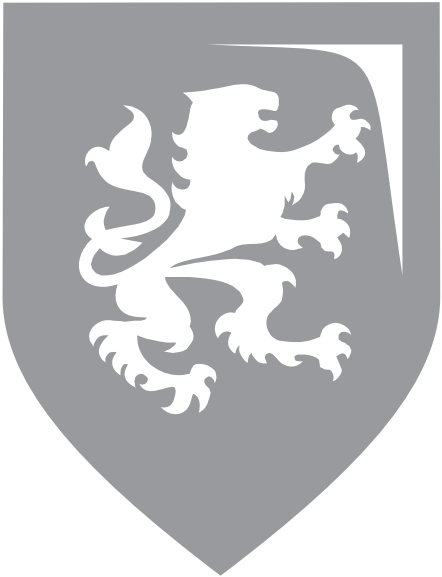


LAKSON ASSET ALLOCATION EMERGING MARKETS FUND
Quarterly Report (September 30, 2015)



CONTENTS

Fund's Information	1
Review Report of the Directors of the Management Company	2
Condensed Interim Statement of Assets and Liabilities	4
Condensed Interim Income Statement	5
Condensed Interim Statement of Comprehensive Income	6
Condensed Interim Distribution Statement	7
Condensed Interim Statement of Movement in Unit Holders' Fund	8
Condensed Interim Cash Flow Statement	9
Notes to and forming part of the Condensed Interim Financial Statements	10

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 (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 Emerging Markets Fund ("LAAEMF") 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 Emerging Markets Fund is to provide long-term capital appreciation by investing in a mix of domestic debt and Emerging Markets Securities.

Fund Profile

LAAEMF 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 Emerging Markets securities based on the outlook of the Investments Team of the performance of the Emerging Markets. The Scheme may overweight or underweight countries relative to its benchmark for Emerging Markets investments, the MSCI Emerging Markets 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 LAAEMF generated an absolute return of 1.45% in 1QFY16 compared to the Benchmark (30:70 combination of the MSCI Emerging Markets Index and 6 month T bills) return of -3.73%. The LAAEMF outperformed the benchmark by 518 bps. As of September 30, 2015, the LAAEMF portfolio is invested 74% in T-Bills, 23% in PIBs, and 3% in cash. The fund size of the LAAEMF as of September 30, 2015 was PKR 101 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 9MAY15. 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.

Emerging Markets Review

The highlight of the first quarter FY16 for emerging markets was the Yuan devaluation by 4.4% in just 3 days in August. The sudden move signaled the Chinese government's increasing concern over a slowdown in the country's economy. A weaker currency is expected to increase China's exports at a time when the sheen of its high growth trajectory seems to be dimming. According to Chinese authorities, the devaluation would propel the currency toward more market-driven movements. However, the decision gave yet another severe blow to the country's already battered stock market. The country's Shanghai Composite Index was down a staggering 13% in August amid outflows of billions of dollars, prompting the government to come to the bourse's rescue to reassure investors and stabilize markets. Prompt action by the Chinese government managed to curtail capital outflows and restricted the decline of the Shanghai Index to 29% in the first quarter. The concern is still prevalent though as outflows may continue to rise if the Fed decides to increase interest rates.

A rout in regional currencies provoked fears of devaluation in the Indian Rupee, adding significant volatility to India's SENSEX 30 which saw a dip of 6.7% in August; however, the central bank's decision to reduce the repo rate by 0.5% to 6.75% in September gave a boost to the index which closed at a level of 26,154 - a 6% decline in the quarter, much lower than regional indices.

In August, Brazil's BOVESPA was down a massive 7.3% as the country entered into recession and political uncertainty was at its peak amid investigations of Brazil's top brass and support for Ms. Rousseff at an all-time low. The ongoing woes in China further heightened fears of a full-blown crisis in Brazil due to the country's heavy dependence on commodities and exports to China. Bovespa was down 15% in the quarter.

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.

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 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 (Unaudited)
As at September 30, 2015**

	Note	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
		(Rupees)	
ASSETS			
Bank balances	5	3,637,310	78,450,960
Investments	6	99,038,153	24,018,526
Dividend and other receivables		553,916	1,331,836
Deferred formation cost		518,018	644,767
Prepayment		62,886	37,259
TOTAL ASSETS		<u>103,810,283</u>	<u>104,483,348</u>
LIABILITIES			
Payable to the Management Company	7	1,244,933	1,189,848
Payable to the Trustee		65,412	57,538
Annual fee payable to Securities and Exchange Commission of Pakistan		24,359	114,364
Accrued expenses and other liabilities	8	1,058,467	1,147,248
TOTAL LIABILITIES		<u>2,393,171</u>	<u>2,508,998</u>
NET ASSETS		<u>101,417,113</u>	<u>101,974,350</u>
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		<u>101,417,113</u>	<u>101,974,350</u>
CONTINGENCIES AND COMMITMENTS	9		
		(Number of units)	
Number of units in issue		<u>912,961</u>	<u>931,303</u>
		(Rupees)	
Net assets value per unit		<u>111.0859</u>	<u>109.4964</u>

The annexed notes from 1 to 12 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**

	Note	2015	2014
		(Rupees)	
INCOME			
Income from Government securities		1,432,937	2,370,775
Capital gain on sale of investments - net		-	735,009
Exchange gain on foreign currency deposits		1,044	105,861
Mark-up income		523,324	415,706
		<u>1,957,305</u>	<u>3,627,351</u>
Unrealised appreciation / (diminution) in the fair value of investments classified as 'held for trading' - net		403,147	(73,032)
		<u>2,360,452</u>	<u>3,554,319</u>
EXPENSES			
Remuneration to the Management Company	7.1	260,863	853,224
Sales tax on remuneration to the Management Company		42,364	148,461
Federal excise duty on remuneration to the Management Company	7.2	41,738	136,516
Remuneration to the Trustee		200,590	176,439
Annual fee to Securities and Exchange Commission of Pakistan		24,359	40,528
Brokerage, custody, settlement and bank charges		4,639	106,328
Amortization of deferred formation cost		126,748	127,096
Auditors' remuneration		96,899	91,128
Rating fee		40,319	-
Fees and subscription		21,114	7,561
Printing charges		5,027	5,041
Workers' Welfare Fund	8.1	26,059	-
		<u>890,719</u>	<u>1,692,322</u>
Net income from operating activities		1,469,733	1,861,997
Element of loss and capital losses included in the prices of units issued less those of units redeemed - net		(192,832)	(3,748,004)
Net income / (loss) for the period		<u>1,276,901</u>	<u>(1,886,007)</u>

The annexed notes from 1 to 12 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 income / (loss) for the period	1,276,901	(1,886,007)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	<u><u>1,276,901</u></u>	<u><u>(1,886,007)</u></u>

The annexed notes from 1 to 12 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	6,901,668	1,152,791
Undistributed income at the beginning of the period - unrealised	1,942,431	5,786,044
Undistributed income at the beginning of the period	<u>8,844,099</u>	<u>6,938,835</u>
Total comprehensive income / (loss) for the period	1,276,901	(1,886,007)
Undistributed income at the end of the period	<u><u>10,121,000</u></u>	<u><u>5,052,828</u></u>
Undistributed income at the end of the period - realised	9,717,853	5,125,860
Undistributed income / accumulated (loss) at the end of the period - unrealised	403,147	(73,032)
Undistributed income at the end of the period	<u><u>10,121,000</u></u>	<u><u>5,052,828</u></u>

The annexed notes from 1 to 12 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	101,974,350	167,459,138
Cash received on issue of Nil (2014: 568,495) units	-	60,000,000
Cash paid on redemption of 18,341 (2014: 1,114,570) units	(2,026,970)	(118,355,540)
	(2,026,970)	(58,355,540)
Element of loss and capital losses included in the prices of units issued less those of units redeemed - net	192,832	3,748,004
Total comprehensive income / (loss) for the period	1,276,901	(1,886,007)
Net assets at the end of the period	<u>101,417,113</u>	<u>110,965,595</u>
Net assets value per unit at the beginning of the period	<u>109.4964</u>	<u>104.3227</u>
Net assets value per unit at the end of the period	<u>111.0859</u>	<u>104.7707</u>

The annexed notes from 1 to 12 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 FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period	1,276,901	(1,886,007)
Adjustments for non-cash charges and other items:		
Capital gain on sale of investments - net	-	(735,009)
Unrealised (appreciation) / diminution in the fair value of investments classified as 'held for trading' - net	(403,147)	73,032
Amortisation of deferred formation cost	126,748	127,096
Element of loss and capital losses included in the prices of units issued less those of units redeemed - net	192,832	3,748,004
	1,193,334	1,327,116
Decrease / (increase) in assets		
Investments - net	(74,616,480)	(34,071,946)
Mark-up receivable	777,920	271,501
Prepayment	(25,627)	(22,438)
	(73,864,187)	(33,822,883)
Increase / (decrease) in liabilities		
Payable to the Management Company	55,085	97,960
Payable to the Trustee	7,874	-
Annual fee payable to Securities and Exchange Commission of Pakistan	(90,005)	(144,324)
Payable against redemption of units	-	(10,000,000)
Accrued expenses and other liabilities	(88,781)	(163,824)
	(115,827)	(10,210,188)
Net cash used in from operating activities	(72,786,680)	(42,705,955)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	-	60,000,000
Cash paid on redemption of units	(2,026,970)	(118,355,540)
Net cash used in financing activities	(2,026,970)	(58,355,540)
Net decrease in cash and cash equivalents during the period	(74,813,650)	(101,061,495)
Cash and cash equivalents at the beginning of the period	78,450,960	120,430,883
Cash and cash equivalents at the end of the period	3,637,310	19,369,388

The annexed notes from 1 to 12 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 Emerging 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 07, 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 has commenced its operations on October 11, 2011.

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 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 emerging markets, index tracker funds tracking different emerging markets, actively managed emerging markets funds, equities and debt securities of companies with exposure in emerging markets, foreign currency deposits etc.

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These 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, requirements of Trust Deed, requirements of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

In case, the requirements differ, the provisions and directive of Companies Ordinance, 1984, the requirements of Trust deed, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, and Non-Banking Finance Companies and Notified Entities Regulations, 2008 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 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.

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 this condensed interim financial information gives a true and fair view of the state of affairs of the Fund.

2.2 Judgments 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 June 30, 2015.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest rupees.

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. FINANCIAL RISK MANAGEMENT

The Fund is 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	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
		(Rupees)	
5. BANK BALANCES			
In local currency			
PLS savings accounts	5.1	3,589,200	78,412,094
Current account		8,200	-
In foreign currency			
Current account [USD\$: 381.87 (June 30 2015: 381.87)]	5.2	39,910	38,866
		<u>3,637,310</u>	<u>78,450,960</u>

5.1 These carry mark-up at rates ranging from 4.50% to 6.00% (June 30, 2015: 4.50% to 7.05%) per annum.

5.2 This represents USD denominated current account maintained in foreign currency.

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

	Note	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
In local currency		(Rupees)	
Government securities			
Market Treasury Bills	6.1	74,626,725	-
Pakistan Investment Bonds	6.2	24,411,428	24,018,526
		<u>99,038,153</u>	<u>24,018,526</u>

6.1 Market Treasury Bills

Note	Number of holdings				Balance as at September 30, 2015			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2015	Purchased during the period	Sold / matured during the period	As at September 30, 2015	Carrying value	Market value	Unrealized appreciation		
					Rupees				
Treasury Bills: 3-months (face value of Rs. 100,000 each)	-	750	-	750	74,607,500	74,626,725	19,225	73.58%	75.35%
Total - September 30, 2015					74,607,500	74,626,725	19,225	73.58%	75.35%
Total - June 30, 2015									

6.2 Pakistan Investment Bonds

Note	Number of holdings				Balance as at September 30, 2015			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2015	Purchased during the period	Disposed during the period	As at September 30, 2015	Carrying value	Market value	Unrealized appreciation / (diminution)		
					Rupees				
3 years Pakistan Investment Bonds (face value of Rs. 100,000 each)	6.2.1	100	-	-	10,767,844	10,741,670	(26,174)	10.59%	10.85%
5 years Pakistan Investment Bonds (face value of Rs. 100,000 each)	6.2.2	60	-	-	6,697,102	6,935,976	238,874	6.84%	7.00%
10 years Pakistan Investment Bonds (face value of Rs. 100,000 each)	6.2.3	60	-	-	6,562,559	6,733,782	171,223	6.64%	6.80%
Total - September 30, 2015					24,027,505	24,411,428	383,923	24.07%	24.65%
Total - June 30, 2015					22,076,094	24,018,526	1,942,432	23.55%	100.00%
Total investment - Septmebr 30, 2015					98,635,005	99,038,153	403,148	97.65%	100.00%
Total investment - June 30, 2015					22,076,094	24,018,526	1,942,432	23.55%	100.00%

6.2.1 This represents investment in 3 years Pakistan Investment Bonds carrying effective profit rate of 11.25% (June 30, 2015: 11.25%) per annum having maturity on July 17, 2017. The face value of Pakistan Investment Bonds as at September 30, 2015 amounted to Rs. 10 million (June 30, 2015: Rs. 10 million).

6.2.2 This represents investment in 5 years Pakistan Investment Bonds carrying effective profit rate of 11.50% (June 30, 2015: 11.50%) per annum having maturity on July 17, 2019. The face value of Pakistan Investment Bonds as at September 30, 2015 amounted to Rs. 6 million (June 30, 2015: Rs. 6 million).

6.2.3 This represents investment in 10 years Pakistan Investment Bonds carrying effective profit rate of 12.00% (June 30, 2015: 12.00%) per annum having maturity on July 17, 2024. The face value of Pakistan Investment Bonds as at September 30, 2015 amounted to Rs. 6 million (June 30, 2015: Rs. 6 million).

		September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	Note	(Rupees)	
7. PAYABLE TO MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	81,703	74,468
Sales tax payable on remuneration to the Management Company		166,411	160,299
Federal excise duty payable on remuneration to the Management Company	7.2	992,450	950,712
Sales load payable		4,369	4,369
		<u>1,244,933</u>	<u>1,189,848</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 equal to 2% per annum of such net assets of the Fund. However, the rate of fee is temporarily reduced to 10% of the gross earning of the scheme, calculated on a daily basis. The fee is subject to a minimum of 0.75% and maximum of 2% of the average annual net assets of the Fund approved from SECP since December 2014.

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

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

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from June 13, 2013, aggregating to Rs. 0.992 million (June 30, 2015: Rs. 0.951 million).

8. ACCRUED EXPENSES AND OTHER LIABILITIES

		September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	Note	(Rupees)	
Auditors' remuneration		82,599	204,751
Workers' Welfare Fund	8.1	947,781	921,721
Others		28,087	20,776
		<u>1,058,467</u>	<u>1,147,248</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 for 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 provided for WWF amounting to Rs. 0.948 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. 1.04 / 1.04% (June 30, 2015: 0.99 / 0.99%).

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments at period end.

10. 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.

11. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

The related parties comprise of 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 and 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 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)
11.1 Balance as at period / year ended	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Payable to management company	<u>1,240,564</u>	<u>1,185,479</u>
Sales load payable	<u>4,369</u>	<u>4,369</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	<u>65,412</u>	<u>57,538</u>
Habib Bank AG Zurich - Custodian		
Bank deposits	<u>39,910</u>	<u>38,866</u>

Period 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 units as at September 30, 2015	Balance as at July 01, 2015	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance as at September 30, 2015
82,404	-	-	-	82,404	9,022,899	-	-	-	9,153,907
50	-	-	-	50	5,490	-	-	-	5,570
4458	-	-	-	4,458	488,100	-	-	-	495,221
4,572	-	-	4,572	-	500,615	-	-	503,804	-
2400	-	-	-	2,400	262,823	-	-	-	266,606
8,001	-	-	-	8,001	876,077	-	-	-	888,798
9,715	-	-	-	9,715	1,063,808	-	-	-	1,079,200
13,716	-	-	13,716	-	1,501,846	-	-	1,517,275	-
36,576	-	-	-	36,576	4,004,923	-	-	-	4,063,078
21,717	-	-	-	21,717	2,377,923	-	-	-	2,412,452
248,030	-	-	-	248,030	27,158,383	-	-	-	27,552,636
93,726	-	-	-	93,726	10,262,615	-	-	-	10,411,637
10,287	-	-	-	10,287	1,126,385	-	-	-	1,142,741
50,292	-	-	-	50,292	5,506,769	-	-	-	5,586,732
16,002	-	-	-	16,002	1,752,154	-	-	-	1,777,597
40,005	-	-	-	40,005	4,380,384	-	-	-	4,443,991
52,578	-	-	-	52,578	5,757,077	-	-	-	5,840,674
20,574	-	-	-	20,574	2,252,769	-	-	-	2,285,481
138,342	-	-	-	138,342	15,147,900	-	-	-	15,367,846
74,674	-	-	-	74,674	8,176,521	-	-	-	8,295,228

11.2 Unit Holders' Fund

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 Clover (Private) Limited - Employees
Contributory Provident Fund Trust
Clover (Private) Limited - Employees
Gratuity Fund Trust
Century Insurance Company Limited - Employees
Contributory Provident Fund Trust
GAM Corporation (Private) Limited - Employees
Contributory Provident Fund Trust
SIZA Foods (Private) Limited - Employees
Contributory Provident Fund Trust
Colgate Palmolive (Pakistan) Limited - Employees
Contributory Provident Fund Trust
Colgate Palmolive (Pakistan) Limited - Employees
Gratuity Fund Trust
SIZA Services (Private) Limited - Employees
Contributory Provident Fund Trust
Cyber Internet Services (Private) Limited - Employees
Contributory Provident Fund Trust
Sybrid (Private) Limited - Employees
Contributory Provident Fund Trust
Accuray Surgicals Limited - Employees
Contributory Provident Fund Trust
Merit Packaging Limited - Employees
Contributory Provident Fund Trust
Merit Packaging Limited - Employees
Gratuity Fund Trust
Century Paper & Board Mills Limited - Employees
Contributory Provident Fund Trust
Century Paper & Board Mills Limited - Employees
Gratuity Fund Trust



Period 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 units as at September 30, 2014	Balance as at July 01, 2014	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance as at September 30, 2014
90,463	-	-	-	90,463	9,437,330	-	-	-	9,477,857
50	-	-	-	50	5,231	-	-	-	5,233
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									
Lakson Business Solutions Limited - Employees									
4458	-	-	-	4,458	465,037	-	-	-	467,034
Princeton Travels (Private) Limited - Employees									
4,572	-	-	-	4,572	476,961	-	-	-	479,010
Lakson Investments Limited - Employees									
2,400	-	-	-	2,400	250,405	-	-	-	251,480
Tetley Clover (Private) Limited - Employees									
8,001	-	-	-	8,001	834,682	-	-	-	838,267
9,715	-	-	-	9,715	1,013,543	-	-	-	1,017,895
Century Insurance Company Limited - Employees									
13,716	-	-	-	13,716	1,430,884	-	-	-	1,437,029
GAM Corporation (Private) Limited - Employees									
36,576	-	-	-	36,576	3,815,690	-	-	-	3,832,076
SIZA Foods (Private) Limited - Employees									
21,717	-	-	-	21,717	2,265,566	-	-	-	2,275,295
Hasanali Karabhal Foundation - Employees									
6,858	-	-	-	6,858	715,442	-	-	-	718,514
Colgate Palmolive (Pakistan) Limited - Employees									
248,030	-	-	-	248,030	25,875,150	-	-	-	25,986,268
93,726	-	-	-	93,726	9,777,707	-	-	-	9,819,696
Colgate Palmolive (Pakistan) Limited - Employees									
10,287	-	-	-	10,287	1,073,163	-	-	-	1,077,771
SIZA Services (Private) Limited - Employees									
50,292	-	-	-	50,292	5,246,574	-	-	-	5,269,105
Cyber Internet Services (Private) Limited - Employees									
16,002	-	-	-	16,002	1,669,365	-	-	-	1,676,533
Accuray Surgicals Limited - Employees									
40,005	-	-	-	40,005	4,173,411	-	-	-	4,191,334
Merit Packaging Limited - Employees									
52,578	-	-	-	52,578	5,485,055	-	-	-	5,508,610
20,574	-	-	-	20,574	2,146,326	-	-	-	2,155,543
Century Paper & Board Mills Limited - Employees									
43,065	-	95,386	-	138,451	4,492,632	10,000,000	-	-	14,505,582
530,411	-	-	-	74,733	7,796,331	-	-	-	7,829,811
Century Insurance Company Limited									
168,518	-	-	-	11,876	55,333,863	-	-	55,334,142	1,244,184
Other - connected person due to holding more than 10% outstanding units									
	-	-	-	102,086	17,580,248	-	-	7,000,000	10,695,601

September 30,
2015 2014
(Unaudited)
(Rupees)

11.3 Transactions during the period

**Lakson Investments Limited - Management
Company of the Fund**

Remuneration for the period	344,965	1,138,201
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**Central Depository Company of Pakistan
Limited- Trustee**

Remuneration for the period	200,590	176,439
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Habib Bank AG Zurich - Custodian

Brokerage and settlement charges	-	68,325
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Custody charges	-	12,655
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Bank charges	-	12,570
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**Others - Connected person due to holding
more than 10% outstanding units**

Profit on bank deposits	-	133,373
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Bank charges	-	1,800
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12 GENERAL

These 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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