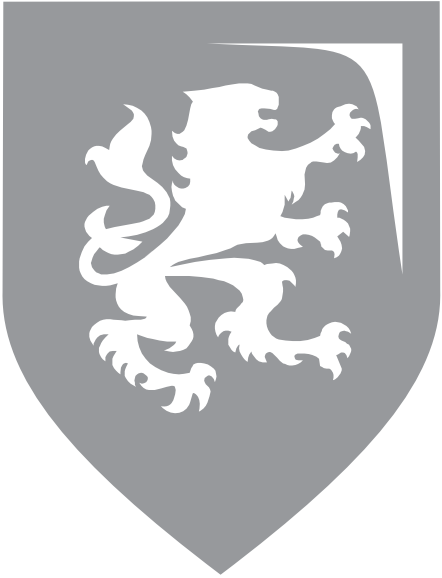


LAKSON EQUITY FUND

Quarterly Report (March 31, 2016)



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Fund's Information

Management Company

Lakson Investments Limited
Head Office
Lakson Square, Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan.
Phone: (9221) 3569.8000
Fax: (9221) 3568.1653
Web site: www.li.com.pk
E-mail: info@li.com.pk

Board of Directors of the Management Company

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani - Chief Executive Officer
Mr. A. Aziz H. Ebrahim
Mr. Mahomed J. Jaffer
Mr. Amin Mohammed Lakhani
Mr. Jacques John Visser
Mr. Daniel Scott Smaller
Mr. Zahid Zakiuddin

Chief Financial Officer & Company Secretary of the Management Company

Ms. Sana Quadri

Audit Committee

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

Human Resource and Remuneration Committee

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

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S,
Main Shahra-e-Faisal,
Karachi, Pakistan.

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road,
Karachi - 75530, Pakistan

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Sindh Bank Limited
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

Distributors

Metro Securities Pvt. Limited
Ismail Iqbal Securities
BMA Financial
Amir Noorani
Topline Securities (Pvt.) Limited
Adam Securities
Elixir Securities (Pvt.) Limited
Vector Capital (Pvt.) Limited
Pearl Securities Pvt. Limited
Rabia Fida

Rating by PACRA

1 Year : 3-Star (Average)
3 Year : 3-Star (Average)
5 Year : 2-Star (Below average)
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 Equity Fund ("LEF") is pleased to submit its review report together with Condensed Interim Financial Statements for the period ended March 31, 2016.

Fund Objective

The objective of the Fund is to provide long term capital appreciation by investing mainly in equity and related listed securities. Investments will be made in companies of substance, financial strength and demonstrably superior management skills with some exposure given to smaller capitalized value stocks.

Fund Profile

LEF is an actively managed open end equity fund. LEF maintains on average a minimum exposure of 70% of Net Assets in listed equity securities. The asset allocation to different sectors and stocks is made on the basis of relative attractiveness of each sector and individual stocks in that particular sector. The allocations may change from time to time keeping in view the market conditions, opportunities, political and economic factors. LEF is allowed to borrow up to 10% of Net Assets to meet redemptions however LEF did not utilize this facility during the period under review.

Fund performance

The LEF provided a return of 2.61% (KSE-30 Index: -0.60%) during 3QFY16 and 1.16% (KSE-30 Index: -11.15%) for 9MFY16. KSE-100 index generated a return of -3.18% and -6.00% for 3QFY16 and 9MFY16, respectively. The Fund performance outpaced both indices by a decisive margin. As of March 31, 2016, the LEF portfolio is invested 82% in equities and 16% in cash. The fund size of the LEF is PKR 2,807 million.

Earning per Unit (EPU)

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

Economic Review

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.

Equity Market Review

During 9MFY16, the market continued to remain volatile and the KSE-30 index shed 11.2% mainly due to falling oil prices and sell-offs in global markets. During 3QFY16 however, we did witness a consolidation as the KSE-30 index shed only 0.6%, as selling in emerging markets tapered off on the US Federal Reserve's decision to slow down its pace of monetary tightening. The KSE-30 index rallied by an impressive 4.2% in Mar-16 which was the highest MoM rise since Oct-15. We attribute the MoM gain to a 16% rise in oil prices (which improved sentiment in the Oil & Gas sector) and slowdown in net foreign outflow which stood at USD 11.3 mn compared to USD 39.5 mn in the preceding month.

Persistent foreign outflows during 3QFY16 kept the upside in check where foreign investors remained net sellers of USD 100.6 mn. Mutual Funds also remained net sellers with USD 24.4 mn net outflow. Major net buyers include NBFC (+USD 44.4 mn), Companies (+USD 30.2 mn) and Individuals (+USD28.4 mn). Average volumes and value on the KSE-30 index remained on the lower side on a YoY basis. Average daily volumes were recorded at 59.6mn shares in 3QFY16 down from 84.4mn shares in the same period last year, a decline of 29%. Similarly, average daily traded value went down from PKR 8.2 bn in 3QFY15 to PKR 5.1 bn in 3QFY16, a staggering decline of 39%.

A quarterly return analysis of key sectors during 3QFY16 shows that Cements, Oil & Gas and Pharmaceuticals gained the most, while Telecom and Autos saw attrition in market capitalization. Cements continued their bull run in 3QFY16 as well with dispatches showing a healthy increase and electricity costs on the decline which is expected to result in another good quarter for the sector. Cement sector remains the only sector that has witnessed any meaningful net inflow during 3QFY16 (USD 50 mn) compared to overall net selling of USD 100.6 mn. Oil & Gas outperformed on the back of rise in oil prices. Pharmaceuticals after declining in the first two months of CY16 posted a hefty double digit gain in March as medicine prices have been significantly increased in the local market. Telecom sector suffered due to lackluster profitability posted by its flagship company, while Autos dipped on the back of the Automotive Development Policy 2016-2021 which provided no key incentive for established local payers while JPY strengthening is also projected to negatively impact the margins of the sector.

Recent communiqué from MSCI highlights that as per the latest simulation done in Jan-16, the weight of Pakistan if included in EM index will be 0.19% instead of earlier announced weight of 0.13% with nine stocks (HBL, PSO & HUBC added) qualifying compared to six stocks (MCB, OGDC, UBL, LUCK, FFC, ENGRO). Although the numbers of qualifying stocks go down to nine instead of sixteen currently in Frontier market, the free float adjusted market cap is projected to go down by only 16%.

Outlook

With outflow from foreigners' side gradually dissipating and action being taken by the apex regulator to improve liquidity on the PSX, we expect a gradual uptick in market performance. The trailing-twelve-month (TTM) PE ratio of KSE 30 has risen to 9.0x but is still at a substantial discount to regional indices. India's Sensex Index has a TTM PE ratio of 19.1x whereas China's Shanghai Composite Index has a TTM PE ratio of 16.0x. We highlight that transition to EM would open up greater inflows avenue for the bourse and not just for the qualifying stocks, since being part of EM index will automatically enable large funds to invest in other stocks which they are currently not allowed. Thus apart from movement in commodity prices, another key factor to watch for in 4QFY16 will be the upgrade to MSCI EM for Pakistan.

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 upcoming China Pakistan Economic Corridor,

which is expected to augment the GDP growth. Private sector credit has now finally started to rise which is healthy sign for the economy. The government has recently also announced Strategic Trade Policy framework under which exports are targeted to rise to USD35bn, though it seems an uphill task under the current circumstances.

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 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**

Assets	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
		(Rupees)	
Bank balances	6	469,498,964	183,326,672
Investments	7	2,346,852,628	3,114,774,372
Dividend and profit receivable	8	29,915,655	3,903,703
Deposits and prepayments		2,724,863	2,650,000
Receivable against purchase of investments		9,607,025	-
Total assets		2,858,599,135	3,304,654,747
Liabilities			
Payable to the Management Company	9	24,103,025	16,362,249
Remuneration payable to the Trustee		371,917	339,251
Annual fee payable to Securities and Exchange Commission of Pakistan		2,121,340	1,877,050
Accrued expenses and other liabilities	10	20,442,514	25,533,304
Payable against purchase of investments		4,686,233	82,968,637
Total liabilities		51,725,029	127,080,491
Contingencies and commitments	11		
Net assets		2,806,874,106	3,177,574,256
Unit holders' fund (as per the statement attached)		2,806,874,106	3,177,574,256
(Number of units)			
Number of units in issue		26,597,033	30,459,607
(Rupees)			
Net assets value per unit		105.5333	104.3209

The annexed notes from 1 to 16 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					
Gain on sale of held for trading investments - net		42,421,931	277,461,547	(17,397,584)	120,295,376
Unrealized (loss) / gain on revaluation of held for trading investments - net	7.1	(57,567,396)	(261,971,547)	73,194,780	(347,174,805)
		(15,145,465)	15,490,000	55,797,196	(226,879,429)
Dividend income on held for trading investment		100,879,479	33,998,066	32,470,232	18,816,610
Return / Mark up on:					
- bank balances		19,768,970	6,638,679	7,036,426	4,081,347
- Government securities (held for trading)		-	14,407,230	-	5,183,371
		19,768,970	21,045,909	7,036,426	9,264,718
Element of (loss) / income and capital (losses) / gains in prices of units sold less those in units redeemed - net		(18,428,799)	371,302,553	(6,264,003)	313,090,009
		87,074,185	441,836,528	89,039,851	114,291,908
Expenses					
Remuneration to the Management Company	9.1	44,659,799	28,048,111	14,055,239	12,731,891
Sindh Sales tax on remuneration of the Management Company		7,252,751	4,880,371	2,282,570	2,215,349
Federal Excise duty on remuneration of the Management Company	9.2	7,145,568	4,487,698	2,248,838	2,037,103
Remuneration to the Trustee		3,402,166	1,948,968	1,084,591	883,170
Annual fee to the Securities and Exchange Commission of Pakistan		2,121,341	1,146,066	667,624	604,763
Auditors' remuneration		252,737	227,434	58,524	57,391
Fees and subscription		247,533	135,396	74,864	57,006
Printing charges		30,227	26,712	15,171	4,931
Brokerage expenses		5,737,104	9,469,809	950,275	4,537,327
Settlement charges		649,611	20,394	134,741	-
Bank and other charges		18,129	772,818	2,660	341,669
Provision for workers' welfare fund		-	7,811,443	-	1,816,426
Amortisation of deferred formation cost		-	100,601	-	-
		71,516,966	59,075,821	21,575,097	25,287,026
Net income for the period before taxation		15,557,219	382,760,707	67,464,754	89,004,882
Taxation	12	-	-	-	-
Net income for the period after taxation		15,557,219	382,760,707	67,464,754	89,004,882

The annexed notes from 1 to 16 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	15,557,219	382,760,707	67,464,754	89,004,882
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>15,557,219</u>	<u>382,760,707</u>	<u>67,464,754</u>	<u>89,004,882</u>

The annexed notes from 1 to 16 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 beginning of the period - realised	164,194,643	27,308,168	210,468,189	258,098,426
Undistributed income at beginning of the period - unrealised	(32,581,095)	22,237,691	(130,762,176)	85,203,258
Undistributed income at beginning of the period	131,613,548	49,545,859	79,706,013	343,301,684
Total comprehensive income for the period	15,557,219	382,760,707	67,464,754	89,004,882
Undistributed income at end of the period	147,170,767	432,306,566	147,170,767	432,306,566
Represented by:				
Undistributed income at end of the period - realised	204,738,163	694,278,113	204,738,163	694,278,113
Undistributed (loss) / income at end of the period - unrealised	(57,567,396)	(261,971,547)	(57,567,396)	(261,971,547)
Total undistributed income at end of the period	147,170,767	432,306,566	147,170,767	432,306,566

The annexed notes from 1 to 16 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 at beginning of the period	3,177,574,256	959,731,113	2,876,998,158	1,586,639,700
Amount received on issuance of 669,360 (2015: 15,308,629) units and 30,921 (2014: 11,741,141) units for the nine and three months period respectively	69,538,815	1,951,856,669	3,200,002	1,535,491,363
Amount paid on redemption of 4,531,934 (2014: 654,020) units and 1,406,809 (2014: 585,562) units for the nine and three months period respectively	(474,224,983)	(248,785,525)	(147,052,811)	(223,785,525)
	(404,686,168)	1,703,071,144	(143,852,809)	1,311,705,838
Element of loss / (income) and capital losses / (gains) in prices of units sold less those in units redeemed - net	18,428,799	(371,302,553)	6,264,003	(313,090,009)
Total comprehensive income for the period (profit for the period)	15,557,219	382,760,707	67,464,754	89,004,882
Net assets as at end of the period	<u>2,806,874,106</u>	<u>2,674,260,411</u>	<u>2,806,874,106</u>	<u>2,674,260,411</u>
Net assets value per unit at beginning of the period	<u>104.3209</u>	<u>105.4434</u>	<u>102.8493</u>	<u>127.6112</u>
Net assets value per unit at end of the period	<u>105.5333</u>	<u>119.2825</u>	<u>105.5333</u>	<u>119.2825</u>

The annexed notes from 1 to 16 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,		Quarter ended March 31,	
	2016	2015	2016	2015
	----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	15,557,219	382,760,707	67,464,754	89,004,882
Adjustments for:				
(Gain) / loss from disposal of marketable securities - net	(42,421,931)	(277,461,547)	17,397,584	(120,295,376)
Amortisation of deferred formation cost	-	100,601	-	-
Unrealised diminution / (appreciation) in the fair value of investments 'held for trading' - net	57,567,396	261,971,547	(73,194,780)	347,174,805
Element of loss / (income) and capital losses / (gains) in prices of units sold less those in units redeemed - net	18,428,799	(371,302,553)	6,264,003	(313,090,009)
	49,131,483	(3,931,245)	17,931,561	2,794,304
(Increase) / decrease in assets				
Investments	752,776,279	(1,591,980,727)	301,026,926	(1,051,316,836)
Dividend and profit receivable	(26,011,952)	(17,500,975)	(24,075,932)	(19,134,440)
Receivable against sale of investment	(9,607,025)	(69,925,174)	(9,607,025)	(69,925,174)
Deposits and prepayments	(74,863)	5,080,035	74,864	(24,630)
	717,082,439	(1,674,326,841)	267,418,833	(1,140,401,080)
(Decrease) / increase in liabilities				
Payable to the Management Company	7,740,776	8,544,585	2,571,712	5,542,738
Remuneration payable to the Trustee	32,666	171,140	402	113,807
Annual fee payable to Securities and Exchange Commission of Pakistan	244,290	731,473	667,624	604,765
Payable against purchase of investments	(78,282,404)	(47,753,137)	(28,545,456)	(265,419,408)
Accrued expenses and other liabilities	(5,090,790)	13,522,789	(1,266,390)	6,278,680
	(75,355,462)	(24,783,150)	(26,572,108)	(252,879,418)
Net cash generated / (used in) operating activities	690,858,460	(1,703,041,236)	258,778,286	(1,390,486,194)
CASH FLOWS FROM FINANCING ACTIVITIES				
Received on issuance of units	69,538,815	1,951,856,669	3,200,002	1,535,491,363
Paid against redemption of units	(474,224,983)	(248,785,525)	(147,052,811)	(223,785,525)
Net cash (out flow) / inflows from financing activities	(404,686,168)	1,703,071,144	(143,852,809)	1,311,705,838
Net increase / (decrease) in cash and cash equivalents during the period	286,172,292	29,908	114,925,477	(78,780,358)
Cash and cash equivalents at beginning of the period	183,326,672	130,138,359	354,573,487	208,948,625
Cash and cash equivalents at end of the period	469,498,964	130,168,267	469,498,964	130,168,267

The annexed notes from 1 to 16 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

- 1.1 The Lakson Equity Fund (the "Fund") was established under the Trust Deed executed on 2 September 2009 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on 18 September 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).
- 1.2 The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore.
- 1.3 The Fund is an open end mutual fund and is listed on the Pakistan Stock Exchange Limited (previously in 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 categorised as "Equity Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and it primarily invests in listed equity securities and other avenues of investment, which include cash or near cash instruments, cash in bank accounts (excluding TDR) and treasury bills not exceeding 90 days maturity and any other investment authorised by SECP.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

- 1.4 The Pakistan Credit Rating Company Limited (PACRA) has assigned asset management quality rating of 'AM2-' to the management Company of the Fund dated 22 April 2015.

On 13 August 2015, PACRA assigned following rankings to the Fund based on the performance review for the period ended 30 June 2015 (trailing 12 months for 1 Year ranking, trailing 36 months for 3 Year ranking, and trailing 60 months for 5 Year ranking.)

1 Year : 3-Star (Average)
3 Year : 3-Star (Average)
5 Year : 2-Star (Average)

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 informations 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 state of affairs of the fund.

2.3 Functional and presentation currency

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

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

The significant judgements made by the Management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2015.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2015.

5. FINANCIAL RISK MANAGEMENT

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

6. BANK BALANCES	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
		(Rupees)	
- Local Currency			
In profit and loss sharing accounts	6.1	469,490,936	183,326,672
In current account		8,028	-
		<u>469,498,964</u>	<u>183,326,672</u>

- 6.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 4.0% to 7.40% (30 June 2015: 4.5% to 7.05%) per annum.

7. INVESTMENTS

At fair value through profit or loss

- held for trading

Listed equity securities	7.1	2,346,852,628	3,114,774,372
		<u>2,346,852,628</u>	<u>3,114,774,372</u>

**7.1. Shares of listed company
At fair value through profit or loss - held for trading**
Shares of listed companies - fully paid up ordinary shares of Rs. -10 each unless stated otherwise

Name of investee company	Number of Shares						Carrying Value before revaluation as of March 31, 2016	Market Value as of March 31, 2016 (revised carrying value)	Unrealized appreciation / (diminution)	Market value as a percentage of total investments	Percentage (%)	Par value of shares held as a percentage of net assets capital of the investee company
	Holding as at July 01, 2015	Purchased during the period	Bonus / right shares received during the period	Disposed during the period	Holding as at March 31, 2016	Carrying Value before revaluation as of March 31, 2016						
Commercial Banks												
MCB Bank Limited	472,700	290,050	-	300,748	462,002	113,737,460	95,186,272	(18,551,188)	4.06	3.39	0.04	
Allied Bank Limited	132,400	592,700	-	277,400	447,700	45,534,109	41,188,400	(4,345,709)	1.76	1.47	0.04	
National Bank Limited	-	535,400	-	-	605,400	98,926,836	91,548,588	(7,378,248)	3.90	3.26	0.05	
United Bank Limited	701,550	695,450	-	791,000	695,400	83,245,679	66,672,981	(16,572,698)	2.84	2.38	0.03	
Habib Bank Limited	308,326	677,850	-	597,500	388,676	341,346,284	294,986,741	(46,359,543)	12.56	10.50	0.16	
Chemicals												
ICI Pakistan Limited	-	119,600	-	-	119,600	58,254,645	51,422,020	(7,332,625)	2.19	1.83	0.13	
Achmeva Pakistan Limited	110,800.00	-	-	38,300	72,500	91,871,920	82,743,470	(9,128,450)	3.52	2.95	0.34	
Fertilizers												
Engro Corporation Limited	754,400	185,000	-	444,300	495,100	148,393,892	156,303,070	7,909,178	6.66	5.57	0.09	
Engro Fertilizers Limited	2,413,800	1,056,000	-	2,261,500	1,208,300	107,543,102	83,964,767	(23,578,335)	3.58	2.99	0.09	
Fauji Fertilizer Bin Qasim Limited	-	268,500	-	268,500	-	-	-	-	-	-	-	
Pharma & Bio Tech												
Ferossons Laboratories Limited	-	95,650	-	95,650	-	-	-	-	-	-	-	
The Searl Company Limited (7:1:2)	235,600	180,500	50,862	43,300	237,83	6,984,787	10,452,391	3,467,604	0.45	0.37	0.02	
Therapeutics Limited	-	40,200	24,350	-	-	-	-	-	-	-	-	
Highnoon Laboratories Limited	-	40,200	-	40,200	-	-	-	-	-	-	-	
Textile Composite												
Nishat Mills Limited	504,000	240,000	-	190,000	554,000	65,017,960	53,078,740	(11,939,220)	2.26	1.89	0.16	
Nishat (Chunian) Limited	1,719,900	-	-	1,719,900	-	-	-	-	-	-	-	
Kohinoor Textile Mills Limited	123,000	-	-	123,000	-	-	-	-	-	-	-	
Cement												
Fauji Cement Company Limited	2,668,400	1,762,500	-	3,031,400	1,339,500	46,980,129	56,138,445	9,158,316	2.39	2.00	0.10	
Lucky Cement Company Limited (7:1:1)	564,700	136,234	-	415,500	285,434	149,597,022	153,598,890	3,997,868	6.54	5.47	0.09	
UG Khan Cement Company Limited	679,300	148,300	-	679,300	348,300	145,395,875	151,470,508	6,074,633	1.91	1.57	0.11	
Cherat Cement Company Limited	1,930,400	31,900	-	46,750	272,550	45,395,826	57,978,943	12,583,117	2.41	2.22	0.10	
Cherat Cement Company Limited	1,930,400	531,500	-	1,522,600	939,300	82,588,296	101,359,863	18,769,567	4.33	3.63	0.53	
Maple Leaf Cement	-	157,150	-	-	157,150	14,024,755	14,490,802	466,047	0.62	0.52	0.03	
Pioneer Cement Company Limited	1,417,500	2,049,100	-	1,666,150	1,800,450	60,656,784	178,100,514	117,443,730	7.59	6.35	0.79	
						160,792,320	709,572,837	86,780,518	30.24	25.28	1.88	
Power Generation & Distribution												
K-Electric Limited (Face value Rs. 3.5/- each)	11,389,500	419,500	-	-	11,809,000	98,978,465	83,843,900	(15,134,565)	3.57	2.99	0.04	
Hub Power Company Limited	1,039,200	1,039,200	-	-	1,039,200	105,776,324	108,637,968	2,861,644	4.63	3.87	0.09	
Lalpur Power Limited	1,804,000	735,200	-	1,652,000	887,200	26,552,287	22,144,532	(4,407,755)	0.94	0.79	0.23	
						231,307,076	214,626,380	(16,680,696)	91.4	7.65	0.37	

Name of investee company	Holding as at July 01, 2015	Purchased during the period	Bonus / right shares received during the period	Disposed during the period	Holding as at March 31, 2016	Carrying value before revaluation as of March 31, 2016	Market Value as of March 31, 2016 (revised carrying value)	Unrealised appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets	Percentage (%)	Par value of shares held as a percentage of the total capital of the investee company
Oil and Gas Exploration Companies												
Mart Petroleum Company Limited (7.1.2)	57,160	257,700	-	195,950	118,910	76,265,910	83,530,708	7,264,798	3.56	2.98	0.11	
Oil and Gas Development Company Limited (7.1.1)	851,600	622,700	-	602,200	872,100	127,210,982	99,803,124	(27,407,858)	4.25	3.56	0.02	
Pakistan Oilfield Limited (7.1.1)	416,100	415,500	-	653,600	178,000	39,823,461	45,925,780	6,102,319	1.96	1.64	0.08	
Pakistan Petroleum Limited (7.1.1)	1,224,680	340,750	-	921,700	643,730	39,577,282	82,474,688	(1,109,924)	3.51	2.94	0.03	
						336,872,634	311,794,300	(25,138,334)	13.28	11.12	0.24	
Oil and Gas Marketing Companies												
Pakistan Shell Oil Company Limited	424,000	424,000	-	67,000	356,600	122,374,933	125,252,184	2,877,251	5.34	4.46	0.13	
Haseel Petroleum Limited	415,000	-	-	415,000	-	-	-	-	-	-	-	
Shell Pakistan Limited	108,900	-	-	108,900	-	-	-	-	-	-	-	
						122,374,933	125,252,184	2,877,251	5.34	4.46	0.13	
Transport												
Pakistan National Shipping Corporation	1,072,000	-	-	1,072,000	-	-	-	-	-	-	-	
Food & Personal Care Products												
Shezan International Limited	71,150	-	-	37,750	33,400	30,510,900	16,406,414	(14,104,486)	0.70	0.58	0.42	
Engro Foods Limited	426,000	647,600	-	797,600	276,000	45,537,102	43,950,240	(1,586,862)	1.87	1.57	0.04	
						76,048,002	60,356,654	(15,691,348)	2.57	2.15	0.45	
Automobile Assemblers												
Pak Suzuki Motor Company Limited	169,500	73,800	-	176,800	66,500	29,630,083	27,382,040	(2,248,043)	1.17	0.98	0.08	
Indus Motor Company Limited	-	32,640	-	1,000	31,640	32,106,929	29,970,674	(2,136,255)	1.28	1.07	0.04	
Honda Atlas Cars (Pakistan) Limited	265,900	238,700	-	418,900	88,700	19,745,844	21,634,108	1,888,264	0.92	0.77	0.06	
Milat Tractors Limited	27,950	21,200	-	15,500	33,650	22,983,969	17,818,012	(5,165,957)	0.76	0.63	0.08	
Al Ghazi Tractors Limited (face value Rs. 5/- each)	1,000	58,000	-	59,000	-	-	-	-	-	-	-	
						104,466,825	96,804,834	(7,661,991)	4.13	3.45	0.26	
Engineering												
Mughal Iron & Steel Industries Limited	619,700	203,500	-	619,700	203,500	13,860,170	13,925,505	65,335	0.59	0.50	0.16	
Amreli Steels Limited	648,650	648,650	-	79,600	569,050	29,215,630	29,687,339	471,709	1.26	1.06	0.16	
International Steels Limited	-	1,339,100	-	-	1,339,100	35,439,030	38,927,634	3,488,604	1.66	1.39	0.31	
						78,514,830	82,540,478	4,025,648	3.51	2.95	0.66	
Paper & Board												
Cherat Packaging Limited Right Shares	-	-	10,372	10,372	137,400	43,505,464	37,686,072	(5,819,392)	1.61	1.34	0.46	
Cherat Packaging Limited	-	280,600	-	143,200	137,400	43,505,464	37,686,072	(5,819,392)	1.61	1.34	0.46	
Insurance												
Adanjee Insurance Company Limited	507,000	507,000	-	-	507,000	29,181,995	27,139,710	(2,042,285)	1.16	0.97	0.14	
						2,404,420,024	2,346,852,628	(57,567,396)	100.00	93.64	86.64	
Total as at 31 March 2016						3,147,355,467	3,114,774,372	(32,581,095)	100.00	98.04	98.04	

7.1.1 These include 50,000, 70,000, 85,000 and 330,000 shares of Lucky Cement Limited, Oil and Gas Development Company Limited, Engro Corporation and Pakistan Petroleum Limited respectively, having market value amounting to Rs. 26.905 million, Rs. 8.011 million, Rs. 26.835 million, Rs. 42.280 million respectively pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades.

7.1.2 Finance act, 2014 had introduced tax on bonus shares issued by the companies. Most of the equity funds including the Fund have challenged the applicability of withholding tax provision on bonus shares before Honourable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. The Court in its order dated 25 November 2014 have granted interim relief by passing the restraining order whereby the defendants, (issuers of the bonus shares) have been refrained from deducting and / or transferring 5% withholding tax on bonus shares issued by them. In the Fund's case, the Fund received 20,200 and 48,700 bonus shares from Mari Petroleum Company Limited (Mari) and The Searle Company Limited respectively, out of which tax in the shape of 1,010 shares in case of Mari and 2,435 shares in case of Searl had been withheld by CDC. Market value of 1,010 shares of Mari and 2,435 share of Searle as at 31 March 2016 amounted to Rs. 0.709 million and Rs. 1.07 million respectively and are included in the Fund's investments in these financial statements.

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
Note	(Rupees)	
8. DIVIDEND AND PROFIT RECEIVABLE		
Unsecured - considered good		
- Dividend receivable	8.1 27,281,282	3,050,900
- Profit receivable on profit and loss sharing accounts	2,634,034	852,344
- Other	339	459
	<u>29,915,655</u>	<u>3,903,703</u>

8.1 Subsequent to the period, this amount was received by the Fund.

9. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the Management Company	9.1 4,830,857	5,141,172
Sindh Sales Tax on Management remuneration	9.2 3,057,198	2,151,675
Federal Excise Duty on Management remuneration	9.3 16,208,076	9,062,508
Sale load payable to the management company	6,894	6,894
	<u>24,103,025</u>	<u>16,362,249</u>

9.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, and is charging it at the rate of 2% of the average daily net assets of the Fund.

9.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 14% (till 30 June 2015: 15%) on Management Company's remuneration. Above liability includes Rs. 2,380,878 (June 2015: Rs. 1,380,502) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 9.3 below. Had the provision relating to FED not been made, Net Asset Value per unit of the Fund as at 31 March 2016 would have been higher by 0.09 (June 2015: 0.05) per unit.

Above sales tax is paid to the management company for onwards payment to the Government.

- 9.3 As per the requirement of the Finance Act, 2013, the Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective from 13 June 2013. The Management Company is of the view that since remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which doesn't appear to be the spirit of the law. A stay order against the collection have been granted by the Honourable High Court of Sindh on a petition filed by the Mutual Funds Association of Pakistan (MUFAP) on 4 September 2013.

In view of uncertainty regarding the applicability of FED on asset management services, the management, as a matter of abundant caution, has decided to maintain the provision for FED amounting to of Rs.16.208 million as at 31 March 2016 (June 2015: Rs. 9.063 million). Had the said provision of FED not been recorded in the books of account of the Fund, the net asset value per unit of the Fund would have been higher by 0.61 (June 2015: 0.29).

Above FED would be paid to the management company for onwards payment to the Government, if so payable.

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
		(Rupees)	
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		158,892	209,475
Payable to workers' welfare fund	10.1	19,867,065	19,867,065
Brokerage payable		356,872	5,277,307
CDC Fee Payable		14,241	72,667
National Clearing Company of Pakistan fee payable		30,418	86,790
Other liabilities		15,026	20,000
		<u>20,442,514</u>	<u>25,533,304</u>

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

During 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 judgement issued in August 2011. However, the Honourable Peshawar High Court on 29 May 2014 on a petition filed by certain aggrieved parties (other than the mutual funds) have adjudicated that the amendments introduced in the Workers Welfare Fund Ordinance, 1971 through the Finance Acts of 1996 and 2009 lacks the essential mandate to be introduced and passed through the money bill under the Constitution of Pakistan and hence have been declared as ultra vires the Constitution.

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

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. 0.75 / 0.75% (30 June 2015: Re. 0.65 / 0.65%)

11. CONTINGENCIES AND COMMITMENTS

The Fund had no contingency or commitment at the period end except as disclosed in note 7.1.2

12. TAXATION

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd 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.

13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company and the holding company, key management personnel, other funds being managed by the Management Company and entities having holding 10% or more in the units of the Fund as at 31 March 2016. It also includes staff retirement funds of the above related parties / connected persons.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
	(Rupees)	
13.1 Balance as at period / year end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration and other payables (including the Sindh sales tax and federal excise duty amounting to Rs. 19.265 million (30 June 2015: Rs. 11.214 million)*)	<u>24,096,131</u>	<u>16,355,355</u>
Sales load payable	<u>6,894</u>	<u>6,894</u>
Units held as at the period / year end 1,078,108 (30 June 2015: 976,461) units	<u>113,776,316</u>	<u>101,865,312</u>
*Sales tax and FED is paid / payable to the management company for onward payment to the Government.		
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable (Including Sindh sales tax amounting to Rs. 45,673 (30 June 2015: Nil))	<u>371,917</u>	<u>339,251</u>
Security deposit	<u>100,000</u>	<u>100,000</u>
CDC Fee payable	<u>14,241</u>	<u>72,667</u>
Directors, Chief Executive, their Spouses and Minor Children		
Units held as at the period / year end 10,648,193 (30 June 2015: 10,645,849) units	<u>1,123,738,907</u>	<u>1,110,584,515</u>
Key management personnel and Employees of the Management Company		
Units held at the period end / year end 10,407 (30 June 2015: 15,893) units	<u>1,098,325</u>	<u>1,658,021</u>
Associated Companies / Undertaking of the Management Company		
Siza (Private) Limited		
Units held as at the period / year end 341,328 (30 June 2015: 341,328) units	<u>36,021,466</u>	<u>35,607,640</u>
Century Insurance Company Limited		
Units held as at the period / year ended 3,482,756 (30 June 2015: 6,347,272) units	<u>367,546,741</u>	<u>662,153,122</u>
Siza Service (Private) Limited		
Units held as at the period / year end 2,886,574 (30 June 2015: 2,886,574) units	<u>304,629,772</u>	<u>301,130,088</u>

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
	(Rupees)	
Premier Fashions (Private) Limited		
Units held as at the period end		
558,758 (30 June 2015: 558,758) units	<u>58,967,626</u>	<u>58,290,187</u>
Siza Commodities (Private) Limited		
Units held as at the period end		
900,460 (30 June 2015: 900,460) units	<u>95,028,558</u>	<u>93,936,840</u>
	Nine months ended March 31,	
	2016	2015
	(Unaudited) (Rupees)	
13.2 Transactions during the period		
Lakson Investments Limited - Management Company of the Fund		
Issue: 101,647 (2014: Nil) units	<u>10,000,000</u>	<u>-</u>
Directors, Chief Executive, their Spouses and Minor Children		
Issue: 2,344 (2015: 5,134,550) units	<u>240,000</u>	<u>299,771,565</u>
Key management personnel and Employees of the Management Company		
Issue: Nil (2015: 10,673) units	<u>-</u>	<u>1,310,591</u>
Redemption: 5,486 (2015: Nil) units	<u>556,810</u>	<u>-</u>
Associated Companies / Undertaking of the Management Company		
Century Insurance Company Limited		
Issue: Nil (2015: 2,459,358) units	<u>-</u>	<u>424,801,047</u>
Redemption: 2,864,516 (2015: 1,014,515) units	<u>300,000,000</u>	<u>123,785,525</u>
Siza Services (Pvt.) Limited		
Issue: Nil (2015: 3,104,419) units	<u>-</u>	<u>275,300,000</u>
Redemption: Nil (2015: 740,468) units	<u>-</u>	<u>100,000,000</u>
Premier Fashions (Pvt.) Limited		
Issue: Nil (2015: 457,594) units	<u>-</u>	<u>62,659,836</u>
Siza Commodities (Pvt.) Limited		
Issue: Nil (2015: 737,429) units	<u>-</u>	<u>87,962,405</u>

	Nine months ended March 31,	
	2016	2015
	(Unaudited) (Rupees)	
Others - Connected Person due to holding more than 10% outstanding units		
Profit on bank deposits	-	3,736,594
Bank charges	-	9,390
Issue: Nil (2015: 1,792,399) units	-	225,000,000
Redemption: Nil (2015: 235,961) units	-	25,000,000

13.3 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 for the period	<u>44,659,799</u>	28,048,111	<u>14,055,239</u>	12,731,891
Sindh sales tax on remuneration of Management Company *	<u>7,252,751</u>	4,880,371	<u>2,282,570</u>	2,215,349
Federal Excise Duty on Remuneration of Management Company *	<u>7,145,568</u>	4,487,698	<u>2,248,838</u>	2,037,103
Loss borne by the Management Company on sale and purchase of equity securities	-	800,324	-	-
Central Depository Company of Pakistan Limited - Trustee of the Fund				
Remuneration for the period	<u>2,984,356</u>	1,948,968	<u>951,395</u>	883,170
Sales tax on remuneration of the Trustee	<u>417,810</u>	-	<u>133,196</u>	152,813
Settlement charges	<u>235,889</u>	163,326	<u>10,495</u>	119,313
Discretionary Portfolio				
Sale of equity securities 7,000 Ordinary shares (2015: 400 Shares)	<u>620,900</u>	126,200	-	-

*Sales tax and FED is paid / payable to the management company for onward payment to the Government.

14. 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 either short-term in nature or periodically repriced.

IFRS 13, 'Fair Value Measurements' 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, 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 and loss account				
2,346,852,628	-	-	2,346,852,628	

As at June 30, 2015				
----- Audited -----				
Level 1	Level 2	Level 3	Total	
----- Rupees -----				
Assets				
Financial assets at fair value through profit and loss account				
3,114,774,372	-	-	3,114,774,372	

15. GENERAL

Figures have been rounded off to the nearest rupee.

16. DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorised for issue on April 22, 2016 by the Board of Directors of the Management Company.

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

Director

Chief Executive Officer



A Lakson Group Company

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