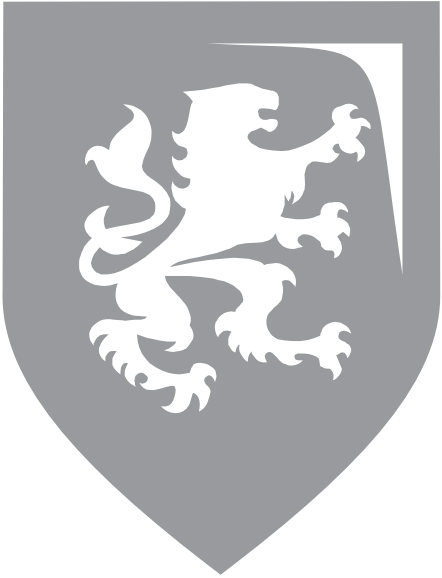


LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND
Quarterly Report (March 31, 2016)



CONTENTS

Fund's Information	1
Review Report of the Directors of the Management Company	2
Condensed Interim Statement of Assets and Liabilities	5
Condensed Interim Income Statement	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Distribution Statement	8
Condensed Interim Statement of Movement in Unit Holders' Fund	9
Condensed Interim Cash Flow Statement	10
Notes to and forming part of the Condensed Interim Financial Information	11

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

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/l, 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 nine months period ended March 31, 2016

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 period ended March 31, 2016

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 9MFY16 and 3QFY16 the LAADMF provided a return of 6.37% and 2.63% respectively. During the same period the Benchmark returned 1.49% and 0.41% respectively. The Fund has outperformed the Benchmark by 488 bps during 9MFY16. As of March 31, 2016, the LAADMF is invested 24% in T-Bills, 26% in Developed Market Equities, 49% in PIBs and 1% in cash. The LAADMF has PKR 305 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 outgoing quarter with most of the indicators moving in the right direction. With oil prices remaining on the lower side, the economy continued to benefit from a lower import bill. Import of LNG supplies will help bridge the energy demand-supply gap. Manufacturing sector showed improvement with large scale manufacturing (LSM) growing by 4.12% during 7MFY16. Although the macro situation has improved, tough structural reforms needed to sustain this momentum such as direct tax collection growth, restructuring of loss making public sector entities and energy sector reforms, have so far met headwinds. On the fiscal front, the government has made a net collection of PKR 2,103 bn during 9MFY16 showing healthy growth of 19.7% YoY. The federal government announced additional tax measures during the second quarter which has helped the government in realizing its revenue targets.

CPI for the month of Mar-16 clocked in at 3.94% YoY. While on QoQ basis, the inflationary reading has witnessed an uptick due to low base effect, 9MFY16 CPI is still much lower at 2.6% compared to 5.1% in the corresponding period last year. With monthly inflationary numbers showing a gradual rise, the newly formulated independent monetary policy committee decided to keep the discount rate and policy rate unchanged at 6.5% and 6.0% respectively, in its Jan-16 meeting. Highlighting pickup in private sector credit, along with improving security situation and strengthening of investor and consumer confidence, the central bank expects real GDP to maintain the previous year's growth momentum. After a series of discount rate cuts in FY15, 9MFY16 has only witnessed a single cut of 50bps.

External account outlook has also improved in FY16 with total foreign exchange reserves rising to USD20.4bn in Mar-16 compared to USD18.7bn in Jun-15. The Rupee Dollar parity remained largely flat during the quarter, with a devaluation of 2.9% during 9MFY16. Current Account deficit during 8MFY16 stood at USD 1.86bn, down by 5% YoY from USD 1.96bn during the same period last year. This, however, has not dropped in-line with the decline in oil imports which have declined by 37% (down USD3.5bn). We believe that an overvalued currency, energy issues, and lower level of skill/productivity are the key hurdles in exports performance while slowdown in Chinese and EU markets has also impacted the textile industry.

Fixed Income Market Review

Despite the SBP maintaining status quo in the Jan'16 monetary policy review, yields in auctions have declined considerably over the past quarter. T-bill yields in auctions have declined by 16.7bps, 18.25bps and 18.35bps for 3mth, 6mth and 12mth papers. However, longer term PIBs witnessed a sharper decline in Jan'16 and Feb'16 on expectations of further monetary easing where 3yr, 5yr and 10yr auction cut-off yields stand at 6.32% (down 70bps QoQ), 7.00% (down 100bps QoQ) and 8.23% (down 87bps QoQ) respectively. That said, CPI inflation recorded at 3.94%YoY in Mar'16 (1QCY16 avg. at 3.76%YoY) has fizzled out anticipations for another policy rate cut. SBP injected Pkr17tn into the banking system through OMOs at an avg. rate of 6.05% compared to Pkr18tn in the previous quarter.

Outlook

Going forward, higher than expected rise in food inflation witnessed in March, is firming up the inflationary pressures for 4QFY16 which is likely to lower the chances of any rate cut. Share of investment is set to rise in the medium term due to projects under the China Pakistan Economic Corridor, which is expected to augment GDP growth. Private sector credit has now finally started to rise which is healthy sign for the economy. The government has recently also announced a Strategic Trade Policy framework under which exports are targeted to rise to USD35bn, though it seems an uphill task under the current circumstances.

Developed Markets Review

Despite exhibiting signs of static growth which weakened sentiment in developed economies, major indices ended in the green (NASDAQ/UKX up 2.8%/1.1%QoQ). Global manufacturing showcased by PMI remained stable, expanding in February, assisted by the Eurozone and India. Much needed clarity from the FOMC came as US Fed Chair Janet Yellen signaled apprehension about the global economy and adopted a more dovish tone. This fueled investor interest in equity markets particularly in the relatively risky Frontier Space (MSCIFM index rose 2.6% QoQ) as bond markets remained depressed.

Given the size of China's economy, significant internal and global repercussions can be expected from the new emphasis on services and internal demand, despite which diffusion of concerns over a 'hard-landing' have propelled the Shanghai Composite Index by 17.8% QoQ. The Indian economy continues its robust growth allowing the Sensex Index to post 3.1%QoQ rise, even though external pressures (depreciating rupee, 17.6%YoY decline in average exports) remain prominent.

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 continue with monetary easing to boost their flagging economies. The reduction in discount rates is likely to give a much needed impetus to their equity markets.

Acknowledgement

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

Dated: April 22, 2016

**Babar Ali Lakhani
Chief Executive Officer**

**Condensed Interim Statement of Assets and Liabilities
As at March 31, 2016**

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
		(Rupees)	
ASSETS			
Bank balances	5	7,040,188	179,718,580
Investments	6	302,458,290	141,096,027
Dividend and mark-up receivable		3,370,132	7,416,291
Prepayment		102,669	37,260
Deferred formation cost		266,003	645,022
Total assets		<u>313,237,282</u>	<u>328,913,180</u>
LIABILITIES			
Payable to the Management Company	7	5,076,685	4,601,457
Payable to the Trustee		67,589	81,454
Annual fee payable to the Securities and Exchange Commission of Pakistan		213,366	542,810
Accrued expenses and other liabilities	8	3,004,042	2,885,849
Total liabilities		<u>8,361,682</u>	<u>8,111,570</u>
NET ASSETS		<u>304,875,600</u>	<u>320,801,610</u>
UNITHOLDERS' FUND (as per statement of movement in Unit holders' Fund)		<u>304,875,600</u>	<u>320,801,610</u>
CONTINGENCIES AND COMMITMENTS	9		
		(Number of units)	
Number of units in issue		<u>2,492,812</u>	<u>2,790,213</u>
		(Rupees)	
Net assets value per unit		<u>122.3019</u>	<u>114.9738</u>

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

For Lakson Investments Limited
(Management Company)

Director

Chief Executive Officer

Condensed Interim Income Statement (Unaudited) For the nine months and quarter ended March 31, 2016

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2016	2015	2016	2015
----- (Rupees) -----					
INCOME					
Income from Government securities		13,544,492	26,091,362	4,588,088	8,795,345
Mark-up income		1,634,834	2,555,565	287,302	922,051
Capital (loss) / gain on sale of investments - net		(1,952)	4,764,404	-	-
Dividend income-net		789,128	2,050,590	275,874	429,539
Exchange (loss) / gain on foreign currency deposits		(7,300)	536,659	259	43,823
Unrealised appreciation in the fair value of investments classified as 'held for trading' - net		9,043,405	13,078,930	4,730,065	11,545,848
		<u>25,002,607</u>	<u>49,077,510</u>	<u>9,881,588</u>	<u>21,736,606</u>
EXPENSES					
Remuneration of the Management Company	7.1	3,459,295	7,780,165	1,148,716	2,341,397
Sales tax on remuneration to the Management Company		561,789	1,353,749	186,551	407,403
Federal excise duty on remuneration to the Management Company	7.2	553,487	1,244,826	183,794	374,623
Remuneration of the Trustee		599,591	861,049	198,410	294,133
Annual fee to the Securities and Exchange Commission of Pakistan		213,367	408,999	70,386	139,714
Auditors' remuneration		242,054	231,075	62,846	58,120
Fees and subscription		70,629	112,878	23,372	49,316
Rating Fee		140,363	-	39,035	-
Printing charges		30,227	29,649	15,171	5,918
Brokerage, custody, settlement and bank charges		297,292	1,121,931	39,444	99,006
Amortisation of deferred formation cost		379,019	378,676	125,421	124,382
Workers' Welfare Fund	8.1	126,880	680,063	-	367,408
		<u>6,673,993</u>	<u>14,203,060</u>	<u>2,093,146</u>	<u>4,261,420</u>
Net income from operating activities		<u>18,328,614</u>	<u>34,874,450</u>	<u>7,788,442</u>	<u>17,475,186</u>
Element of (loss) / income and capital gains / (losses) included in the prices of units issued prices of units issued less those in units redeemed - net		(4,514,477)	(1,551,382)	(191,448)	527,772
Net income for the period before taxation		<u>13,814,137</u>	<u>33,323,068</u>	<u>7,596,994</u>	<u>18,002,958</u>
Taxation	10	-	-	-	-
Net income for the period after taxation		<u>13,814,137</u>	<u>33,323,068</u>	<u>7,596,994</u>	<u>18,002,958</u>

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

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

 Director

 Chief Executive Officer

**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the nine months and quarter ended March 31, 2016**

	Nine months ended March 31,		Quarter ended March 31,	
	2016	2015	2016	2015
	------(Rupees)-----			
Net income for the period after taxation	13,814,137	33,323,068	7,596,994	18,002,958
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>13,814,137</u>	<u>33,323,068</u>	<u>7,596,994</u>	<u>18,002,958</u>

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

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

Director

Chief Executive Officer

**Condensed Interim Distribution Statement (Unaudited)
For the nine months and quarter ended March 31, 2016**

	Nine months ended March 31,		Quarter ended March 31,	
	2016	2015	2016	2015
	------(Rupees)-----			
Undistributed income at the beginning of the period - realised	31,460,919	5,911,565	43,684,102	51,320,203
Undistributed income at the beginning of the period - unrealised	10,319,380	31,621,610	4,313,340	1,533,082
Undistributed income at the beginning of the period	<u>41,780,299</u>	<u>37,533,175</u>	<u>47,997,442</u>	<u>52,853,285</u>
Total comprehensive income for the year	13,814,137	33,323,068	7,596,994	18,002,958
Undistributed income at the end of the period	<u>55,594,436</u>	<u>70,856,243</u>	<u>55,594,436</u>	<u>70,856,243</u>
Undistributed income at the end of the period - realised	46,551,031	57,777,313	46,551,031	57,777,313
Undistributed income at the end of the period - unrealised	9,043,405	13,078,930	9,043,405	13,078,930
Undistributed income at the end of the period	<u>55,594,436</u>	<u>70,856,243</u>	<u>55,594,436</u>	<u>70,856,243</u>

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

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

Director

Chief Executive Officer

**Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)
For the nine months and quarter ended March 31, 2016**

	Nine months ended March 31, 2016		Quarter ended March 31, 2015	
	------(Rupees)-----			
Net assets value per unit at the beginning of the period	320,801,610	598,492,198	298,384,809	585,879,385
Amount received on issue of Nil (2015: 960,237) units and Nil (2015: 43,607) units for the nine months and quarter respectively	-	104,837,840	-	4,938,271
Amount paid on redemption of 297,401 (2015: 1,199,869) units and 11,062 (2015: 3,910) units for the nine months and quarter respectively	(34,254,624)	(130,352,451)	(1,297,651)	(440,805)
	(34,254,624)	(25,514,611)	(1,297,651)	4,497,466
Element of loss / (income) and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	4,514,477	1,551,382	191,448	(527,772)
Total comprehensive income for the period	13,814,137	33,323,068	7,596,994	18,002,958
Net assets at the end of the period	304,875,600	607,852,037	304,875,600	607,852,037
Net assets value per unit at the beginning of the period	114.9738	106.6908	119.1692	109.9157
Net assets value per unit at the end of the period	122.3019	113.1949	122.3019	113.1949

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

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

Director

Chief Executive Officer

Condensed Interim Cash Flow Statement (Unaudited) For the nine months and quarter ended March 31, 2016

	Nine months ended March 31, 2016		Quarter ended March 31, 2015	
	(Rupees)			
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period before taxation	13,814,137	33,323,068	7,596,994	18,002,958
Adjustments for non-cash charges and other items:				
Capital (gain) / loss on sale of investments - net	1,952	(4,764,404)	-	-
Amortisation of deferred formation cost	379,019	378,676	125,421	124,382
Unrealised diminution / (appreciation) in the fair value of investments classified as held for trading ¹ - net	(9,043,405)	(13,078,930)	(4,730,065)	(11,545,848)
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net	4,514,477	1,551,382	191,448	(527,772)
	9,666,180	17,409,792	3,183,798	6,053,720
(Increase) / Decrease in assets				
Investments - net	(152,320,810)	(393,288,430)	(20,392,303)	(11,802,082)
Dividend and Mark-up receivable	4,046,159	(2,706,301)	3,682,435	4,321,031
Prepayment	(65,409)	(87,122)	62,407	49,316
	(148,340,060)	(396,081,853)	(16,647,461)	(7,431,735)
(Decrease) / Increase in liabilities				
Payable to the Management Company	475,228	1,306,713	227,711	561,764
Payable to the Trustee	(13,865)	8,213	1	6,594
Annual fee payable to the Securities and Exchange Commission of Pakistan	(329,444)	(128,319)	70,385	139,714
Accrued expenses and other liabilities	118,193	560,385	41,733	227,731
	250,112	1,746,992	339,830	935,803
Net cash (used in) from operating activities	(138,423,768)	(376,925,070)	(13,123,833)	(442,213)
CASH FLOW FROM FINANCING ACTIVITIES				
Cash received from issue of units	-	104,837,840	-	4,938,271
Cash paid on redemption of units	(34,254,624)	(130,352,451)	(1,297,651)	(440,805)
Cash dividend paid	-	-	-	-
Net cash (used in) / generated from financing activities	(34,254,624)	(25,514,611)	(1,297,651)	4,497,466
Net (decrease) / increase in cash and cash equivalent during the period	(172,678,392)	(402,439,680)	(14,421,484)	4,055,254
Cash and cash equivalent at the beginning of the period	179,718,580	419,698,826	21,461,672	13,203,892
Cash and cash equivalent at the end of the period	7,040,188	17,259,146	7,040,188	17,259,146

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

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

 Director

 Chief Executive Officer

**Notes to and Forming Part of the Condensed Interim
Financial Information (Unaudited)
For the nine months and quarter ended March 31, 2016**

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 (NBFC Regulations). The Management Company of the Fund has been licensed by SECP as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The 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 (Formerly; 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 assigned 1-Star ranking to the Fund and the Pakistan Credit Rating Agency Limited (PACRA) has upgraded 'AM2-' (Management Company Quality Rating) to the management Company of the Fund dated 22 April 2015.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial information have been prepared in accordance with applicable approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), 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 information does 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 30 June 2015. However, selected explanatory notes are included to explain events and transactions that are significant.

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

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

2.3 Basis of measurement

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

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

2.4 Functional and presentation currency

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

2.5 Significant judgement 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 reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to financial statements for the year ended June 30, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies and methods of computation adopted 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.

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.

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
		(Rupees)	
5. BANK BALANCES			
In local currency			
In profit and loss sharing accounts	5.1	5,218,086	179,077,648
In current account		8,028	-
In foreign currency			
In current account	5.2	1,814,074	640,932
[USD\$: 17,317.42 (June 30, 2015: 6,297)]		<u>7,040,188</u>	<u>179,718,580</u>

5.1 These carry mark-up rates ranging from 4.00% to 7.40% (June 30, 2015: 4.50% to 7.05%) per annum.

5.2 This represents USD denominated current account.

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

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
(Rupees)			
In local currency			
Government securities - Market			
Treasury Bills	6.1	73,409,829	-
Government securities - Pakistan			
Investment Bonds	6.2	149,720,690	141,096,027
In foreign currency			
Exchange traded fund	6.3	79,327,771	-
		<u>302,458,290</u>	<u>141,096,027</u>

6.1. Government securities - Market Treasury Bills

Note	----- Number of Treasury bills -----				Balance as at March 31, 2016			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 (diminution)			
					----- Rupees -----					
Treasury Bills - 3 months (face value of Rs. 100,000 each)	6.1.1	-	1,300	950	350	34,782,702	34,781,190	(1,512)	11.41%	11.50%
Treasury Bills - 12 months (face value of Rs. 100,000 each)	6.1.2	-	400	-	400	38,640,352	38,628,640	(11,712)	12.67%	12.77%
Total - March 31, 2016						<u>73,423,054</u>	<u>73,409,829</u>	<u>(13,224)</u>	<u>24.08%</u>	<u>24.27%</u>
Total - June 30, 2015						-	-	-	-	-

6.1.1. These represent 3 months Government Treasury bill carrying an effective yield ranging from 6.1697% to 6.2144% per annum and will mature on April 14, 2016 to May 12, 2016. The face value of Treasury Bills held as at March 31, 2016 amounted to Rs. 35 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 March 31, 2016 amounted to Rs. 40 million. (June 30, 2015: Nil).

6.2. Government securities - Pakistan Investment Bonds

Note	----- Number of Pakistan Investments Bond -----				Balance as at March 31, 2016			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	33,477,654	32,905,043	(572,611)	10.79%	10.88%
Pakistan Investments Bond - 5 Years (face value of Rs. 100,000 each)	6.2.2	275	-	-	275	30,009,408	31,415,423	1,406,015	10.30%	10.39%
Pakistan Investments Bond - 10 Years (face value of Rs. 100,000 each)	6.2.3	695	-	-	695	77,457,340	85,400,225	7,942,885	28.01%	28.24%
Total - March 31, 2016						<u>140,944,402</u>	<u>149,720,690</u>	<u>8,776,289</u>	<u>49.11%</u>	<u>49.50%</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 11.2500% per annum and will mature July 17, 2017. The face value of Pakistan Investments Bond held as at March 31, 2016 amounted to Rs. 31 million. (June 30, 2015: 31 million).
- 6.2.2. These represent 5 years Pakistan Investments Bond carrying a fixed mark-up rate 11.5000% per annum and will mature July 17, 2019. The face value of Pakistan Investments Bond held as at March 31, 2016 amounted to Rs. 27.5 million. (June 30, 2015: 27.5 million).
- 6.2.3. These represent 10 years Pakistan Investments Bond carrying a fixed mark-up rate 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 March 31, 2016 amounted to Rs. 69.5 million. (June 30, 2015: 69.5 million).

6.3. Exchange traded fund: Foreign investment

Number of holdings at the beginning of the period	Number of Units			Balance as at March 31, 2016			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments	
	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)			
Powershares QQQ Trust Series 1	-	3,450	-	3,450	39,493,398	39,465,323	(28,075)	12.94%	13.05%
Vanguard S&P 500 UCITS ETF	-	9,700	-	9,700	39,554,034	39,862,449	308,415	13.07%	13.18%
Total - March 31, 2016					79,047,432	79,327,771	280,340	26.02%	26.23%
Total - June 30, 2015					-	-	-	-	-
Total investment - March 31, 2016					293,414,888	302,458,290	9,043,405	99.21%	100.00%
Total investment - June 30, 2015					130,776,647	141,096,027	10,319,380	43.98%	100.00%

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
7. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration to the Management Company	7.1	405,947	537,851
Federal excise duty payable on remuneration to the Management Company	7.2	3,998,134	3,444,647
Sales tax payable on remuneration to the Management Company		669,645	616,000
Sales load payable		2,959	2,959
		<u>5,076,685</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. 3.998 million (June 30, 2015: Rs. 3.445 million).

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
Note	(Rupees)	
8. ACCRUED AND OTHER LIABILITIES		
Auditors' remuneration	156,654	204,750
Brokerages payable	-	1,911
Custody fee payable	44,133	-
Workers' Welfare Fund	8.1 2,786,068	2,659,188
Others	17,187	20,000
	<u>3,004,042</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. 1.1176/ 1.1176% (June 30, 2015: Re. 0.95/ 0.95%).

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2016.

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.

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, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at March 31, 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:

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
	(Rupees)	
11.1 Balance as at period end		
Lakson Investments Limited - Management Company		
Remuneration payable	<u>5,073,726</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>67,589</u>	<u>81,454</u>
Habib Bank AG Zurich - Custodian		
Bank Deposits	<u>1,814,074</u>	<u>640,932</u>
Custody fee payable	<u>44,133</u>	<u>-</u>
Others - Connected Person due to holding more than 10% of outstanding units		
Bank Deposits	<u>5,115,106</u>	<u>4,925,000</u>
Profit Receivable	<u>25,431</u>	<u>25,565</u>

11.2 Unit Holders' Fund

Un-audited									
Nine months ended March 31, 2016									
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 holdings at the end of the period	As at July 01, 2015	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
1,025,080	-	-	-	1,025,080	117,857,364	-	-	-	125,369,232
163,397	118	-	118	163,397	18,786,363	14,112	-	14,152	19,983,764
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	542,102	-	-	-	576,653
Contributory Provident Fund Trust	4,836	-	-	4,836	556,002	-	-	-	591,452
Lakson Investments Limited - Employees	2,539	-	-	2,539	291,901	-	-	-	310,525
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
Tetley Clover (Private) Limited - Employees	8,463	-	-	8,463	973,004	-	-	985,449	-
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
Century Insurance Company Limited - Employees	14,508	-	-	14,508	1,668,007	-	-	-	1,774,356
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
GAM Corporation (Private) Limited - Employees	38,687	-	-	38,687	4,448,019	-	-	-	4,731,494
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
SIZA Foods (Private) Limited - Employees	22,971	-	-	22,971	2,641,011	-	-	-	2,809,397
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
Colgate Palmolive (Pakistan) Limited - Employees	262,348	-	-	262,348	30,163,125	-	-	-	32,085,659
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
Colgate Palmolive (Pakistan) Limited - Employees	99,136	-	-	99,136	11,398,047	-	-	-	12,124,521
Gratuity Fund	-	-	-	-	-	-	-	-	-
SIZA Services (Private) Limited - Employees	10,881	-	-	10,881	1,251,005	-	-	1,275,650	-
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
Cyber Internet Services (Private) Limited - Employees	53,195	-	-	53,195	6,116,025	-	-	-	6,505,850
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
Sybird (Private) Limited - Employs	16,926	-	-	16,926	1,946,008	-	-	2,014,222	-
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
Accuray Surgical Limited - Employees	42,314	-	-	42,314	4,865,020	-	-	-	5,175,083
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
Merit Packaging Limited - Employees	55,613	-	-	55,613	6,394,027	-	-	-	6,801,576
Contributory Provident Fund Trust	21,762	-	-	21,762	2,502,010	-	-	-	2,661,534
Merit Packaging Limited - Employees	272,857	-	-	272,857	31,371,427	-	-	-	33,370,930
Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-
Century Paper & Board Mills Limited - Employees	147,068	-	-	147,068	16,908,915	-	-	-	17,986,696
Gratuity Fund	432,266	-	-	432,266	49,699,238	-	-	20,000,000	31,600,534
Other - connected person due to holding more than 10% outstanding units *	-	-	-	-	-	-	-	-	-

Un-audited									
Nine months ended March 31, 2015									
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 holdings at the end of the period	As at July 01, 2014	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
2,685,303	456,550	-	24,947	3,114,906	286,283,740	49,899,569	-	2,752,910	352,591,502
164,278	-	-	-	164,278	17,536,940	-	-	-	18,595,419
4,715	-	-	-	4,715	503,048	-	-	-	533,715
4,836	-	-	-	4,836	515,947	-	-	-	547,400
2,539	-	-	-	2,539	270,872	-	-	-	287,385
8,463	-	-	-	8,463	902,906	-	-	-	957,950
14,508	-	-	-	14,508	1,547,840	-	-	-	1,642,199
38,687	-	-	-	38,687	4,127,572	-	-	-	4,379,198
22,971	-	-	-	22,971	2,450,746	-	-	-	2,600,149
7,254	-	-	-	7,254	773,920	-	-	-	821,100
262,348	-	-	-	262,348	27,990,099	-	-	-	29,696,435
99,136	-	-	-	99,136	10,576,904	-	-	-	11,221,694
10,881	-	-	-	10,881	1,160,880	-	-	-	1,231,649
53,195	-	-	-	53,195	5,675,412	-	-	-	6,021,397
16,926	-	-	-	16,926	1,805,813	-	-	-	1,915,899
42,314	-	-	-	42,314	4,514,532	-	-	-	4,789,748
55,613	-	-	-	55,613	5,933,385	-	-	-	6,295,097
21,762	-	-	-	21,762	2,321,759	-	-	-	2,463,299
272,894	-	-	-	272,894	29,115,301	-	-	-	30,890,232
147,088	-	-	-	147,088	15,692,883	-	-	-	16,649,555
1,092,588	-	-	581,586	511,002	116,569,140	22,000,000	4,812,082	-	57,842,872

Lakson Investments Limited - Management Company
Directors, Chief Executive & their Spouse and Minors
Key Management personnel, employees and connected
persons of the Management company

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

Lakson Business Solutions Limited - Employees
Contributory Provident Fund Trust
Princeton Travels (Private) Limited - Employees
Contributory Provident Fund Trust
Lakson Investments Limited - Employees
Contributory Provident Fund Trust
Tetley Glover (Private) Limited - Employees
Contributory Provident Fund Trust
Century Insurance Company Limited - Employees
Contributory Provident Fund Trust
GAM Corporation (Private) Limited - Employees
Contributory Provident Fund Trust
SIZA Foods (Private) Limited - Employees
Contributory Provident Fund Trust
Hassanali Karabhal Foundation - Employees
Contributory Provident Fund Trust
Colgate Palmolive (Pakistan) Limited - Employees
Contributory Provident Fund Trust
Colgate Palmolive (Pakistan) Limited - Employees
Gratiuity Fund
SIZA Services (Private) Limited - Employees
Contributory Provident Fund Trust
Cyber Internet Services (Private) Limited -
Employees Contributory Provident Fund Trust
Sybrid (Private) Limited - Employees Contributory
Provident Fund Trust
Accury Surgicals Limited - Employees
Contributory Provident Fund Trust
Merit Packaging Limited - Employees
Contributory Provident Fund Trust
Merit Packaging Limited - Employees Gratuity Fund
Century Paper & Board Mills Limited - Employees
Contributory Provident Fund Trust
Century Paper & Board Mills Limited - Employees
Gratiuity Fund
Century Insurance Company Limited

11.3 Other transactions during the period

	Nine months ended March 31,		Quarter ended March 31,	
	2016	2015	2016	2015
	----- (Unaudited) ----- ----- (Rupees) -----			
Lakson Investments Limited - Management Company of the Fund				
Remuneration to the Management Company	3,459,295	7,780,165	1,148,716	2,341,397
Sindh sales tax on remuneration of Management Company	561,789	1,353,749	186,551	407,403
Federal Excise Duty on Remuneration of Management Company	553,487	1,244,826	183,794	374,623
Central Depository Company of Pakistan Limited - Trustee of the Fund				
Remuneration for the period	<u>599,591</u>	<u>861,049</u>	<u>198,410</u>	<u>294,133</u>
Others - Connected Person due to holding more than 10% of outstanding units				
Profit on Bank Deposits	<u>1,141,652</u>	-	<u>172,906</u>	-
Bank Charges	<u>5,647</u>	-	<u>657</u>	-

	Nine months ended March 31	
	2016	2015
	(Unaudited) (Rupees)	
Habib Bank AG Zurich - Custodian		
Brokerage and settlement charges	<u>180,027</u>	<u>798,696</u>
Custody charges	<u>101,735</u>	<u>263,730</u>
Bank charges	-	<u>14,793</u>

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).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

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

As at March 31, 2016				
----- Un-audited -----				
Level 1	Level 2	Level 3	Total	
----- Rupees -----				
Assets				
Financial assets at fair value through profit or loss	79,327,771	223,130,519	-	302,458,290

As at June 30, 2015				
----- Audited -----				
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 authorised for issue on April 22, 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)**

Director

Chief Executive Officer



A Lakson Group Company

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

UAN +92.21 111-LAKSON
T +92.21 3569.8000
F +92.21 3568.1653
E info@li.com.pk
www.li.com.pk