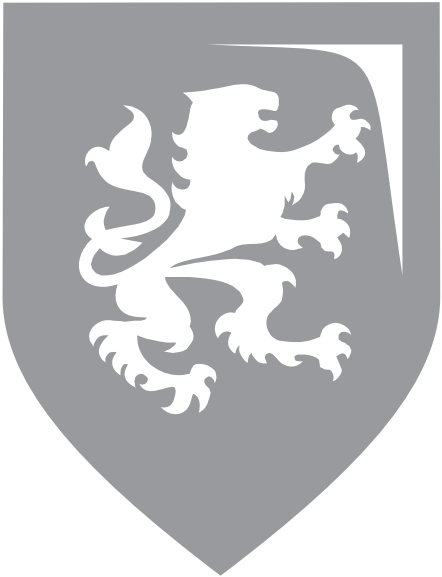


LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND
Quarterly Report (September 30, 2015)



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Fund's Information

Management Company	Lakson Investments Limited Head Office Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan. Phone: (9221) 3569.8000 Fax: (9221) 3568.1653 Web site: www.li.com.pk E-mail: info@li.com.pk
Board of Directors of the Management Company	Mr. Iqbal Ali Lakhani - Chairman Mr. Babar Ali Lakhani - Chief Executive Officer Mr. A. Aziz H. Ebrahim Mr. Mahomed J. Jaffer Mr. Amin Mohammed Lakhani Mr. Sher Afgan Malik Mr. Daniel Scott Smaller Mr. Zahid Zakiuddin
Chief Financial Officer & Company Secretary of the Management Company	Ms. Sana Quadri
Audit Committee	Mr. Zahid Zakiuddin - Chairman Mr. A. Aziz H. Ebrahim Mr. Iqbal Ali Lakhani Mr. Sher Afgan Malik
Human Resource and Remuneration Committee	Mr. Iqbal Ali Lakhani - Chairman Mr. Babar Ali Lakhani Mr. Daniel Scott Smaller
Trustee	Central Depository Company of Pakistan Limited CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, Pakistan.
Auditors	BDO Ebrahim & Co. Chartered Accountants 2nd Floor, Block C, Lakson Square, Building No. 1, Sarwar Shaheed Road, Karachi - 74200.
Bankers to the Fund	Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Habib Bank AG Zurich United Bank Limited
Legal Adviser	Fazleghani Advocates F-72/1, Block 8, KDA-5, Kehkashan, Clifton, Karachi, Pakistan.
Registrar	Lakson Investments Limited Lakson Square Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan
Distributor	Rabia Fida
Rating	1-Star (Normal): Fund Performance Ranking (By JCR-VIS) AM2- : Asset Manager Rating by PACRA

Review Report of the Directors of the Management Company For the quarter ended September 30, 2015

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Asset Allocation Developed Markets Fund ("LAADMF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended September 30, 2015

Fund Objective

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

Fund Profile

LAADMF is an open end asset allocation scheme. The Scheme is managed using an active investment management style which focuses on an analysis of the macro factors such as government policies, global economic data, commodities prices and supply/demand dynamics. The Scheme switches exposure between the domestic Government Securities and the Developed Markets securities based on the outlook of the Investments Team of the performance of the Developed Markets. The Scheme may overweight or underweight countries relative to its benchmark for Developed Markets investments, the MSCI World Index. Exposure of the Scheme in the fixed income securities is managed through duration and yield curve management by shifting between different maturities of the Government Securities.

Fund performance

The LAADMF generated an absolute return of 0.37% in 1QFY16 compared to the Benchmark (30:70 combination of the MSCI World Index and 6 month T bills) return of -1.46%. The LAADMF outperformed the benchmark by 183 bps. As of September 30, 2015, the LAADMF portfolio is invested 19% in T-Bills, 49% in PIBs, 25% in Developed Market equities and 7% in cash. The fund size of the LAADMF as of September 30, 2015 was PKR 292 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

In September, the State Bank of Pakistan decreased the discount and target rates by 50bps each to 6.5% and 6.0% respectively, the lowest levels on record, bringing the total reduction in interest rates to 350 bps over the last year. This decision was made on the back low inflation, high real interest rates and a comfortable external account position. CPI for September clocked in at 1.3%, a multiyear low as food and energy prices continued to drop. Similarly both measures of Core Inflation (NFNE and Trimmed) recorded a year on year increase of just 3.4% and 2.8% respectively. Average CPI for the quarter was recorded at just 1.64% against 7.52% in 1QFY15. With headline inflation forecast to be under 5.0% in FY16 and FX reserves climbing to all time highs (USD 20+ billion), the possibility of another interest rate cut during 2QFY16 cannot be ruled out. Policy makers will hope that easy monetary conditions will give a much needed boost to private sector credit off-take and industrial activity.

The collapse in commodity prices and continuing strength in worker remittances has helped to narrow the current account deficit for 2MFY16 to just USD 394 million against USD 1,456 million (↓ 72.9%) in 2MFY15. Pakistan successfully issued a 10-year Eurobond worth USD 500 million with a coupon of 8.25% in September. Along with the approval of another USD 502 million IMF tranche and receipt of Coalition Support Funds, the buildup in foreign reserves is continuing smoothly. From USD 15.3 billion in December 2014 and USD 18.7 billion in June 2015, FX reserves have now increased to USD 20.1 billion, a jump of 31.5% and 7.3% respectively. For this reason despite a 6.7% appreciation in the USD Index, the PKR has depreciated by just 3.9% during 9MCY15. While concerns over lackluster exports (↓ 6.9% YoY during 2MFY16) will remain due to a weak regional growth outlook, Pakistan remains a net beneficiary of the prevailing global economic environment.

With most macroeconomic indicators continuing to show improvement, Pakistan received for the first time, a Long-Term Foreign and Local Currency Issuer Default Rating (IDR) of 'B' with a Stable Outlook from Fitch. The agency also assigned a Short-Term Foreign-Currency rating of 'B' and a Country Ceiling of 'B'. This rating is based on an increase in the country's foreign reserves which have improved liquidity and reduced the risk of default. Moreover, the China-Pakistan Economic Corridor (CPEC) and the implementation of structural reforms in energy and fiscal management are expected to generate growth of 5.0%+ in FY16 and beyond. With the privatization of Pakistan International Airlines, Pakistan Steel Mills and State Life Insurance expected during 2HFY16, the government should be able to create the necessary fiscal space to reduce the budget deficit to 4.3% in FY16. This could lead to further rating upgrades from Fitch and Moody's in the near future.

Developed Markets Review

The first quarter of FY16 saw high volatility as markets reacted to the Chinese government's sudden decision to devalue the Yuan and precipitated a global rout in equities. Then in September, markets remained choppy due to uncertainty over the Fed's decision to hike interest rates as U.S. unemployment fell to 5.1% for the first time since the 1990s. The Fed decided to hold off on the hike; mentioning volatility in global markets and a slowdown in China as the major factors for the decision.

US stocks had their worst monthly performance in 3 years in August with the Dow Jones industrials ending 6.6% lower and the S&P down 6.3%. NASDAQ also saw a massive decline and closed 6.9% lower as investors worried about a slowdown in China's economy and a drop in consumption. Weak industrial data from China precipitated a further decline in the markets' performance and the S&P 500 declined 7% from 2,063 points in June '15 to 1,920 points in September '15. The Dow also saw a massive decline of 7.6% in the quarter and closed at a level of 4,620. Nasdaq was hit hard by a sharp drop in bio-technology stocks as price-gouging of prescription drugs came into the spotlight.

Concerns over a slowdown in China and a weaker Yuan weighed on the Japanese market as the Nikkei 225 closed down a massive 14.1% in the quarter from a level of 20,236 to a level of 17,388. Meanwhile, on the back of falling energy prices, the inflation rate of the EU turned negative for the first time in 6 months which has added more pressure on the ECB to expand quantitative easing. CAC 40 Index was down 6.99% and FTSE 100 Index was down 7.04% in the quarter. The German index DAX was down 11.74%; the decline was precipitated by the Volkswagen emissions scandal which is expected to put pressure on the German economy as the Auto sector is a mainstay of the country's economy.

Future Outlook

The ability to widen the tax net, execute privatization plans and reduce subsidies through tariff rationalization will be key factors in meeting the FY16 budget deficit target of 4.3%. With the outlook for commodity prices persistently weak, the current account deficit could potentially turn into a surplus in FY16. Consequently import cover should continue to improve while PKR parity against the USD can be carefully managed by the SBP. Inflows and projects related to the China - Pakistan Economic Corridor (CPEC) would give a significant boost to construction activities and GDP growth. A high growth and low inflation trajectory would be a heady cocktail for investors looking to capitalize on the favorable economic environment.

Acknowledgement

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan, the Trustee of the Fund- Central Depository Company of Pakistan Limited and the management of the Lahore Stock Exchange Limited for their continued cooperation and support. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company for the growth and the prudent management of the Fund.

For and on Behalf of the Board

Babar Ali Lakhani
Chief Executive Officer

Dated: October 20, 2015

**Condensed Interim Statement of Assets and Liabilities
As at September 30, 2015**

		September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	Note	(Rupees)	
ASSETS			
Bank balances	6	23,123,925	179,718,580
Investments	7	272,460,684	141,096,027
Dividend and Mark-up receivable		3,276,604	7,416,291
Deferred formation cost		518,223	645,022
Prepayment		70,372	37,260
TOTAL ASSETS		<u>299,449,808</u>	<u>328,913,180</u>
LIABILITIES			
Payable to the Management Company	8	4,613,918	4,601,457
Payable to the Trustee		65,409	81,454
Annual fee payable to the Securities and Exchange Commission of Pakistan		71,579	542,810
Accrued expenses and other liabilities	9	2,795,541	2,885,849
TOTAL LIABILITIES		<u>7,546,447</u>	<u>8,111,570</u>
NET ASSETS		<u>291,903,361</u>	<u>320,801,610</u>
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		<u>291,903,361</u>	<u>320,801,610</u>
CONTINGENCIES AND COMMITMENTS	10		
		(Number of units)	
Number of units in issue		<u>2,529,434</u>	<u>2,790,213</u>
		(Rupees)	
Net assets value per unit		<u>115.4026</u>	<u>114.9738</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

Condensed Interim Income Statement (Unaudited) For the quarter ended September 30, 2015

INCOME	Note	2015	2014
		(Rupees)	
Income from Government securities		4,393,954	9,405,485
Mark-up income		1,035,995	722,306
Capital loss on sale of investments - net		(1,952)	(14,004)
Dividend income		245,525	923,680
Exchange (loss) / gain on foreign currency deposits		(10,971)	182,997
		5,662,551	11,220,464
Unrealised (diminution) / appreciation in the fair value of investments classified as 'held for trading' - net		(2,341,480)	2,305,542
		3,321,071	13,526,006
EXPENSES			
Remuneration to the Management Company	8.1	1,133,980	2,975,479
Sales tax on remuneration to the Management Company		184,158	517,733
Federal excise duty on remuneration to the Management Company	8.2	181,437	476,077
Remuneration to the Trustee		200,590	297,548
Annual fee to the Securities and Exchange Commission of Pakistan		71,580	141,335
Custody charges		25,803	93,356
Auditors' remuneration		96,754	91,128
Fees and subscription		23,628	10,082
Rating fee		40,329	-
Printing charges		5,027	5,041
Brokerage, settlement and bank charges		192,287	18,115
Amortization of deferred formation cost		126,799	127,147
Workers' Welfare Fund	9.1	-	63,045
		2,282,372	4,816,086
Net income from operating activities		1,038,699	8,709,920
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net		(3,859,016)	(5,620,732)
Net (loss) / income for the period		(2,820,317)	3,089,188

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended September 30, 2015**

	2015	2014
	(Rupees)	
Net (loss) / income for the period	(2,820,317)	3,089,188
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	<u>(2,820,317)</u>	<u>3,089,188</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**Condensed Interim Distribution Statement (Unaudited)
For the quarter ended September 30, 2015**

	2015	2014
	(Rupees)	
Undistributed income at the beginning of the period- realised	31,460,919	5,911,565
Undistributed income at the beginning of the period- unrealised	10,319,380	31,621,610
Undistributed income at the beginning of the period	<u>41,780,299</u>	<u>37,533,175</u>
Total comprehensive (loss) / income for the period	(2,820,317)	3,089,188
Undistributed income at the end of the period	<u>38,959,982</u>	<u>40,622,363</u>
Undistributed income at the end of the period- realised	41,301,462	38,316,821
Accumulated (loss) / undistributed income at the end of the period- unrealised	(2,341,480)	2,305,542
Undistributed income at the end of the period	<u>38,959,982</u>	<u>40,622,363</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

**Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)
For the quarter ended September 30, 2015**

	2015	2014
	(Rupees)	
Net assets at the beginning of the period	320,801,610	598,492,198
Cash received on issue of nil (2014: nil) units	-	-
Cash paid on redemption of 260,779 (2014: 661,160) units	<u>(29,936,948)</u>	<u>(71,736,788)</u>
	(29,936,948)	(71,736,788)
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net	3,859,016	5,620,732
Total comprehensive (loss) / income for the period	(2,820,317)	3,089,188
Net assets at the end of the period	<u>291,903,361</u>	<u>535,465,329</u>
Net assets value per unit at the beginning of the period	<u>114.9738</u>	<u>106.6908</u>
Net assets value per unit at the end of the period	<u>115.4026</u>	<u>108.2091</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended September 30, 2015**

	2015	2014
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / income for the period	(2,820,317)	3,089,188
Adjustments for non-cash charges and other items:		
Capital loss on sale of investments - net	1,952	14,004
Amortization of deferred formation cost	126,799	127,147
Unrealised diminution / (appreciation) in the fair value of investments classified as held for trading ¹ - net	2,341,480	(2,305,542)
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net	3,859,016	5,620,732
	<u>3,508,930</u>	<u>6,545,529</u>
Decrease / (increase) in assets		
Investments - net	(133,708,089)	(338,371,604)
Mark-up receivable	4,139,687	174,042
Prepayment	(33,112)	(29,918)
	<u>(129,601,514)</u>	<u>(338,227,480)</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	12,461	533,827
Payable to the Trustee	(16,045)	(365)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(471,231)	(395,983)
Accrued expenses and other liabilities	(90,308)	(140,213)
	<u>(565,123)</u>	<u>(2,734)</u>
Net cash used in from operating activities	<u>(126,657,707)</u>	<u>(331,684,686)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issue of units	-	-
Cash paid on redemption of units	(29,936,948)	(71,736,788)
Net cash used in from financing activities	<u>(29,936,948)</u>	<u>(71,736,788)</u>
Net decrease in cash and cash equivalent during the period	<u>(156,594,655)</u>	<u>(403,421,474)</u>
Cash and cash equivalent at the beginning of the period	179,718,580	419,698,826
Cash and cash equivalent at the end of the period	<u>23,123,925</u>	<u>16,277,352</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**Notes to and Forming Part of the Condensed Interim
Financial Statements (Unaudited)
For the quarter ended September 30, 2015**

1. LEGAL STATUS AND NATURE OF BUSINESS

Lakson Asset Allocation Developed Markets Fund ("the Fund") was established under Trust Deed executed on May 30, 2011 between Lakson Investments Limited as its Management Company and Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a notified entity on July 7, 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Management Company of the Fund has been licensed by SECP as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The Fund has commenced its operations on October 11, 2011. The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore.

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

The Fund is authorized to invest in Government securities, deposits and foreign currency deposits with local or foreign banks etc. in Pakistan. Further, as allowed by SECP and SBP, the Fund can invest up to 30% of the net aggregate funds mobilized (including foreign currency funds) subject to a maximum limit of USD 15 million. The investments authorized outside Pakistan include exchange traded funds based on equities / debt with exposure in the developed markets, index tracker funds tracking different developed markets, actively managed developed markets funds, equities and debt securities of companies with exposure in developed markets, foreign currency deposits etc.

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

The JCR - VIS Credit Rating Company Limited has assigned 1-Star ranking to the Fund and the Pakistan Credit Rating Agency Limited (PACRA) has upgraded rating to 'AM2-' (Management company quality rating) for the Management Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with 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, 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). In case the requirements differ, the provisions or directives of the Companies Ordinance, 1984, and the requirements of the Rules and the Regulations shall prevail.

This condensed interim financial information comprises of condensed interim statement of assets and liabilities as at September 30, 2015 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in Unit Holder's Fund, and notes thereto, for the period ended September 30, 2015.

This condensed interim financial information does not include all the information required for a complete set of annual financial statements and should 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.

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

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

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

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

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the published financial statements as at and for the year ended June 30, 2015.

4. ACCOUNTING ESTIMATES

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

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

5. 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 30 June 2015.

		September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
		(Rupees)	
6. BANK BALANCES	Note		
In local currency			
In profit and loss sharing accounts	6.1	21,581,021	179,077,648
In current accounts		8,166	-
In foreign currency			
In current account	6.2	<u>1,534,738</u>	<u>640,932</u>
[USD\$ 14,685 (2015: USD\$ 6,297)]		<u>23,123,925</u>	<u>179,718,580</u>
6.1	These carry mark-up rates ranging from 4.50% to 6.00% (2014: from 4.50% to 7.05%) per annum.		
6.2	This represents USD denominated current account maintained in foreign country.		

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

	Note	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
(Rupees)			
In local currency			
Government securities			
Market Treasury Bills	7.1	54,726,265	-
Pakistan Investment Bonds	7.2	144,172,709	141,096,027
In foreign currency			
Exchange traded fund	7.3	73,561,710	-
		<u>272,460,684</u>	<u>141,096,027</u>

7.1 Market Treasury Bills

Note	Number of treasury bills				Balance as at September 30, 2015			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments	
	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealized appreciation			
										Rupees
Treasury Bills - 3 months (face value of Rs. 100,000 each)	7.1.1	-	800	250	550	54,712,167	54,726,265	14,098	18.75%	20.09%
Total - September 30, 2015						54,712,167	54,726,265	14,098	18.75%	20.09%
Total - June 30, 2015						-	-	-	-	-

7.1.1 These represent 3 months Government Treasury bill carrying a fixed mark-up rate 7.1663% per annum and will mature October 29, 2015. The face value of Treasury Bills held as at September 30, 2015 amounted to Rs. 55 million. (June 30, 2015: Nil).

7.2 Pakistan Investment Bonds

Note	Number of Pakistan Investments Bond				Balance as at September 30, 2015			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments	
	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealized (diminution) / appreciation			
										Rupees
Pakistan Investments Bond - 3 Years (face value of Rs. 100,000 each)	7.2.1	310	-	-	310	33,370,424	33,299,177	(71,247)	11.41%	12.22%
Pakistan Investments Bond - 5 Years (face value of Rs. 100,000 each)	7.2.2	275	-	-	275	30,078,605	30,863,168	784,563	10.57%	11.33%
Pakistan Investments Bond - 10 Years (face value of Rs. 100,000 each)	7.2.3	695	-	-	695	77,593,536	80,010,364	2,416,828	27.41%	29.37%
Total - September 30, 2015						141,042,565	144,172,709	3,130,144	49.39%	52.92%
Total - June 30, 2015						130,776,647	141,096,027	10,319,380	64.45%	72.05%

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

7.2.2. These represent 5 years Pakistan Investments Bond carrying a fixed mark-up rate of 11.5000% per annum and having maturity on July 17, 2019. The face value of Pakistan Investments Bond held as at June 30, 2015 amounted to Rs. 27.5 million. (June 30, 2015: 27.5).

7.2.3. These represent 10 years Pakistan Investments Bond carrying a fixed mark-up rate of 12.0000% per annum and having maturity between July 19, 2022 to July 17, 2024. The face value of Pakistan Investments Bond held as at June 30, 2015 amounted to Rs. 69.5 million. (June 30, 2015: 69.5).

7.3 Exchange traded fund: Foreign investment

	Number of Units				Balance as at September 30, 2015			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Cost	Market value	Unrealized diminution		
Powershares QQQ Trust Series 1	-	3,450	-	3,450	39,493,398	36,691,132	(2,802,266)	12.57%	13.47%
Vanguard S&P 500 UCITS ETF	-	9,700	-	9,700	39,554,034	36,870,578	(2,683,456)	12.63%	13.53%
Total - September 30, 2015					79,047,432	73,561,710	(5,485,722)	25.20%	27.00%
Total - June 30, 2015					220,089,897	217,734,419	(2,341,480)	74.59%	79.91%
Total investment - September 30, 2015					130,776,647	141,096,027	10,319,380	64.45%	72.05%

**September 30,
2015
(Unaudited)** **June 30,
2015
(Audited)**

Note **(Rupees)**

8. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the Management Company	8.1	372,062	537,851
Sales tax payable on remuneration to the Management Company		612,813	616,000
Federal excise duty payable on remuneration to the Management Company	8.2	3,626,084	3,444,647
Sales load payable		2,959	2,959
		<u>4,613,918</u>	<u>4,601,457</u>

8.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding 3% per annum of the average annual net assets of the Fund during first five years of the Fund's existence and thereafter an amount not exceeding 2% per annum of such net assets of the Fund. However, the rate of fee is temporarily reduced to 15% of the gross earnings of the scheme, calculated on a daily basis. The fee is subject to a minimum of 1.25% and maximum of 2% of the average annual net assets of the Fund after the approval from SECP since December 2014.

8.2 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED is not justified.

On September 04, 2013, a constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustee, challenging the levy of FED. In this respect, the Honorable SHC has issued a stay order against recovery proceedings. The hearing of the petition is in progress.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from June 13, 2013, aggregating to Rs. 3.626 million (June 30, 2015: Rs. 3.445 million).

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
9. ACCRUED AND OTHER LIABILITIES	Note	(Rupees)
Auditors' remuneration	82,454	204,750
Brokerage payable	-	1,911
Custody fee payable	25,803	-
Rating fee payable	3,069	-
Workers' Welfare Fund	9.1	2,659,188
Others	25,027	20,000
	<u>2,795,541</u>	<u>2,885,849</u>

- 9.1 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 Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

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.

As the matter relating to levy of WWF is currently pending in the Court, the Management Company, as a matter of prudence and abundant caution, has decided to make provision for WWF amounting to Rs. 2.659 million up to September 30, 2015.

The Finance Act 2015 made an amendment in the Workers Welfare Fund Ordinance, 1971, whereby the mutual funds are no longer required to provide for WWF. However, Sindh parliament in June 2015 has passed "The Sindh Workers Welfare Fund Act 2014". Based on our understanding of the Act, and as a matter of abundant precaution we are recording provision of WWF on the income of our funds under the Act.

Had the above recognition not been made, the net assets value per unit of the Fund would be higher by Re.1.051/ 1.051%

10. CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments as at September 30, 2015.

11. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial information.

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

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Habib Bank AG Zurich being the Custodian, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company and unit holders holding more than 10% in the units of the Funds as at September 30, 2015.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively. Other transactions are in normal course of business, at contracted rates and terms determined in accordance with the market rates.

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

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	(Rupees)	
12.1 Balance as at period / year end		
Lakson Investments Limited - Management Company		
Payable to Management Company	<u>4,610,959</u>	<u>4,598,498</u>
Sales load payable	<u>2,959</u>	<u>2,959</u>
Central Depository Company of Pakistan Limited - Trustee	<u>65,409</u>	<u>81,454</u>
Habib Bank AG Zurich - Custodian		
Bank deposits	<u>1,534,738</u>	<u>640,932</u>
Custody fee payable	<u>25,803</u>	<u>-</u>
Others - Connected person due to holding more than 10% outstanding units		
Bank deposits	<u>21,115,337</u>	<u>4,925,000</u>
Profit receivable	<u>106,950</u>	<u>25,565</u>

12.2 Unit Holders' Fund

Quarter ended September 30, 2015									
Number of Units					Rupees				
Number of Units as at July 01, 2015	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2015	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance at the end of the period (investment at current NAV)
1,025,080	-	-	-	1,025,080	117,857,364	-	-	-	118,296,897
163,397	-	-	-	163,397	18,786,363	-	-	-	18,856,439
Associated companies / undertakings of the Management Company									
Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company									
Associated companies / undertakings of the Management Company									
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	4715	-	-	4,715	542,102	-	-	-	544,123
Princeton Travels (Private) Limited - Employees Contributory Provident Fund Trust	4,836	-	-	4,836	556,002	-	-	-	558,087
Lakson Investments Limited - Employees Contributory Provident Fund Trust	2539	-	-	2,539	291,901	-	-	-	293,007
Telley Clover (Private) Limited - Employees Contributory Provident Fund Trust	8,463	-	-	8,463	973,004	-	-	-	976,652
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	14,508	-	-	14,508	1,668,007	-	-	-	1,674,261
GAMI Corporation (Private) Limited - Employees Contributory Provident Fund Trust	38,687	-	-	38,687	4,448,019	-	-	-	4,464,580
SZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	22,971	-	-	22,971	2,641,011	-	-	-	2,650,913
Chigatte Falmorce (Pakistan) Limited - Employees Contributory Provident Fund Trust	262,348	-	-	262,348	30,163,125	-	-	-	30,275,641
Gege Falmorce (Pakistan) Limited - Employees Gratuity Fund SZA Services (Private) Limited - Employees Contributory Provident Fund Trust	99,136	-	-	99,136	11,398,047	-	-	-	11,440,352
Ojper Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	10,881	-	-	10,881	1,251,005	-	-	-	1,255,696
Synd (Private) Limited - Employees Contributory Provident Fund Trust	53,195	-	-	53,195	6,116,025	-	-	-	6,138,841
Acurey Surgicals Limited - Employees Contributory Provident Fund Trust	16,926	-	-	16,926	1,946,008	-	-	-	1,953,304
Merit Packaging Limited - Employees Contributory Provident Fund Trust	42,314	-	-	42,314	4,865,020	-	-	-	4,883,146
Merit Packaging Limited - Employees Gratuity Fund Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	55,513	-	-	55,513	6,394,027	-	-	-	6,417,985
Century Paper & Board Mills Limited - Employees Gratuity Fund	21,762	-	-	21,762	2,502,010	-	-	-	2,511,391
Century Paper & Board Mills Limited - Employees Gratuity Fund	272,857	-	-	272,857	31,371,427	-	-	-	31,488,407
Other - connected person due to holding more than 10% outstanding units *	147,068	-	-	147,068	16,908,915	-	-	-	16,972,030
Other - connected person due to holding more than 10% outstanding units *	432,266	-	-	173,885	49,699,238	-	-	20,000,000	29,817,857

* holding reduced to below 10 % due to divestment of Unit holder (s) / investment from other Unit holders

Quarter ended September 30, 2014									
Number of Units					Rupees				
Number of Units as at July 01, 2014	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2014	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
2,683,303	-	-	-	2,683,303	286,283,740	-	-	-	290,357,803
164,278	-	-	-	164,278	17,526,940	-	-	-	17,776,375
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									
4,715	-	-	-	4,715	503,048	-	-	-	510,206
4,836	-	-	-	4,836	515,947	-	-	-	523,299
2,539	-	-	-	2,539	270,872	-	-	-	274,743
8,463	-	-	-	8,463	902,906	-	-	-	915,774
14,508	-	-	-	14,508	1,547,840	-	-	-	1,569,898
38,687	-	-	-	38,687	4,127,572	-	-	-	4,186,285
22,971	-	-	-	22,971	2,450,746	-	-	-	2,485,671
7,254	-	-	-	7,254	773,920	-	-	-	784,949
262,348	-	-	-	262,348	27,990,099	-	-	-	28,388,441
99,136	-	-	-	99,136	10,576,904	-	-	-	10,727,417
10,881	-	-	-	10,881	1,160,880	-	-	-	1,177,423
53,195	-	-	-	53,195	5,675,412	-	-	-	5,756,183
16,926	-	-	-	16,926	1,805,813	-	-	-	1,831,547
42,314	-	-	-	42,314	4,514,532	-	-	-	4,578,760
55,613	-	-	-	55,613	5,933,385	-	-	-	6,017,833
21,762	-	-	-	21,762	2,321,759	-	-	-	2,354,846
272,894	-	-	-	272,894	59,115,301	-	-	-	29,529,614
147,088	-	-	-	147,088	15,692,883	-	-	-	15,916,260
1,092,588	-	-	-	1,092,588	116,569,140	-	-	-	55,295,116
									63,212,121

	September 30, 2015	2014 (Unaudited) (Rupees)
12.3 Other transactions during the period		
Lakson Investments Limited - Management Company of the Fund		
Remuneration to the Management Company	<u>1,133,980</u>	<u>2,975,479</u>
Sindh sales tax on remuneration to Management Company	<u>184,158</u>	<u>517,733</u>
Federal excise duty on remuneration to Management Company	<u>181,437</u>	<u>476,077</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the period	<u>200,590</u>	<u>297,548</u>
Habib Bank AG Zurich - Custodian		
Brokerage and settlement charges	<u>180,027</u>	<u>-</u>
Custody charges	<u>25,803</u>	<u>93,356</u>
Others - Connected Person due to holding more than 10% in the units of the Fund)		
Profit on bank deposits	<u>675,133</u>	<u>85,039</u>
Bank charges	<u>4,090</u>	<u>800</u>

13. GENERAL

This condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on October 20, 2015

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

Chief Executive Officer

Director



A Lakson Group Company

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