

LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND
(31 March 2012)



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. Sher Afgan Malik Mr. Muhammad Abdul Qadir Mr. Daniel Scott Smaller Mr. Zahid Zakiuddin
Chief Financial Officer & Company Secretary of the Management Company	Mr. Amir Mobin
Audit Committee	Mr. Iqbal Ali Lakhani - Chairman Mr. A. Aziz H. Ebrahim Mr. Sher Afgan Malik Mr. Zahid Zakiuddin
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	Barclays Bank PLC, Pakistan Habib Metropolitan Bank Limited Habib Bank AG Zurich
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
Rating by PACRA	AM3 + : Management Company Quality Rating

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY For the period ended 31 March 2012

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Asset Allocation Developed Markets Fund ("LAADMF") is pleased to submit its review report together with Condensed Interim Financial Statements for the period ended March 31, 2012.

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

The 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 was launched on October 10, 2011 and since its inception the LAADMF has provided a return of 4.03% compared to the Benchmark (70% 6-month T-Bills + 30% MSCI World Index) return of 9.16%. As of March 31, 2012, the LAADMF is invested 69% in T-Bills, 27% in USD Deposits, 1% Cash and 3% in Developed Markets Equities through iShares MSCI World ETF. Instead of investing the entire 30% in one instant in the international markets, the LAADMF will utilize Dollar Cost Averaging, the technique of buying a fixed dollar amount of a particular investment on a regular schedule, and will take 3% exposure in Developed Markets equities every month beginning March 2012. As of March 31, 2012 the LAADMF has PKR 322 million in assets under management.

Earning per Unit (EPU)

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

Economic Review

Pakistan's economic progress continued to be plagued by rising fiscal deficit, unabated surge in the circular debt and persistent energy crisis. However the low base effect of the Large Scale Manufacturing ("LSM") sector allowed it to post a strong YoY growth of 6.0% in Feb '12, taking 8MFY12 growth to 1.8% YoY. Amongst major sectors, Textiles grew by 0.9% YoY, Pharmaceuticals by 11.1% YoY, Food & Beverages by 10.2% YoY and Paper & Board by 10.3% YoY. Energy sector, which has the third highest weight in the index of 5.5%, however posted a decline of 3.9% YoY during 8MFY12 as circular debt acutely hampered the operating capacity of the entire energy chain.

During 8MFY12, the current account deficit swelled to USD 2.95 billion, driven by rising trade and services' deficit and slowdown in foreign inflows. Trade deficit during the period under review stood at USD 10.5 billion, up 43% YoY as high international oil prices hiked imports by 18% YoY, compared to a timid growth of 5% YoY in exports. Simultaneously, absence of any foreign disbursements led to the services' deficit of USD 1.9 billion compared to a deficit of USD 0.8 billion posted in the same period last year. Foreign Direct Investment ("FDI") too declined by 45% YoY to USD 571 million while Foreign Portfolio Investment ("FPI") recorded net outflow of USD 128 million, compared to the net inflow of USD 312 million in 8MFY11. Overseas remittances continued to be the major supporting factor in the overall Balance of Payments, as they sustained a monthly average of over USD 1.0 billion

and grew by 21% YoY to stand at USD 9.7 billion during the 9MFY12. Forex reserves of the country settled at USD 16.5 billion by the end of Mar '12, declining by USD 1.7 billion from the Jun '11 level of USD 18.2 billion. On the positive side, the government's ability to comfortably manage the repayment of IMF's first tranche of USD 399 million in Feb '12, lent stability to Pak Rupee as it depreciated by just 0.8% during Q3FY12 after posting a depreciation of 4.6% during 1HFY12.

During 9MFY12, government continued to rely on internal sources to bridge the burgeoning fiscal deficit as it borrowed a net amount of PKR 982 billion compared to net borrowing of PKR 391 billion in the same period last year. However due to net attrition in the Net Foreign Assets ("NFA") the M2 growth was contained at 8.7% during the 9MFY12 as against 9.1% witnessed in 9MFY11. Resultantly, inflation as measured by Consumer Price Index ("CPI") eased to 10.79% YoY during 9MFY12, compared to an average of 13.95% YoY recorded in the same period last year. However despite inflation being well below the annual target of 12% for FY12, concerns on the external accounts and government borrowing compelled the State Bank of Pakistan ("SBP") to maintain status quo in its monetary policy announcement of Feb-Mar period - hence the benchmark Discount Rate was kept stable at 12%, after a cumulative cut of 200 bps during 1HFY12.

Fixed Income Market Review

Increasing government borrowing kept the money market tight, however due to declining interest rates the overnight repo rates averaged at 12.02% during the 9MFY12 compared to an average of 12.44% witnessed during 9MFY11. The SBP supported the market liquidity through frequent Open Market Operations ("OMOs") which clocked in a weekly average of PKR 158 billion. The SBP conducted nineteen Treasury Bill ("T-bill") auctions during 9MFY12 and accepted PKR 2.6 trillion worth of bids, meeting its target of PKR 2.5 trillion. The yields for 3M, 6M and 12M T-bills, nevertheless adjusted downwards by 49 bps, 64 bps and 75 bps respectively on YoY basis as they incorporated the impact of 200 bps decline in the discount rate. Similarly, the benchmark 6-month KIBOR also declined by 74 bps YoY to average at 12.56% during 9MFY12. Through seven Pakistan Investment Bond ("PIB") auctions conducted during the 9MFY12 period, the GoP borrowed PKR 159 billion while the banking sector recorded a surge of PKR 329 billion in its deposits to PKR 5.9 trillion by the end of Mar '12.

Developed Markets Review

Global appetite for risk-assets showed a sharp rebound as the US economy posted consistent improvement in job market and economic outlook while the European Union managed to calm the sovereign debt crisis through a massive Greek bailout. MSCI World thus gained 10.9% during Q3FY12, trimming 9MFY12 losses to 1.4%. The largest impetus was provided by the US equities, with S&P 500 gaining 12.0% during the outgoing quarter - the highest calendar year first quarter gains since 1998.

Unemployment rate in the US declined to 3 year low of 8.2% amidst the best six-month streak of job growth since 2006. The manufacturing growth edged to 2.2% YoY in Feb '12 while the services sector also stood strong as the Institute for Supply Management's Services index rose to 57.3, the highest level since Feb '11. The services sector accounts for about two-thirds of US economic activity where a reading above 50 indicates expansion.

In Europe, the debt turmoil eased off after the European Central Bank's liquidity support reopened financial markets and European Union leaders managed to seal a second Greek bailout package. German economy fared the strongest as its unemployment rate fell to two-decade low of 6.7%, with the government upgrading its 2012 GDP growth forecast to 1.0% amidst projected decline of 0.3% for the Euro region. On the flip side, Spain remained the weak link as the non-performing loans in the economy surged to 7.9%, the highest level since Aug '94. The Spanish government later announced spending cuts and increased taxes to curtail fiscal deficit to 5.3% of GDP in 2012, compared to 8.5% in 2011. Amongst other major developed markets, Japan stood out as it reported an unexpected trade account surplus. The Japanese government had earlier announced massive liquidity injections of JPY 1 trillion (USD 12 billion) which allowed the Yen to depreciate by 7.8% against the US Dollar during the Q3FY12.

Future Outlook

The IMF, in its recent report on Article IV Consultations, appreciated Pakistan's economic progress but

highlighted challenges faced on account of unresolved structural problems (especially in the energy sector) and difficulties in implementing key policy reforms. Keeping these challenges in mind, the economy will find it difficult to surpass its long term GDP growth average of 5% in the near term. However low base effects from last years' floods should allow the country to achieve GDP growth of 3.6% in FY12 and surpass 4.0% in FY13. At the same time, the government appears to be close to its target of achieving double digit growth in tax revenues; hence materialization of foreign inflows under Coalition Support Fund should significantly ease the fiscal deficit, as well as reduce pressure on foreign reserves. These foreign inflows will also continue to be the single most important determinant factor for the scope of further monetary easing in the country.

Investors in the global developed markets will be keeping a close eye on progress in the European Union and the risks of another sovereign debt crisis, particularly in Italy and Spain. However so far, the US appears to be on track to post a robust economic rebound in 2012 which should sustain the ongoing momentum in global equities.

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 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 and on Behalf of the Board

Babar Ali Lakhani
Chief Executive Officer

Dated: April 19, 2012

**Condensed Interim Statement of Assets and Liabilities (Unaudited)
As at 31 March 2012**

	Note	2012 (Rupees)
ASSETS		
Bank balances	5	90,867,653
Investments	6	232,030,273
Mark-up receivable		46,976
Prepayments		6,893
Deferred formation cost		2,283,763
Total assets		<u>325,235,558</u>
LIABILITIES		
Payable to the Management Company		3,155,772
Payable to the Trustee		54,363
Annual fee payable to Securities and Exchange Commission of Pakistan		141,416
Accrued expenses and other liabilities	7	<u>372,094</u>
Total liabilities		<u>3,723,645</u>
NET ASSETS		<u><u>321,511,913</u></u>
UNITHOLDERS' FUND (as per statement of movement in Unitholders' Fund)		<u><u>321,511,913</u></u>
CONTINGENCIES AND COMMITMENTS	8	-
		(Numbers)
Number of units in issue		<u>3,090,715</u>
		(Rupees)
Net asset value per unit		<u>104.0251</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Income Statement (Unaudited)
For the period from 11 October 2011 to 31 March 2012**

INCOME	Note	For the period from 11 October 2011 to 31 March 2012	Quarter Ended 31 March 2012
		(Rupees)	
Mark-up income		16,170,575	8,173,592
Capital gain on sale of investments - net		48,568	27,559
Exchange loss on foreign currency deposits		(435,595)	(435,595)
Unrealised appreciation in fair value of investments: 'held for trading' - net		203,440	356,066
		<u>15,986,988</u>	<u>8,121,622</u>
EXPENSES			
Remuneration of the Management Company	9	2,402,552	1,394,340
Remuneration of the Trustee		297,719	158,655
Annual fee - Securities and Exchange Commission of Pakistan		141,416	71,530
Auditors' remuneration		149,943	83,888
Fees and subscription		13,106	6,894
Printing charges		32,765	17,235
Brokerage, settlement and bank charges		53,926	42,591
Amortisation of deferred formation cost		238,437	125,421
Workers' Welfare Fund	8.1	253,887	124,322
		<u>3,583,751</u>	<u>2,024,876</u>
Net income from operating activities		12,403,237	6,096,746
Element of income / (loss) and capital gains / (loss) included in the prices of units issued less those in units redeemed		37,211	(4,994)
Net income		<u><u>12,440,448</u></u>	<u><u>6,091,752</u></u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the period from 11 October 2011 to 31 March 2012**

	For the period from 11 October 2011 to 31 March 2012	Quarter Ended 31 March 2012
	(Rupees)	
Net income for the period	12,440,448	6,091,752
Other comprehensive income	-	-
Total comprehensive income for the period	<u>12,440,448</u>	<u>6,091,752</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Distribution Statement (Unaudited)
 For the period from 11 October 2011 to 31 March 2012**

	For the period from 11 October 2011 to 31 March 2012	Quarter Ended 31 March 2012
	(Rupees)	
Undistributed income at beginning of the period	-	6,348,696
Total comprehensive income for the period	<u>12,440,448</u>	<u>6,091,752</u>
	<u>12,440,448</u>	<u>12,440,448</u>
Undistributed income at end of the period - realised	12,237,008	12,237,008
Undistributed income at end of the period - unrealised	203,440	203,440
Undistributed income at the end of the period	<u>12,440,448</u>	<u>12,440,448</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

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

 Chief Executive Officer

 Director

**Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)
For the period from 11 October 2011 to 31 March 2012**

	For the period from 11 October 2011 to 31 March 2012	Quarter Ended 31 March 2012
	(Rupees)	
Net assets value per unit at beginning of the period	-	315,612,718
Issue of 3,092,640 units and nil units for the period and quarter respectively	309,306,227	-
Redemption of 1,926 units for the period and quarter	(197,551)	(197,551)
	309,108,676	(197,551)
Element of (income) / loss and capital (gains) / loss included in the prices of units issued less those in units redeemed	(37,211)	4,994
Total comprehensive income for the period	12,440,448	6,091,752
Net assets at the end of the period	321,511,913	321,511,913
Net assets value per unit at the beginning of the period	100.0000	102.0528
Net assets value per unit at end of the period	104.0251	104.0251

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Cash Flow Statement (Unaudited)
For the period from 11 October 2011 to 31 March 2012**

	For the period from 11 October 2011 to 31 March 2012	Quarter Ended 31 March 2012
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	12,440,448	6,091,752
Adjustments for non-cash charges and other items:		
Capital gain on sale of investments - net	(48,568)	(27,559)
Amortisation of deferred formation cost	238,437	125,421
Unrealised appreciation in fair value of investments: 'held for trading' - net	(203,440)	(356,066)
Element of (income) / loss and capital (gains) / loss included in the prices of units issued less those in units redeemed	(37,211)	4,994
	<u>12,389,666</u>	<u>5,838,542</u>
(Increase) / decrease in assets		
Investments - net	(231,778,265)	71,985,842
Mark-up receivable	(46,976)	69,805
Prepayments	(6,893)	6,894
Deferred formation cost	(2,522,200)	-
	<u>(234,354,334)</u>	<u>72,062,541</u>
Increase in liabilities		
Payable to the Management Company	3,155,772	244,417
Payable to the Trustee	54,363	1,095
Annual fee payable to Securities and Exchange Commission of Pakistan	141,416	75,361
Accrued expenses and other liabilities	372,094	157,113
	<u>3,723,645</u>	<u>477,986</u>
Net cash (used in) / flow from operating activities	<u>(218,241,023)</u>	<u>78,379,069</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipt from issue of units	309,306,227	-
Net payments on redemption of units	(197,551)	(197,551)
Net cash flow from / (used in) financing activities	<u>309,108,676</u>	<u>(197,551)</u>
Net increase in cash and cash equivalent during the period	90,867,653	78,181,518
Cash and cash equivalent at the beginning of the period	-	12,686,135
Cash and cash equivalent at the end of the period	<u>90,867,653</u>	<u>90,867,653</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Notes to and Forming Part of the Condensed Interim
Financial Information (Unaudited)
For the period from 11 October 2011 to 31 March 2012**

1. LEGAL STATUS AND NATURE OF BUSINESS

Lakson Asset Allocation Developed Markets Fund (the "Fund") was established under Trust Deed executed on May 30, 2011 between Lakson Investments Limited as its Management Company and Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a notified entity on July 7, 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulation). 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 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 up to 30% of the net assets outside Pakistan 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.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial information has 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 comprise of condensed interim statement of assets and liabilities as at March 31, 2012 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and notes thereto, for the period from October 11, 2011 to March 31, 2012. This condensed interim financial information does not include all the information and disclosures required in the annual financial statements.

This condensed interim financial information are 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).

2.2 Functional and presentation currency

This condensed interim financial information is prepared in Pakistani Rupees, which is presentational 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 condensed interim financial information as at and for the period ended 31 March 2012.

4. ACCOUNTING ESTIMATES

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to condensed interim financial information as at and for the period ended 31 March 2012.

	Note	31 March 2012 (Rupees)
5. BANK BALANCES		
In local currency		
In profit and loss sharing accounts	5.1	5,275,912
In foreign currency		
In current account	5.2	85,591,741
		<u>90,867,653</u>
5.1	These carry mark-up rates from 5% to 10.25% per annum.	
5.2	This represents USD denominated current account maintained in foreign country.	
6. INVESTMENTS		
HELD FOR TRADING:		
In local currency		
Government securities	6.1	222,340,230
In foreign currency		
Exchange traded fund	6.2	9,690,043
		<u>232,030,273</u>

6.1 Government securities

Note	Number of holdings at beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at end of the period	Cost	Market value	Unrealized diminution	% of net assets of the Fund	% of total investments	
					----- (31 March 2012) -----					
					----- (Rupees) -----					
Treasury Bills - 3 months (face value of Rs. 100,000 each)	6.1.1	-	6,450	5,300	1,150	113,532,346	113,512,610	(19,736)	35.31	48.92
Treasury Bills - 6 months (face value of Rs. 100,000 each)	6.1.2	-	8,570	7,470	1,100	108,858,665	108,827,620	(31,045)	33.85	46.90
Total					222,391,011	222,340,230	(50,781)	69.15	95.82	

6.1.1 These represent 3 months Government Treasury bills carrying a fixed mark-up rate ranging from 11.5300% to 11.7367% and will mature between 5 April 2012 and 17 May 2012. The face value of Treasury Bills held as at 31 March 2012 amounted to Rs 115 million.

6.1.2 These represent 6 months Government Treasury bills carrying a fixed mark-up rate ranging from 11.5600% to 11.8070% and will mature between 3 May 2012 and May 17, 2012. The face value of Treasury Bills held as at 31 March 2012 amounted to Rs 110 million.

6.2 Exchange traded fund: Foreign investment

iShares MSCI World ETF	Number of holdings at beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at end of the period	Cost	Market value	Unrealized appreciation	% of net assets of the Fund	% of total investments
					----- (31 March 2012) -----				
					----- (Rupees) -----				
	-	3,835	-	3,835	<u>9,435,822</u>	<u>9,690,043</u>	<u>254,221</u>	<u>3.01</u>	<u>4.18</u>

**31 March
2012
(Rupees)**

Note

7. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration		97,443
Workers' Welfare Fund	7.1	253,887
Others		20,764
		372,094

7.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it is alleged 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, challenging the applicability of WWF to the CISs, which is pending adjudication.

After 30 June 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) vide its letter dated 06 October 2010 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. However, the FBR vide its letter dated January 04, 2011 has cancelled its earlier letter dated 06 October

2010 ab initio and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

After 30 June 2011, the Honourable 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. Further MUFAP took the opinion of the legal council contesting the case on behalf of mutual fund on the impact of the decision of (LHC). The council vide its letter dated 12 December 2011 opined that in light of recent judgments, there are good chances for the constitutional petition to be decided in favor of mutual fund. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the Sindh High Court (SHC).

In view of above stated facts and considering the vagaries of litigation, the Management Company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs 0.254 million upto 31 March 2012.

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at the balance sheet date.

9. PAYABLE TO THE MANAGEMENT COMPANY

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 three percent 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 two percent per annum of such assets of the Fund. Currently, the remuneration is charged at the rate of 2% of the average annual net assets of the Fund, however, for the period from October 11, 2011 to February 28, 2012 the Remuneration was charged at the rate of 1.25% of the average annual net assets of the Fund and the remaining amount was waived. Remuneration charged in this financial information is inclusive of the sales tax on services which is levied at the rate of 16.00% of the remuneration. The remuneration is paid to the Management Company monthly in arrears.

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 unrealized 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 to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial information.

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, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company, Key management personnel and other funds being managed by the Management Company.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of Non - Banking Finance Companies and Notified Entities Regulations, 2008, 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:

	31 March 2012 (Rupees)
11.1 Balance as at period end	
Lakson Investments Limited - Management Company	
Remuneration payable	<u>630,613</u>
Sales load payable	<u>2,959</u>
Preliminary and formation cost payable	<u>2,522,200</u>
Central Depository Company of Pakistan Limited - Trustee	
Remuneration payable	<u>-</u>
Directors of the Management Company	
Babar Ali Lakhani	
Units held as at the period ended: 6,056* units	<u>629,967</u>
*Represents 6,056 units held by minor son Mr. Hassan Ali Lakhani.	
Associated companies / undertakings of the Management Company	
SIZA (Private) Limited	
Units held as at the period ended: 1,342,839 units	<u>139,689,005</u>
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 3,901 units	<u>405,826</u>
Princeton Travels (Private) Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 4,001 units	<u>416,232</u>
Lakson Investments Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 2,101 units	<u>218,522</u>
Tritex Cotton Mills Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 2,701 units	<u>280,956</u>
Tetley Clover (Private) Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 7,002 units	<u>728,405</u>

	31 March 2012 (Rupees)
Clower (Pakistan) Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 16,005 units	<u><u>1,664,926</u></u>
Clower (Pakistan) Limited - Employees Gratuity Fund	
Units held as at the period ended: 8,503 units	<u><u>884,492</u></u>
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 12,004 units	<u><u>1,248,695</u></u>
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 32,010 units	<u><u>3,329,852</u></u>
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 19,006 units	<u><u>1,977,100</u></u>
Hassanali Karabhai Foundation - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 6,002 units	<u><u>624,347</u></u>
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 217,068 units	<u><u>22,580,559</u></u>
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	
Units held as at the period ended: 82,026 units	<u><u>8,532,746</u></u>
SIZA Services (Private) Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 9,003 units	<u><u>936,521</u></u>
Cyber Internet Services Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 44,014 units	<u><u>4,578,547</u></u>
Sybrid (Private) Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 14,004 units	<u><u>1,456,810</u></u>
Accuray Surgicals Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 35,011 units	<u><u>3,642,026</u></u>

	31 March 2012 (Rupees)
Merit Packaging Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 46,014 units	<u>4,766,662</u>
Merit Packaging Limited - Employees Gratuity Fund	
Units held as at the period ended: 18,006 units	<u>1,873,042</u>
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	
Units held as at the period ended: 169,053 units	<u>17,585,781</u>
Century Paper & Board Mills Limited - Employees Gratuity Fund	
Units held as at the period ended: 91,029 units	<u>9,469,267</u>
Century Insurance Company Limited	
Units held as at the period ended: 350,110 units	<u>36,420,256</u>
	For the period from 11 October 2011 to 31 March 2012 (Rupees)
11.2 Transactions relating to the units of the fund during the period	
Directors of the Management Company	
Babar Ali Lakhani	
Issue of units: 6,056 units*	<u>605,913</u>
Associated companies / undertakings of the Management Company	
SIZA (Private) Limited	
Issue of units: 1,342,839 units	<u>134,283,942</u>
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	
Issue of units: 3,901 units	<u>390,123</u>
Princeton Travels (Private) Limited - Employees Contributory Provident Fund Trust	
Issue of units: 4,001 units	<u>400,126</u>
Lakson Investments Limited - Employees Contributory Provident Fund Trust	
Issue of units: 2,101 units	<u>210,066</u>

For the period
from 11 October
2011 to
31 March 2012
(Rupees)**Tritex Cotton Mills Limited - Employees****Contributory Provident Fund Trust**

Issue of units: 2,701 units

270,085**Tetley Clover (Private) Limited - Employees****Contributory Provident Fund Trust**

Issue of units: 7,002 units

700,221**Clover (Pakistan) Limited - Employees****Contributory Provident Fund Trust**

Issue of units: 16,005 units

1,600,504**Clover (Pakistan) Limited - Employees Gratuity Fund**

Issue of units: 8,503 units

850,268**Century Insurance Company Limited - Employees****Contributory Provident Fund Trust**

Issue of units: 12,004 units

1,200,378**GAM Corporation (Private) Limited - Employees****Contributory Provident Fund Trust**

Issue of units: 32,010 units

3,201,008**SIZA Foods (Private) Limited - Employees****Contributory Provident Fund Trust**

Issue of units: 19,006 units

1,900,599**Hassanali Karabhai Foundation - Employees****Contributory Provident Fund Trust**

Issue of units: 6,002 units

600,189**Colgate Palmolive (Pakistan) Limited - Employees****Contributory Provident Fund Trust**

Issue of units: 217,068 units

21,706,837**Colgate Palmolive (Pakistan) Limited - Employees
Gratuity Fund**

Issue of units: 82,026 units

8,202,584**SIZA Services (Private) Limited - Employees****Contributory Provident Fund Trust**

Issue of units: 9,003 units

900,284**Cyber Internet Services Limited - Employees****Contributory Provident Fund Trust**

Issue of units: 44,014 units

4,401,386

	For the period from 11 October 2011 to 31 March 2012 (Rupees)
Sybrid (Private) Limited - Employees Contributory Provident Fund Trust Issue of units: 14,004 units	<u><u>1,400,441</u></u>
Accuray Surgicals Limited - Employees Contributory Provident Fund Trust Issue of units: 35,011 units	<u><u>3,501,103</u></u>
Merit Packaging Limited - Employees Contributory Provident Fund Trust Issue of units: 46,014 units	<u><u>4,601,449</u></u>
Merit Packaging Limited - Employees Gratuity Fund Issue of units: 18,006 units	<u><u>1,800,567</u></u>
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust Issue of units: 169,053 units	<u><u>16,905,325</u></u>
Century Paper & Board Mills Limited - Employees Gratuity Fund Issue of units: 91,029 units	<u><u>9,102,867</u></u>
Century Insurance Company Limited Issue of units: 350,110 units	<u><u>35,002,027</u></u>

	For the period from 11 October 2011 to 31 March 2012	Quarter Ended 31 March 2012
	(Rupees)	
Lakson Investments Limited - Management Company		
Remuneration during the period	<u>2,402,552</u>	<u>1,394,340</u>
Sales load during the period	<u>16,064</u>	<u>-</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration during the period	<u>297,719</u>	<u>158,655</u>

12. GENERAL

- 12.1** This condensed interim financial informatios was authorized for issue by Board of Directors of the Management Company on 19 April 2012.
- 12.2** As this is the first year of the operation of the Fund, comparative figures have not been disclosed in this condensed interim financial information.

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

Chief Executive Officer

Director



A Lakson Group Company

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