provident Fund Trust | 432,266 | - | 173,885 | 258,381 | 49,699,238 | - | - | 20,000,000 | 30,791,057 | |
| Other - connected persons due to holding more than 10% outstanding units * | | | | | | | | | | |

| Six months period ended December 31, 2014 | | | | | | | | | |
|---|--------------------------------|--------------------------------------|----------------------------------|---|-----------------------------|--------------------------------|--------------------------------------|----------------------------------|---|
| Number of Units | | | | | Rupees | | | | |
| 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 units as at December 31, 2015 | Balance as at July 01, 2014 | Units issued during the period | Bonus units issued during the period | Units redeemed during the period | Balance as at December 31, 2014 (Investment at current NAV) |
| 2,683,303 | 456,550 | - | 22,051 | 3,117,802 | 286,283,740 | 49,899,569 | - | 2,422,910 | 342,695,366 |
| 164,278 | - | - | - | 164,278 | 17,526,940 | - | - | - | 18,056,719 |
| Associated companies / undertakings of the Management Company | | | | | | | | | |
| Directors, Chief Executive and 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 | 4,715 | - | - | 4,715 | 503,048 | - | - | - | 518,253 |
| Contributory Provident Fund Trust | 4,836 | - | - | 4,836 | 515,947 | - | - | - | 531,542 |
| Lakson Investments Limited - Employees | 2,539 | - | - | 2,539 | 270,872 | - | - | - | 279,059 |
| Contributory Provident Fund Trust | 8,463 | - | - | 8,463 | 902,906 | - | - | - | 930,198 |
| Tetley Clover (Private) Limited - Employees | 14,508 | - | - | 14,508 | 1,547,840 | - | - | - | 1,594,625 |
| Contributory Provident Fund Trust | 38,687 | - | - | 38,687 | 4,127,572 | - | - | - | 4,252,335 |
| Century Insurance Company Limited - Employees | 22,971 | - | - | 22,971 | 2,450,746 | - | - | - | 2,524,824 |
| GAM Corporation (Private) Limited - Employees | 7,254 | - | - | 7,254 | 773,920 | - | - | - | 797,313 |
| SIZA Foods (Private) Limited - Employees | 262,348 | - | - | 262,348 | 27,900,099 | - | - | - | 28,836,144 |
| Contributory Provident Fund Trust | 99,136 | - | - | 99,136 | 10,576,904 | - | - | - | 10,896,607 |
| Colgate Palmolive (Pakistan) Limited - Employees | 10,881 | - | - | 10,881 | 1,160,880 | - | - | - | 1,195,969 |
| Contributory Provident Fund Trust | 53,195 | - | - | 53,195 | 5,675,412 | - | - | - | 5,846,960 |
| Cyber Internet Services (Private) Limited - Employees | 16,926 | - | - | 16,926 | 1,805,813 | - | - | - | 1,860,396 |
| Contributory Provident Fund Trust | 42,314 | - | - | 42,314 | 4,514,532 | - | - | - | 4,650,991 |
| Accord (Private) Limited - Employees | 55,613 | - | - | 55,613 | 5,933,385 | - | - | - | 6,112,731 |
| Contributory Provident Fund Trust | 21,762 | - | - | 21,762 | 2,321,759 | - | - | - | 2,391,958 |
| Merit Packaging Limited - Employees | 272,894 | - | - | 272,894 | 29,115,301 | - | - | - | 29,995,358 |
| Contributory Provident Fund Trust | 147,088 | - | - | 147,088 | 15,692,883 | - | - | - | 16,167,226 |
| Century Paper & Board Mills Limited - Employees | 1,092,568 | - | - | 1,092,568 | 116,569,140 | - | - | - | 121,121,121 |
| Contributory Provident Fund Trust | | | 581,566 | | | | | 63,212,121 | |
| Century Insurance Company Limited | | | | | | | | | |

| 11.3 Transactions during the period | Half year ended December 31, | |
|---|---------------------------------|---------|
| | 2015 | 2014 |
| | (Unaudited) (Rupees) | |
| Habib Bank AG Zurich - Custodian | | |
| Brokerage and settlement charges | 180,027 | 798,696 |
| Custody charges | 64,181 | 176,605 |
| Bank charges | - | 14,793 |
| Others - Connected Person due to holding more than 10% outstanding units | | |
| Profit on bank deposits | 968,746 | 284,726 |
| Bank charges | 4,990 | 3,698 |

11.3 Other transactions during the period

| | Half year ended December 31, | | Quarter ended December 31, | |
|---|---------------------------------|------------------|-------------------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | (Unaudited) (Rupees) | | | |
| Lakson Investments Limited - Management Company of the Fund Remuneration to the Management Company | 2,310,579 | 5,438,768 | 1,176,599 | 2,463,289 |
| Sindh sales tax on remuneration of Management Company | 375,238 | 946,346 | 191,080 | 428,613 |
| Federal Excise Duty on Remuneration of Management Company | 369,693 | 870,203 | 188,256 | 394,126 |
| | <u>3,055,510</u> | <u>7,255,317</u> | <u>1,555,935</u> | <u>3,286,028</u> |
| Central Depository Company of Pakistan Limited - Trustee of the Fund Remuneration for the period | 401,181 | 566,916 | 200,591 | 269,368 |

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short-term in nature or periodically repriced.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1); inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Investments of the Fund carried at fair value are categorised as follows:

| As at December 31, 2015 | | | | |
|---|-------------|---------|-------------|--|
| Level 1 | Level 2 | Level 3 | Total | |
| ----- Rupees ----- | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| 80,187,089 | 197,148,833 | - | 277,335,922 | |

| As at June 30, 2015 | | | | |
|---|-------------|---------|-------------|--|
| Level 1 | Level 2 | Level 3 | Total | |
| ----- Rupees ----- | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - | 141,096,027 | - | 141,096,027 | |

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 06, 2016 by the Board of Directors of the Management Company.

14. 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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