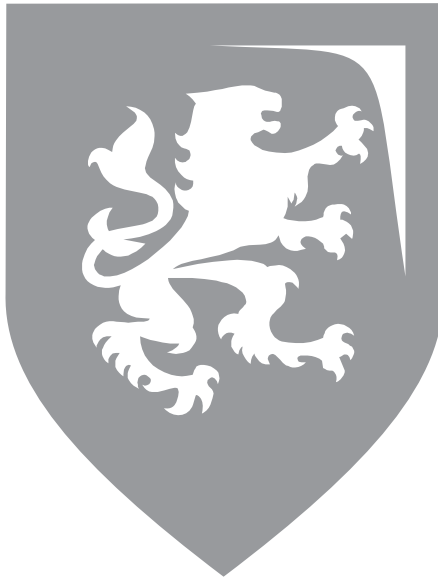


LAKSON TACTICAL FUND

(FORMERLY: LAKSON ASSET ALLOCATION GLOBAL COMMODITIES FUND)

Quarterly Report (March 31, 2016)



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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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

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/I, Block 8, KDA-5,
Kehkashan, Clifton,
Karachi, Pakistan.

Registrar

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

Rating

1-Star (Normal): Fund Performance
Ranking (JCR-VIS)
AM2- : Asset Manager Rating by PACRA

Review Report of the Directors' of the Management Company For the nine months period ended March 31, 2016

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Tactical Fund (Formerly: Lakson Asset Allocation Global Commodities Fund) ("LTF") is pleased to submit its review report together with Condensed Interim Financial Statements for the period ended March 31, 2016.

Fund Objective

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

Fund Profile

Lakson Tactical Fund (Formerly: Lakson Asset Allocation Global Commodities Fund) is an open end asset allocation scheme. The Scheme shall be 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 shall switch exposure between the domestic Government Securities and the commodities based on the outlook of the Investments Team of the performance of the commodities. The Scheme may overweight or underweight commodities relative to its benchmark for commodities investments, the DBIQ Optimum Yield Diversified Commodity Index Excess Return. Exposure of the Scheme in the fixed income securities shall be managed through duration and yield curve management by shifting between different maturities of the Government Securities.

Fund performance

During 9MFY16 and 3QFY16 the Lakson Tactical Fund (Formerly: Lakson Asset Allocation Global Commodities Fund) has provided a return of 5.23% and 1.96% respectively. During the same period the Benchmark returned -0.63% and 1.31% respectively. The Fund has outperformed the Benchmark by 586 bps over 9MFY16. As of March 31, 2016, the Lakson Tactical Fund (Formerly: Lakson Asset Allocation Global Commodities Fund) is invested 43% in T-Bills, 34% in PIBs and 24% in cash. The LAAGCF has PKR 192 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.

Global Commodity Markets Review

After falling below US\$27 by mid-January, oil spot prices rebounded to US\$35, following recent discussions among major oil producers regarding a potential production freeze, pushing Brent/Arab Light prices higher by 8.3%/9.4% QoQ. Futures markets show prices modestly increasing over the next year; nonetheless, there is substantial uncertainty about its outlook. Metals markets remained broadly unchanged on fears of a long-term slowdown in China and an over-supply scenario. Agricultural prices continued their downward trend, with a 2.08% decline in the FAO Food Prices Index. The largest contributors to declining agricultural commodity prices were Sugar (down 10% QoQ), Vegetable Oil (down 6% QoQ) and Dairy (down 5% QoQ).

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

Babar Ali Lakhani
Chief Executive Officer

Dated: April 22, 2016

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

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
ASSETS		(Rupees)	
Bank balances	5	47,151,536	36,231,618
Investments	6	146,981,781	149,469,359
Mark-up receivable		1,379,331	3,031,040
Prepayments		102,680	37,260
Deferred formation cost		260,625	631,981
TOTAL ASSETS		195,875,953	189,401,258
LIABILITIES			
Payable to the Management Company	7	1,864,298	1,593,761
Payable to the Trustee		67,591	57,536
Annual fee payable to the Securities and Exchange Commission of Pakistan		135,250	199,673
Accrued and other liabilities	8	1,500,582	1,435,625
Total liabilities		3,567,721	3,286,595
NET ASSETS		192,308,232	186,114,663
UNITHOLDERS' FUND (as per statement of movement in Unit holders' Fund)		192,308,232	186,114,663
CONTINGENCIES AND COMMITMENTS	9		
(Number of units)			
Number of units in issue		1,757,777	1,790,056
Rupees			
Net assets value per unit		109.4042	103.9714

The annexed notes from 1 to 14 form an integral part of these 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

INCOME	Note	Nine months ended March 31,		Quarter ended March 31,	
		2016	2015	2016	2015
------(Rupees)-----					
Income from Government securities		9,973,479	10,607,533	2,870,913	3,742,306
Mark-up income		457,220	1,594,954	68,633	224,060
Capital (loss) / gain on sale of investments - net		(622,938)	89,164	-	-
Exchange gain on foreign currency deposits		128,879	1,478,076	5,528	606,862
Unrealised appreciation in the fair value of investments classified as 'held for trading' - net		3,432,876	6,782,294	1,931,405	3,626,566
		13,369,516	20,552,021	4,876,479	8,199,794
EXPENSES					
Remuneration of the Management Company	7.1	1,516,330	1,952,897	495,303	608,985
Sales tax on remuneration to the Management Company		246,252	339,662	80,437	105,964
Federal excise duty on remuneration to the Management Company	7.2	242,613	312,464	79,249	97,438
Remuneration of the Trustee		599,591	525,480	198,410	172,603
Annual fee to the Securities and Exchange Commission of Pakistan		135,251	151,727	45,191	48,334
Auditors' remuneration		242,054	231,075	62,846	58,120
Fees and subscription		210,981	105,370	62,407	46,850
Printing charges		30,229	27,362	15,172	4,931
Brokerage, settlement and bank charges		18,791	54,043	7,600	1,268
Amortisation of deferred formation cost		371,354	371,018	122,884	121,867
Workers' Welfare Fund	8.1	118,400	302,536	-	131,853
		3,731,846	4,373,634	1,169,499	1,398,213
Net income from operating activities		9,637,670	16,178,387	3,706,980	6,801,581
Element of (loss) / income and capital (losses) / income included in the prices of units issued less those in units redeemed - net		(216,273)	(1,354,120)	(87,163)	(340,765)
Net income for the period before taxation		9,421,397	14,824,267	3,619,817	6,460,816
Taxation	10	-	-	-	-
Net income for the period after taxation		9,421,397	14,824,267	3,619,817	6,460,816

The annexed notes from 1 to 14 form an integral part of these 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	9,421,397	14,824,267	3,619,817	6,460,816
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>9,421,397</u>	<u>14,824,267</u>	<u>3,619,817</u>	<u>6,460,816</u>

The annexed notes from 1 to 14 form an integral part of these 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, 2016		Quarter ended March 31, 2015	
	------(Rupees)-----			
Undistributed income at the beginning of the period - realised	1,521,214	701,322	11,409,204	5,909,045
Undistributed income at the beginning of the period - unrealised	5,587,881	-	1,501,471	3,155,728
Undistributed income at the beginning of the period	7,109,095	701,322	12,910,675	9,064,773
Total comprehensive income for the period	9,421,397	14,824,267	3,619,817	6,460,816
Undistributed income at the end of the period	16,530,492	15,525,589	16,530,492	15,525,589
Undistributed income at the end of the period - realised	13,097,616	8,743,295	13,097,616	8,743,295
Undistributed income at the end of period - unrealised	3,432,876	6,782,294	3,432,876	6,782,294
Undistributed income at the end of the period	16,530,492	15,525,589	16,530,492	15,525,589

The annexed notes from 1 to 14 form an integral part of these 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,		Quarter ended March 31,	
	2016	2015	2016	2015
	------(Rupees)-----			
Net assets value per unit at the beginning of the period	186,114,663	353,564,604	189,721,157	202,363,156
Amount received on issue of Nil (2015: 967,725) units and nil (2015: nil) units for the nine months and quarter respectively	-	100,000,000	-	-
Amount paid on redemption of 32,279 (2015: 2,603,595) units and 10,327 (2015: 40,222) units for the nine months and quarter respectively	(3,444,101)	(264,941,179)	(1,119,905)	(4,362,925)
	(3,444,101)	(164,941,179)	(1,119,905)	(4,362,925)
Element of loss / (income) and capital losses / (gains) included in the prices of units issued less those in units redeemed - net	216,273	1,354,120	87,163	340,765
Total comprehensive income for the period	9,421,397	14,824,267	3,619,817	6,460,816
Net assets at the end of the period	<u>192,308,232</u>	<u>204,801,812</u>	<u>192,308,232</u>	<u>204,801,812</u>
Net assets value per unit at the beginning of the period	<u>103.9714</u>	<u>100.1987</u>	<u>107.3019</u>	<u>104.6895</u>
Net assets value per unit at the end of the period	<u>109.4042</u>	<u>108.2026</u>	<u>109.4042</u>	<u>108.2026</u>

The annexed notes from 1 to 14 form an integral part of these 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 FLOW FROM OPERATING ACTIVITIES				
Net income for the period before taxation	9,421,397	14,824,267	3,619,817	6,460,816
Adjustments for non-cash charges and other items:				
Capital loss / (gain) on sale of investments - net	622,938	(89,164)	-	-
Amortisation of deferred formation cost	371,354	371,018	122,884	121,867
Unrealised (appreciation) in the fair value of investments classified as held for trading ¹ - net	(3,432,876)	(6,782,294)	(1,931,405)	(3,626,566)
Element of loss / (income) and capital losses / (gains) included in the prices of units issued less those in units redeemed - net	216,273	1,354,120	87,163	340,765
	7,199,086	9,677,947	1,898,459	3,296,882
(Increase) / decrease in assets				
Investments - net	5,297,518	(151,182,200)	(1,260,290)	(2,134,635)
Mark-up receivable	1,651,709	(816,983)	1,633,620	1,694,757
Prepayment	(65,420)	(84,630)	62,406	46,850
	6,883,807	(152,083,813)	435,736	(393,028)
Increase / (decrease) in liabilities				
Payable to the Management Company	270,537	147,980	56,138	127,396
Payable to the Trustee	10,055	(3,013)	1	-
Annual fee payable to the Securities and Exchange Commission of Pakistan	(64,423)	(220,896)	45,191	48,335
Accrued expenses and other liabilities	64,957	251,245	2,018	(26,925)
	281,126	175,316	103,348	148,806
Net cash (used in) / generated from operating activities	14,364,019	(142,230,550)	2,437,543	3,052,660
CASH FLOW FROM FINANCING ACTIVITIES				
Cash received from issue of units	-	100,000,000	-	-
Cash paid on redemption of units	(3,444,101)	(264,941,179)	(1,119,905)	(4,362,925)
Net cash (used in) / generated from financing activities	(3,444,101)	(164,941,179)	(1,119,905)	(4,362,925)
Net (decrease) / increase in cash and cash equivalent during the Period	10,919,918	(307,171,729)	1,317,638	(1,310,265)
Cash and cash equivalent at the beginning of the period	36,231,618	354,858,716	45,833,898	48,997,252
Cash and cash equivalent at the end of the period	47,151,536	47,686,987	47,151,536	47,686,987

The annexed notes from 1 to 14 form an integral part of these 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 (Un-audited) For the nine months and quarter ended March 31, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Lakson Tactical Fund (Formerly: Lakson Asset Allocation Global Commodities Fund) ("the Fund") was established under Trust Deed executed on May 30, 2011 between Lakson Investments Limited as its Management Company and Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a notified entity on July 7, 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (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 registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore.

The Fund is an open end mutual fund and is listed on The Pakistan Stock Exchange Limited (previously, Lahore Stock Exchange Limited). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The fund is authorized to invest in Listed Equity Securities, government securities, debt securities, deposits with banks, preference shares, placement of funds with financial institutions, reverse repo, margin trading system, money market placement, commercial paper, unlisted equity securities only if an application for listing of such securities has been accepted by the stock exchange, future contract of equity and commodity both and any other instruments authorized by the commission in Pakistan. Further, as allowed by SECP and SBP, the Fund can invest abroad up to 30% of the aggregated funds mobilized (including foreign currency funds) subject to a maximum limit of USD 15 million. The investments authorized outside Pakistan include exchange traded funds based on equities / debt with exposure in the commodities, index tracker funds tracking different commodities indices, actively managed commodities based funds, equities and debt securities of companies with exposure in commodities, future contracts of different commodities and foreign currency deposits etc.

Lakson Asset Allocation Global Commodities Fund has been converted to Lakson Tactical Fund with effect from April 19, 2016 in accordance with the approval of the Board of Directors and Securities and Exchange Commission of Pakistan (SECP).

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 the asset manager rating of the Management Company. to 'AM2-' (Management company quality rating) for the Management Company dated April 22, 2015.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

These condensed interim financial informations do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended June 30, 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 Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest rupees.

2.5 SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. FINANCIAL RISK MANAGEMENT

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

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
5. BANK BALANCES			
			(Rupees)
In local currency			
In profit and loss sharing accounts	5.1	9,077,484	36,192,757
In current account		8,063	-
In foreign currency			
In current account [USD\$ 363,382 (2015: USD\$ 382)]	5.2	38,065,989	38,861
		<u>47,151,536</u>	<u>36,231,618</u>

5.1 These carry mark-up rates ranging from 4.00% to 7.40% (June 30, 2015: from 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	82,030,535	87,914,025
Pakistan Investments Bonds	6.2	64,951,246	61,555,334
		<u>146,981,781</u>	<u>149,469,359</u>

6.1 Government securities - Market treasury bills

Note	Number of holdings				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		
----- Rupees -----									
Treasury Bills - 3 months (face value of Rs. 100,000 each)	-	350	350	-	-	-	-	-	-
Treasury Bills - 6 months (face value of Rs. 100,000 each)	-	-	-	-	-	-	-	-	-
Treasury Bills - 12 months (face value of Rs. 100,000 each)	6.1.1	900	850	900	82,034,214	82,030,535	(3,679)	42.66%	55.81%
Total - March 31, 2016					82,034,214	82,030,535	(3,679)	42.66%	55.81%
Total - June 30, 2015					87,147,747	87,914,025	766,278	47.24%	58.82%

6.1.1 These represent 12 months Government Treasury bills carrying effective yield ranging from 6.3098 to 6.4300% per annum (June 30, 2015: 9.4711% to 9.9900%) and maturity from October 27, 2016 to November 10, 2016. The face value of Treasury Bills held as at March 31, 2016 amounted to Rs. 85 million (June 30, 2015: Rs. 90 million).

6.2 Government securities- Pakistan Investment Bonds

Note	Number of PIBs				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	Cost	Market value	Unrealized appreciation / (diminution)			
----- Rupees -----										
3 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.2.1	120	-	-	120	12,970,843	12,737,436	(233,407)	6.62%	8.67%
5 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.2.2	220	-	-	220	24,007,019	25,132,338	1,125,319	13.07%	17.10%
10 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.2.3	220	-	-	220	24,536,829	27,081,472	2,544,643	14.08%	18.43%
Total - March 31, 2016						61,514,691	64,951,246	3,436,555	33.77%	44.19%
Total - June 30, 2015						56,733,732	61,555,334	4,821,602	33.07%	41.18%

6.2.1 This represents investment in 3 years Pakistan Investment Bonds carrying effective profit rates of 11.25% (2015: 11.25%) per annum having maturity on 17 July 2017. The face value of Pakistan Investment Bonds as at March 31, 2016 amounted to Rs. 12 million (June 30, 2015: Rs. 12 million).

6.2.2 This represents investment in 5 years Pakistan Investment Bonds carrying effective profit rates of 11.50% (2015: 11.50%) per annum having maturity on 17 July 2019. The face value of Pakistan Investment Bonds as at March 31, 2016 amounted to Rs. 22 million (June 30, 2015: Rs. 22 million).

- 6.2.3 This represents investment in 10 years Pakistan Investment Bonds carrying effective profit rates of 12.00% (2015: 12.00%) per annum having maturity on 17 July 2024. The face value of Pakistan Investment Bonds as at March 31, 2016 amounted to Rs. 22 million (June 30, 2015: Rs. 22 million).

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
Note	(Rupees)	

7. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the Management Company	7.1	143,428	147,435
Sales tax payable on remuneration to the Management Company		246,640	214,709
Federal excise duty payable on remuneration to the Management Company	7.2	1,471,750	1,229,137
Sales load payable		2,480	2,480
		<u>1,864,298</u>	<u>1,593,761</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 10% of the gross earnings of the scheme, calculated on a daily basis after the approval of SECP. The fee is subject to a minimum of 0.75% 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 4, 2013, a constitutional petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative collective investment schemes through their trustee, challenging the levy of FED. In this respect, the Honorable SHC has issued a stay order against recovery proceedings. The hearing of the petition is in progress.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from June 13, 2013, aggregating to Rs. 1.472 million (June 30, 2015: Rs. 1.229 millions). Had the said provision of FED not been recorded in the books of account of the Fund, the net asset value per unit of the Fund would have been higher by Re. 0.84 / 0.84%. (June 2015: Re. 0.69 / 0.69%).

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
Note	(Rupees)	

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		156,653	204,748
Workers' Welfare Fund	8.1	1,328,903	1,210,503
Brokerage Payable		-	374
Others		15,026	20,000
		<u>1,500,582</u>	<u>1,435,625</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 / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

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

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

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

Furthermore, 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. 0.76 / 0.76% (June 2015: Re. 0.68 / 0.68%) per unit.

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 net

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.

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 / year end		
Lakson Investments Limited - Management Company		
Remuneration payable	<u>1,861,818</u>	<u>1,591,281</u>
Sales load payable	<u>2,480</u>	<u>2,480</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	<u>67,591</u>	<u>57,536</u>
Habib Bank AG Zurich - Custodian		
Bank deposits	<u>38,065,989</u>	<u>38,861</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)	
1,003,359	-	-	-	1,003,359	104,320,653	-	-	-	109,771,689	
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company										
Associated companies / undertakings of the Management Company										
Lakson Business Solutions Limited Employees	-	-	-	-	-	-	-	-	-	-
Contributory Provident Fund Trust	4,431	-	-	4,431	460,695	-	-	-	484,770	
Princeton Travels (Private) Limited Employees	4,544	-	-	4,544	472,469	-	-	-	497,133	
Lakson Investments Limited Employees	2,386	-	-	2,386	248,048	-	-	-	261,038	
Contributory Provident Fund Trust	7,952	-	7,952	-	826,819	-	-	845,226	-	
Tetley Clover (Private) Limited Employees	13,633	-	13,633	-	1,417,405	-	-	1,440,503	-	
Century Insurance Company Limited Employees	36,354	-	-	36,354	3,779,783	-	-	-	3,977,280	
Contributory Provident Fund Trust	21,585	-	-	21,585	2,244,225	-	-	-	2,361,490	
GAM Corporation (Private) Limited Employees	246,524	-	-	246,524	25,631,407	-	-	-	26,970,761	
Contributory Provident Fund Trust	93,156	-	-	93,156	9,685,601	-	-	-	10,191,658	
SIZA Foods (Private) Limited Employees	10,327	-	10,327	-	1,073,756	-	-	1,119,905	-	
Contributory Provident Fund Trust	49,986	-	-	49,986	5,197,152	-	-	-	5,468,678	
Other Internet Services (Private) Limited Employees	52,258	-	-	52,258	5,433,386	-	-	-	5,717,245	
Merit Packaging Limited Employees	20,449	-	-	20,449	2,126,107	-	-	-	2,237,206	
Contributory Provident Fund Trust	144,657	-	-	144,657	15,040,200	-	-	-	15,826,083	
Century Paper & Board Mills Limited Employees	77,816	-	-	77,816	8,090,590	-	-	-	8,513,397	
Contributory Provident Fund Trust										

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)
-	967,725	-	-	967,725	-	100,000,000	-	-	104,170,403
1,048,212	-	-	973,979	74,233	105,029,493	-	-	100,652,740	8,032,198
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
4,431	-	-	-	4,431	443,978	-	-	-	479,443
4,544	-	-	-	4,544	455,325	-	-	-	491,696
2,386	-	-	-	2,386	239,048	-	-	-	258,143
7,952	-	-	-	7,952	796,817	-	-	-	860,467
13,633	-	-	-	13,633	1,365,974	-	-	-	1,475,088
36,354	-	-	-	36,354	3,642,630	-	-	-	3,933,604
21,585	-	-	-	21,585	2,162,791	-	-	-	2,335,555
7,229	-	-	-	7,229	724,356	-	-	-	782,217
246,524	-	-	-	246,524	24,701,348	-	-	-	26,674,498
93,156	-	-	-	93,156	9,334,150	-	-	-	10,079,764
10,327	-	-	-	10,327	1,034,794	-	-	-	1,117,454
49,986	-	-	-	49,986	5,008,568	-	-	-	5,408,654
39,762	-	-	39,762	-	3,984,091	-	-	4,313,061	-
52,258	-	-	-	52,258	5,236,230	-	-	-	5,654,502
20,449	-	-	-	20,449	2,048,959	-	-	-	2,212,631
144,706	-	-	-	144,706	14,499,305	-	-	-	15,657,514
77,842	-	-	-	77,842	7,799,626	-	-	-	8,422,663

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
- SZA Foods (Private) Limited - Employees
- Contributory Provident Fund Trust
- Hassanali Karabhai Foundation - Employees
- Contributory Provident Fund Trust
- Colgate Palmolive (Pakistan) Limited - Employees
- Contributory Provident Fund Trust
- Colgate Palmolive (Pakistan) Limited - Employees
- Gratuity Fund
- SZA Services (Private) Limited - Employees
- Contributory Provident Fund Trust
- Cyber Internet Services (Private) Limited - Employees
- Contributory Provident Fund Trust
- Accury Surgical Limited - Employees
- Contributory Provident Fund Trust
- Merit Packaging Limited - Employees
- Contributory Provident Fund Trust
- Merit Packaging Limited - Employees
- Gratuity Fund
- Century Paper & Board Mills Limited - Employees
- Contributory Provident Fund Trust
- Century Paper & Board Mills Limited - Employees
- Gratuity Fund

11.3 Other transactions during the period

Nine months ended March 31, 2016		Quarter ended March 31, 2015	
----- (Unaudited) -----			
----- (Rupees) -----			

Lakson Investments Limited - Management Company of the Fund

Remuneration of the Management
Company

1,516,330	1,952,897	495,303	608,985
246,252	339,662	80,437	105,964
242,613	312,464	79,249	97,438
<u>2,005,195</u>	<u>2,605,023</u>	<u>654,989</u>	<u>812,387</u>

Sales tax on remuneration to the
Management Company

Federal excise duty on remuneration
to the Management Company

Central Depository Company of Pakistan Limited - Trustee of the Fund

Remuneration of the Trustee

<u>599,591</u>	<u>525,480</u>	<u>198,410</u>	<u>172,603</u>
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Nine months ended
March 31,
2016 2015
(Unaudited)
(Rupees)

Habib Bank AG Zurich - Custodian

Brokerage and Settlement charges

Bank Charges

-	-
<u>6,809</u>	<u>31,533</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			
-	146,981,781	-	146,981,781

As at June 30, 2015			
----- Audited -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
Assets			
Financial assets at fair value			
through profit or loss			
-	149,469,359	-	149,469,359

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

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