

LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND
Quarterly Report (March 31, 2013)



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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	Mr. Amir Mobin
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 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 nine months period ended March 31, 2013

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 nine months period ended March 31, 2013.

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

During the 9MFY13, the assets under management of the LAADMF increased by 57.45% from PKR 329 million to PKR 518 million. The LAADMF provided an absolute return of 8.61% in the 9MFY13 compared to the Benchmark (70% 6-month T-Bills + 30% MSCI World Index) return of 11.42%. As of March 31, 2013, the LAADMF is invested 69% in T-Bills, 2% Cash and 29% in Developed Markets Equities through iShares MSCI Emerging World ETF.

Earning per Unit (EPU)

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

Economic Review

Pakistan's economy has shown improvement in some key economic indicators during the 9MFY13. However, the absence of structural reforms to support price stability and growth poses serious risks to macroeconomic stability. As a result of persistent energy shortages, unfavorable law and order situation and weak global economic performance Pakistan is expected to miss the GDP growth target once again.

A sharp decline in inflation made the headlines as the Consumer Price Index ("CPI") averaged at 8.0% during the 9MFY13, significantly lower than 10.8% witnessed in the same period last year. The SBP responded to a sharply declining inflation and lowered the policy rate by a cumulative 250bps during the 9MFY13 to 9.5%, the lowest figure since 2007. The central bank cited subdued private sector credit off take and sharper than anticipated decline in CPI as the prime reasons behind the reduction in interest rates. Low utilization of credit by private businesses in the economy is a major reason for stagnant economic growth. Given the large borrowing needs of the government, scheduled banks preferred investment in government securities over loans to the private sector.

The manufacturing sector posted a marginal improvement, as the Large Scale Manufacturing ("LSM") increased by 2.9% during the 8MFY13. Food & Beverages, Petroleum Products and Iron & Steel Products showed strong growth during the 8MFY13 and increased by 5.44%, 11.23% and 13.02% respectively. On the other hand Automobile and Fertilizer sectors declined by 11.97% and 5.36% respectively.

The external account position remained weak as the current account recorded a deficit of USD 1,215 million during the 3QFY13, taking the cumulative deficit for the 9MFY13 to USD 1,028 million. Remittances played an important role in supporting the current account, increasing by 6.3% to USD 10.4 billion during the period.

Foreign Direct Investment ("FDI") showed some improvement during the 9MFY13 and recorded a growth of 3.9% to stand at USD 622 million. The external account position continues to be driven by low financial inflows and high debt payments.

The foreign exchange reserves of the country were squeezed by USD 1.6 billion during the 3QFY13 owing to IMF repayments and a weak external account position. The total liquid reserves of the country at the end of March '13 stood at USD 12.20 billion; declining by 20.1% or USD 3.1 billion during the 9MFY13. The PKR remained under pressure and depreciated by 4.1% against the green-back during the 9MFY13 from PKR 94.58 to PKR 98.43.

Fixed Income Review

During the 9MFY13, government continued to finance its fiscal deficit from the market liquidity as the banks provided an additional PKR 879 billion to the government to fill the fiscal gap. The crowding out of the private sector is evident in the banking sector's changing allocation to advances and investments. Over the last two years the advances to deposits ratio has dropped from 68.8% to 57.2% while investments as a percentage of deposits have increased from 43.6% to 59.4%. During the 9MFY13, the SBP held 19 T-Bill auctions and accepted PKR 4.25 trillion against the cumulative target of PKR 3.75 trillion and maturities of PKR 3.73 trillion. Despite a healthy 7.2% growth in the deposit base, banks are continuously borrowing from the SBP through Open Market Operations ("OMOs") to help the government in bridging the fiscal gap. The SBP has been injecting amounts ranging from PKR 400 billion to PKR 600 billion into the market through OMOs. The banks have leveraged their balance sheets to finance the fiscal gap while the SBP has repeatedly highlighted the growing risk these OMOs present to inter-bank stability. Overnight repo rates for the period under review averaged 9.42% against 12.02% for the 9MFY12. The PKR 161 billion outflow under the head of net foreign assets has intensified the pressure on the SBP to regularly intervene in the FX market in an effort to stabilize the PKR and ease liquidity. The market's concerns over the sustainability of the monetary cycle can be seen from their lower participation in PIB auctions in the 3QFY13. Though the SBP has been able to raise PKR 191 billion from the 9 PIB auctions held during the current fiscal year, it is important to note that the last 3 auctions have all been scrapped. After bottoming out around 10.9% in November 2012 the 10-Year PIB has rebounded strongly to trade around 12.0%. Similarly participation in T-Bill auctions has been heavily skewed towards shorter tenors with the 3-month bracket accounting for the majority of bids.

Developed Markets Review

The positive sentiment that prevailed at the end of last year extended into the 1QCY13 as the Developed Markets shrugged off a large number of negative themes to record strong gains in absolute terms and relative to bond markets and to Emerging Markets. The last-minute and much-needed passage of the U.S. fiscal cliff legislation helped to maintain the encouraging tone. The MSCI World Index posted a massive gain of 7.2% during the 3QFY13, taking the cumulative gains for the 9MFY13 to 16.1%. Leading central banks maintained an accommodative stance throughout the quarter as part of ongoing efforts to stimulate global growth. The U.S. Federal Reserve pledged to keep the monthly USD 85 billion bond purchase program intact. The central bank left the interest rate unchanged and vowed to keep the interest rate near zero until the jobless rate fell to 6.5% or inflation expectations stay at 2.5% or less. On the other hand, MSCI Europe managed to close the quarter with a net gain of 2.1% despite the political uncertainties in the Euro zone, taking the cumulative gains for the 9MFY13 to 17.7%. The political uncertainty in the Euro zone increased with inconclusive elections in Italy and allegations against the prime minister of Spain. The bailout program of Cyprus attracted attention, when the country requested for EUR 17 billion, out of which EUR 10 billion were planned to be spent on recapitalizing the banking sector.

Future Outlook

Inflation is expected to remain well below the target of 9.5% for FY13, however, a rising trend in monetary aggregates is a key indicator of medium term inflationary pressures. The external account position is expected to weaken further in the remaining months of FY13 in the absence of any capital and financial inflows. Further PKR depreciation due to weak external account position can have its implications on the inflation outlook going forward. Economic stability in the next fiscal year will largely depend upon the capability of the new government (election to be held on May 11, 2013) to introduce fiscal and energy sector reforms, better debt management, and improved law and order situation.

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 the growth and the prudent management of the Fund.

For and on Behalf of the Board

Babar Ali Lakhani
Chief Executive Officer

Dated: April 29, 2013

**Condensed Interim Statement of Assets and Liabilities
As at March 31, 2013**

	Note	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
		(Rupees)	
ASSETS			
Bank balances	5	9,624,327	59,236,658
Investments	6	509,075,922	271,498,821
Mark-up receivable		103,035	80,152
Prepayment		7,480	-
Deferred formation cost		1,779,666	2,158,342
Total assets		<u>520,590,430</u>	<u>332,973,973</u>
LIABILITIES			
Payable to the Management Company		1,015,754	3,146,109
Payable to the Trustee		87,309	53,530
Annual fee payable to the Securities and Exchange Commission of Pakistan		306,486	217,866
Payable against Redemption of Units		15,673	-
Accrued expenses and other liabilities	7	1,473,002	650,390
Total liabilities		<u>2,898,224</u>	<u>4,067,895</u>
NET ASSETS		<u>517,692,206</u>	<u>328,906,078</u>
UNITHOLDERS' FUND (as per statement of movement in Unit holders' Fund)		<u>517,692,206</u>	<u>328,906,078</u>
CONTINGENCIES AND COMMITMENTS	8		
		(Number of units)	
Number of units in issue		<u>4,739,949</u>	<u>3,090,618</u>
		(Rupees)	
Net assets value per unit		<u>109.2189</u>	<u>106.4208</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 nine months and quarter ended March 31, 2013

	Nine months ended March 31, 2013	For the period from October 11, 2011 to March 31, 2012	Quarter ended March 31, 2013	Quarter ended March 31, 2012
INCOME	Note -----(Rupees)-----			
Mark-up income	22,588,174	16,170,575	8,094,292	8,173,592
Capital gain on sale of investments - net	1,185,637	48,568	30,049	27,559
Dividend income	1,516,997	-	600,629	-
Exchange gain / (loss) on foreign currency deposits	438,074	(435,595)	14,799	(435,595)
Unrealised appreciation in the fair value of investments classified as 'held for trading' - net	20,515,392	203,440	11,718,482	356,066
	46,244,274	15,986,988	20,458,251	8,121,622
EXPENSES				
Remuneration of the Management Company	9 7,484,703	2,402,552	2,878,175	1,394,340
Remuneration of the Trustee	645,233	297,719	248,119	158,655
Annual fee to the Securities and Exchange Commission of Pakistan	306,486	141,416	117,857	71,530
Custody charges	132,791	-	45,000	-
Auditors' remuneration	206,428	149,943	67,896	83,888
Fees and subscription	22,520	13,106	7,397	6,894
Printing charges	45,041	32,765	14,795	17,235
Brokerage, settlement and bank charges	299,692	53,926	9,066	42,591
Amortisation of deferred formation cost	378,676	238,437	124,382	125,421
Workers' Welfare Fund	7.1 859,899	253,887	357,662	124,322
	10,381,469	3,583,751	3,870,349	2,024,876
Net income from operating activities	35,862,805	12,403,237	16,587,902	6,096,746
Element of income and capital gains included in the prices of units issued less those in units redeemed - net	6,272,234	37,211	937,497	(4,994)
Net income for the period	42,135,039	12,440,448	17,525,399	6,091,752

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 nine months and quarter ended March 31, 2013**

	Nine months ended March 31, 2013	For the period from October 11, 2011 to March 31, 2012	Quarter ended March 31, 2013	Quarter ended March 31, 2012
	----- (Rupees) -----			
Net income for the period	42,135,039	12,440,448	17,525,399	6,091,752
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>42,135,039</u>	<u>12,440,448</u>	<u>17,525,399</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 nine months and quarter ended March 31, 2013**

	Nine months ended March 31, 2013	For the period from October 11, 2011 to March 31, 2012	Quarter ended March 31, 2013	Quarter ended March 31, 2012
	----- (Rupees) -----			
Undistributed income at the beginning of the period - realised	19,244,105	-	17,375,039	6,348,696
Undistributed income at the beginning of the period - unrealised	600,139	-	8,796,910	-
Undistributed income at the beginning of the period	19,844,244	-	26,171,949	6,348,696
Less: Final distribution as issue of bonus units at the rate of Rs 5.9153 per unit approved on July 04, 2012	(18,281,935)	-	-	-
	1,562,309	-	26,171,949	6,348,696
Total comprehensive income for the period	42,135,039	12,440,448	17,525,399	6,091,752
Undistributed income at the end of the period	<u>43,697,348</u>	<u>12,440,448</u>	<u>43,697,348</u>	<u>12,440,448</u>
Undistributed income at the end of the period - realised	23,181,956	12,237,008	31,978,866	12,084,382
Undistributed income at the end of the period - unrealised	20,515,392	203,440	11,718,482	356,066
Undistributed income at the end of the period	<u>43,697,348</u>	<u>12,440,448</u>	<u>43,697,348</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 nine months and quarter ended March 31, 2013**

	Nine months ended March 31, 2013	For the period from October 11, 2011 to March 31, 2012	Quarter ended March 31, 2013	Quarter ended March 31, 2012
----- (Rupees) -----				
Net assets value per unit at the beginning of the period	328,906,078	-	488,832,975	315,612,718
Cash received on issue of 1,749,856 (2012: 3,092,640) units and 113,482 (2012: nil) units for the nine months and quarter respectively	182,725,604	309,306,227	12,287,002	-
Cash paid on redemption of 282,425 (2012: 1,926) units and 143 (2012: 1,926) units for the nine months and quarter respectively	(29,802,281)	(197,551)	(15,673)	(197,551)
Element of (income) and capital (gains) included in the prices of units issued less those in units redeemed - net	(6,272,234)	(37,211)	(937,497)	4,994
Less: Final distribution as issue of bonus units at the rate of Rs 5.9153 per unit approved on July 04, 2012	(18,281,935)	-	-	-
Issue of 181,900 bonus units as final distribution	18,281,935	-	-	-
Total comprehensive income for the period	42,135,039	12,440,448	17,525,399	6,091,752
Net assets at the end of the period	<u>517,692,206</u>	<u>321,511,913</u>	<u>517,692,206</u>	<u>321,511,913</u>
Net assets value per unit at the beginning of the period	<u>106.4208</u>	<u>100.0000</u>	<u>105.6568</u>	<u>102.0528</u>
Net assets value per unit at the end of the period	<u>109.2189</u>	<u>104.0251</u>	<u>109.2189</u>	<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 Cash Flow Statement (Unaudited)
For the nine months and quarter ended March 31, 2013**

	Nine months ended March 31, 2013	For the period from October 11, 2011 to March 31, 2012	Quarter ended March 31, 2013	Quarter ended March 31, 2012
------(Rupees)-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	42,135,039	12,440,448	17,525,399	6,091,752
Adjustments for non-cash charges and other items:				
Capital gain on sale of investments - net	(1,185,637)	(48,568)	(30,049)	(27,559)
Amortisation of deferred formation cost	378,676	238,437	124,382	125,421
Unrealised appreciation in the fair value of investments classified as held for trading ¹ - net	(20,515,392)	(203,440)	(11,718,482)	(356,066)
Element of income and capital gains included in the prices of units issued less those in units redeemed - net	(6,272,234)	(37,211)	(937,497)	4,994
	<u>14,540,452</u>	<u>12,389,666</u>	<u>4,963,753</u>	<u>5,838,542</u>
(Increase) / Decrease in assets				
Investments - net	(215,876,072)	(231,778,265)	(21,255,044)	71,985,842
Mark-up receivable	(22,883)	(46,976)	2,330	69,805
Prepayment	(7,480)	(6,893)	7,397	6,894
Deferred formation Cost	-	(2,522,200)	-	-
	<u>(215,906,435)</u>	<u>(234,354,334)</u>	<u>(21,245,317)</u>	<u>72,062,541</u>
(Decrease) / Increase in liabilities				
Payable to the Management Company	(2,130,355)	3,155,772	53,437	244,417
Payable to the Trustee	33,779	54,363	4,606	1,095
Annual fee payable to the Securities and Exchange Commission of Pakistan	88,620	141,416	117,857	75,361
Payable against Redemption of Units	15,673	-	15,673	-
Accrued expenses and other liabilities	822,612	372,094	408,495	157,113
	<u>(1,169,671)</u>	<u>3,723,645</u>	<u>600,068</u>	<u>477,986</u>
Net cash used in operating activities	<u>(202,535,654)</u>	<u>(218,241,023)</u>	<u>(15,681,496)</u>	<u>78,379,069</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from issue of units	182,725,604	309,306,227	12,287,002	-
Cash paid on redemption of units	(29,802,281)	(197,551)	(15,673)	(197,551)
Net cash generated from financing activities	152,923,323	309,108,676	12,271,329	(197,551)
Net increase / (decrease) in cash and cash equivalent during the period	(49,612,331)	90,867,653	(3,410,167)	78,181,518
Cash and cash equivalent at the beginning of the period	59,236,658	-	13,034,494	12,686,135
Cash and cash equivalent at the end of the period	<u>9,624,327</u>	<u>90,867,653</u>	<u>9,624,327</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 nine months and quarter ended March 31, 2013**

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 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 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 Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3+' (Management company quality rating) to the Management Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Fund for the nine months period ended March 31, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, 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 where requirements differ, the provisions of or directives 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 have been followed.

The disclosures in this condensed interim financial information are presented in accordance with International Accounting Standard 34 "Interim Financial Reporting" and do not contain all the information required for full annual financial statements. Consequently, this condensed

interim financial information should be read in conjunction with the financial statements of the Fund for the period from October 11, 2011 to June 30, 2012.

This condensed interim financial information comprise of condensed interim statement of assets and liabilities as at March 31, 2013 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flow, condensed interim statement of movement in Unit Holder's Fund and notes thereto, for the nine months period ended March 31, 2013.

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

2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for investments that are stated at fair values.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees, which is the functional and presentation currency of the Fund.

2.5 Use of estimates and judgments

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 financial statements for the period from October 11, 2011 to June 30, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual audited financial statements for the period from October 11, 2011 to June 30, 2012.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the period from October 11, 2011 to June 30, 2012.

		Note	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
			(Rupees)	
5.	BANK BALANCES			
	In local currency			
	In profit and loss sharing accounts	5.1	8,037,166	9,764,031
	In foreign currency			
	In current account	5.2	1,587,161	49,472,627
			<u>9,624,327</u>	<u>59,236,658</u>

5.1 These carry mark-up rates ranging from 6.00% to 9.25% (30 June 2012: 6.00% to 10.25%) per annum.

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

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

In local currency

Government Securities 6.1 **359,994,532** 222,419,575

In foreign currency

Exchange traded fund 6.2 **149,081,390** 49,079,246
509,075,922 271,498,821

6.1 Government Securities

		Number of treasury bills				Balance as at March 31, 2013			Market value as a percentage of netassets 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			
		Rupees								
Treasury Bills - 3 months (face value of Rs. 100,000 each)	6.1.1	2,250	9,730	9,350	2,630	260,820,633	260,782,432	(38,201)	50.37%	51.23%
Treasury Bills - 6 months (face value of Rs. 100,000 each)	6.1.2	-	13,610	12,610	1,000	99,221,185	99,212,100	(9,085)	19.16%	19.49%
Treasury Bills - 12 months (face value of Rs. 100,000 each)		-	1,580	1,580	-	-	-	-	0.00%	0.00%
Total					March 31, 2013:	<u>360,041,818</u>	<u>359,994,532</u>	<u>(47,286)</u>	<u>69.54%</u>	<u>70.72%</u>
					June 30, 2012:	<u>222,446,129</u>	<u>222,419,575</u>	<u>(26,554)</u>	<u>67.62%</u>	<u>81.92%</u>

6.1.1 These represent 3 months Government Treasury bills carrying a fixed mark-up rate ranging from 9.0942% to 9.3661% (June 30, 2012: 11.8742% to 11.9201%) per annum and will mature between April 18, 2013 to June 13, 2013. The face value of Treasury Bills held as at March 31, 2013 amounted to Rs. 263 million (June 30, 2012: Rs. 225 million).

6.1.2 These represent 6 months Government Treasury bills carrying a fixed mark-up rate is 9.2801% (June 30, 2012: Nil) per annum and will mature on May 02, 2013. The face value of Treasury Bills held as at March 31, 2013 amounted to Rs. 100 million (June 30, 2012: Nil).

6.2 Exchange traded fund: Foreign investment

	Number of treasury bills				Balance as at March 31, 2013			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments	
	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Cost	Market value	Unrealized appreciation			
					Rupees					
Ishares MSCI World Plc	19,805	30,160	-	49,965	128,518,712	149,081,390	20,562,678	28.80%	29.28%	
					June 30, 2012:	48,452,553	49,079,246	626,693	14.92%	18.08%
Total Investments					March 31, 2013:	488,560,530	509,075,922	20,515,392	98.34%	100.00%
					June 30, 2012:	270,898,682	271,498,821	600,139	82.54%	100.00%

		March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
	Note	(Rupees)	

7. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration		135,178	200,000
Custody fee payable		51,500	15,405
Workers' Welfare Fund	7.1	1,264,883	404,985
Others		21,441	30,000
		<u>1,473,002</u>	<u>650,390</u>

7.1 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 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.

Subsequent to the year end 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 04 January 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.

Subsequent to the year end 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.

During the current period a larger bench of the Honorable High Court of Sindh has passed an order declaring that the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. The Legal counsel appointed by Mutual Fund Association of Pakistan is of the opinion that the constitution petitions filed by the Mutual Funds to challenge Workers Welfare Fund have not been affected by the judgment passed by the larger bench of Sindh High Court and the stay granted to Mutual Funds in separate constitutional petitions remains intact.

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. 1.265 million upto March 31, 2013. If the same had not been so recorded, the net assets value per unit of the Fund would have been higher by Re. 0.27.

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2013.

9. REMUNERATION 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. Remuneration charged in these financial statements is inclusive of the Sindh 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, 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 entities having holding more than 10% in the units of the Funds as at 31 March 2013.

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

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

	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
	(Rupees)	
11.1 Balance as at period end		
Lakson Investments Limited - Management Company		
Remuneration payable	1,012,795	620,950
Sales load payable	<u>2,959</u>	<u>2,959</u>
Preliminary and formation cost payable	<u>-</u>	<u>2,522,200</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	<u>87,309</u>	<u>53,530</u>
Habib Bank AG Zurich - Custodian		
Bank deposits	<u>1,587,161</u>	<u>49,472,627</u>
Custody fee payable	<u>51,500</u>	<u>51,405</u>
Directors of the Management Company		
Babar Ali Lakhani		
Units held as at the period ended		
44,769 (30 June 2012: 6,056) units	<u>4,889,635</u>	<u>644,475</u>
*22,052 (30 June 2012: nil) units held in joint account with spouse Mrs. Zil Lakhani and Represents 3,206 (30 June 2012: 6,056) units held by minor son Mr. Hassan Ali Lakhani.		
Mr. Iqbal Ali Lakhani		
Units held as at the period end		
388,682 (30 June 2012: Nil) units	<u>42,451,429</u>	<u>-</u>
Mrs. Ronak Iqbal Lakhani (Spouse of Director Mr. Iqbal Ali Lakhani)		
Units held as at the period		
713,575 (30 June 2012: Nil) units	<u>77,935,882</u>	<u>-</u>
Key Management Personnel, Employees and Connected Persons of the Management Company		
Units held as at the period		
168,605 (June 2012: Nil) units	<u>18,414,904</u>	<u>-</u>
Associated companies / undertakings of the Management Company		
SIZA (Private) Limited		
Units held as at the period end		
1,421,873 (30 June 2012: 1,342,839) units	<u>155,295,393</u>	<u>142,906,046</u>
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end		
4,131 (30 June 2012: 3,901) units	<u>451,166</u>	<u>415,172</u>
Princeton Travels (Private) Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end		
4,237 (30 June 2012: 4,001) units	<u>462,734</u>	<u>425,817</u>

	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
	(Rupees)	
Lakson Investments Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 2,224 (30 June 2012: 2,101) units	<u>242,935</u>	<u>223,554</u>
Tritex Cotton Mills Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 2,860 (30 June 2012: 2,701) units	<u>312,345</u>	<u>287,427</u>
Tetley Clover (Private) Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 7,414 (30 June 2012: 7,002) units	<u>809,784</u>	<u>745,180</u>
Clover (Pakistan) Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 16,947 (30 June 2012: 16,005) units	<u>1,850,935</u>	<u>1,703,269</u>
Clover (Pakistan) Limited - Employees Gratuity Fund		
Units held as at the period end 9,003 (30 June 2012: 8,503) units	<u>983,309</u>	<u>904,862</u>
Century Insurance Company Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 12,710 (30 June 2012: 12,004) units	<u>1,388,202</u>	<u>1,277,452</u>
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 33,894 (30 June 2012: 32,010) units	<u>3,701,871</u>	<u>3,406,539</u>
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 20,125 (30 June 2012: 19,006) units	<u>2,197,986</u>	<u>2,022,632</u>
Hassanali and Gulbanoo Lakhani Foundation Employees Contributory Provident Fund Trust		
Units held as at the period end 6,355 (30 June 2012: 6,002) units	<u>694,101</u>	<u>638,726</u>
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 229,844 (30 June 2012: 217,068) units	<u>25,103,313</u>	<u>23,100,590</u>
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund		
Units held as at the period end 86,854 (30 June 2012: 82,026) units	<u>9,486,044</u>	<u>8,729,255</u>

	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
	(Rupees)	
SIZA Services (Private) Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 9,533 (30 June 2012: 9,003) units	<u>1,041,151</u>	<u>958,089</u>
Cyber Internet Services Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 46,604 (30 June 2012: 44,014) units	<u>5,090,073</u>	<u>4,683,991</u>
Sybird (Private) Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 14,829 (30 June 2012: 14,004) units	<u>1,619,569</u>	<u>1,490,361</u>
Accuray Surgicals Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 37,072 (30 June 2012: 35,011) units	<u>4,048,921</u>	<u>3,725,902</u>
Merit Packaging Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 48,723 (30 June 2012: 46,014) units	<u>5,321,440</u>	<u>4,896,899</u>
Merit Packaging Limited - Employees Gratuity Fund		
Units held as at the period end 19,065 (30 June 2012: 18,006) units	<u>2,082,302</u>	<u>1,916,178</u>
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust		
Units held as at the period end 179,003 (30 June 2012: 169,053) units	<u>19,550,506</u>	<u>17,990,782</u>
Century Paper & Board Mills Limited - Employees Gratuity Fund		
Units held as at the period end 96,386 (30 June 2012: 91,029) units	<u>10,527,196</u>	<u>9,687,344</u>
Century Insurance Company Limited		
Units held as at the period end 370,716 (30 June 2012: 350,110) units	<u>40,489,214</u>	<u>37,259,015</u>
Others - Connected Person due to holding more than 10% outstanding units		
Deposits	<u>3,315,530</u>	<u>9,739,796</u>
Profit receivable	<u>41,283</u>	<u>80,152</u>
Units held as at the period end 529,147 (30 June 2012: 499,735) units	<u>57,792,828</u>	<u>53,182,198</u>

	Nine months ended March 31, 2013	For the period from October 11, 2011 to March 31, 2012
	(Unaudited) (Rupees)	
11.2 Transactions during the period		
Directors of the Management Company		
Babar Ali Lakhani		
Issue units: 41,563 (2011: 6,056) units	<u>4,354,314</u>	<u>605,913</u>
Issue of bonus units: 356 (2011: nil) units	<u>35,823</u>	<u>-</u>
Redemption of units - 3,206 (2011: nil) units	<u>327,798</u>	<u>-</u>
*Includes trades in joint account with spouse Mrs. Zil Lakhani and trades by minor son Mr. Hassan		
Mr. Iqbal Ali Lakhani		
Issue units: 388,682 (2011: Nil) units	<u>40,309,091</u>	<u>-</u>
Mrs. Ronak Iqbal Lakhani (Spouse of Director Mr. Iqbal Ali Lakhani)		
Issue units: 713,575 (2011: nil) units	<u>74,147,654</u>	<u>-</u>
Key Management Personnel, Employees and Connected Persons of the Management Company		
Issue of units - 168,605 (2011: nil) units	<u>17,814,315</u>	<u>-</u>
Associated companies / undertakings of the Management Company		
SIZA (Private) Limited		
Issue units: Nil (2011: 1,342,839) units	<u>-</u>	<u>134,283,942</u>
Issue of bonus units: 79,033 (2011: nil) units	<u>7,943,298</u>	<u>-</u>
Lakson Business Solutions Limited - Employees		
Contributory Provident Fund Trust		
Issue units: Nil (2011: 3,901) units	<u>-</u>	<u>390,123</u>
Issue of bonus units: 230 (2011: nil) units	<u>23,077</u>	<u>-</u>
Princeton Travels (Private) Limited - Employees		
Contributory Provident Fund Trust		
Issue units: Nil (2011: 4,001) units	<u>-</u>	<u>400,126</u>
Issue of bonus units: 235 (2011: Nil) units	<u>23,669</u>	<u>-</u>
Lakson Investments Limited - Employees		
Contributory Provident Fund Trust		
Issue units: Nil (2011: 2,101) units	<u>-</u>	<u>210,066</u>
Issue of bonus units: 124 (2011: Nil) units	<u>12,426</u>	<u>-</u>
Tritex Cotton Mills Limited - Employees		
Contributory Provident Fund Trust		
Issue units: Nil (2011: 2,701) units	<u>-</u>	<u>270,085</u>
Issue of bonus units: 159 (2011: nil) units	<u>15,976</u>	<u>-</u>

	Nine months ended March 31, 2013	For the period from October 11, 2011 to March 31, 2012
	(Unaudited) (Rupees)	
Tetley Clover (Private) Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 7,002) units	-	700,221
Issue of bonus units: 412 (2011: nil) units	<u>41,420</u>	<u>-</u>
Clover (Pakistan) Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 16,005) units	-	1,600,504
Issue of bonus units: 942 (2011: nil) units	<u>94,675</u>	<u>-</u>
Clover (Pakistan) Limited - Employees Gratuity Fund		
Issue units: Nil (2011: 8,503) units	-	850,268
Issue of bonus units: 500 (2011: nil) units	<u>50,296</u>	<u>-</u>
Century Insurance Company Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 12,004) units	-	1,200,378
Issue of bonus units: 706 (2011: nil) units	<u>71,006</u>	<u>-</u>
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 32,010) units	-	3,201,008
Issue of bonus units: 1,884 (2011: nil) units	<u>189,349</u>	<u>-</u>
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 19,006) units	-	1,900,599
Issue of bonus units: 1,119 (2011: nil) units	<u>112,426</u>	<u>-</u>
Hassanali and Gulbanoo Lakhani Foundation Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 6,002) units	-	600,189
Issue of bonus units: 353 (2011: nil) units	<u>35,503</u>	<u>-</u>
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 217,068) units	-	21,706,837
Issue of bonus units: 12,776 (2011: nil) units	<u>1,284,025</u>	<u>-</u>
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund		
Issue units: Nil (2011: 82,026) units	-	8,202,584
Issue of bonus units: 4,828 (2011: nil) units	<u>485,207</u>	<u>-</u>

	Nine months ended March 31, 2013	For the period from October 11, 2011 to March 31, 2012
	(Unaudited) (Rupees)	
SIZA Services (Private) Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 9,003) units	-	900,284
Issue of bonus units: 530 (2011: nil) units	<u>53,254</u>	<u>-</u>
Cyber Internet Services Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 44,014) units	-	4,401,386
Issue of bonus units: 2,590 (2011: nil) units	<u>260,355</u>	<u>-</u>
Sybrid (Private) Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 14,004) units	-	1,400,441
Issue of bonus units: 824 (2011: nil) units	<u>82,840</u>	<u>-</u>
Accuray Surgicals Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 35,011) units	-	3,501,103
Issue of bonus units: 2,061 (2011: nil) units	<u>207,101</u>	<u>-</u>
Merit Packaging Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 46,014) units	-	4,601,449
Issue of bonus units: 2,708(2011: nil) units	<u>272,190</u>	<u>-</u>
Merit Packaging Limited - Employees Gratuity Fund		
Issue units: Nil (2011: 18,006) units	-	1,800,567
Issue of bonus units: 1,060 (2011: nil) units	<u>106,509</u>	<u>-</u>
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust		
Issue units: Nil (2011: 169,053) units	-	16,905,325
Issue of bonus units: 9,950 (2011: nil) units	<u>1,000,001</u>	<u>-</u>
Century Paper & Board Mills Limited - Employees Gratuity Fund		
Issue units: Nil (2011: 91,029) units	-	9,102,867
Issue of bonus units: 5,358 (2011: nil) units	<u>538,462</u>	<u>-</u>
Century Insurance Company Limited		
Issue units: Nil (2011: 350,110) units	-	35,011,027
Issue of bonus units: 20,606 (2011: nil) units	<u>2,071,007</u>	<u>-</u>

	Nine months ended March 31, 2013	For the period from October 11, 2011 to March 31, 2012
	(Unaudited) (Rupees)	
Others - Connected Person due to holding more than 10% outstanding units		
Profit Income	<u>623,624</u>	<u>261,130</u>
Charges	<u>10,221</u>	<u>4,700</u>
Issue units: Nil (2011: 499,735) units	<u>-</u>	<u>50,000,000</u>
Issue of bonus units: 29,412 (2011: nil) units	<u>2,956,080</u>	<u>-</u>

Nine months ended March 31, 2013	For the period from October 11, 2011 to March 31, 2012	Quarter ended March 31, 2013	Quarter ended March 31, 2012
----- (Unaudited) -----			
----- (Rupees) -----			

11.3 Other transitions during the period

Lakson Investments Limited - Management Company of the Fund				
Remuneration for the period	<u>7,484,703</u>	<u>2,402,552</u>	<u>2,878,175</u>	<u>1,394,340</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund				
Remuneration for the period	<u>645,233</u>	<u>297,719</u>	<u>248,119</u>	<u>158,655</u>
Habib Bank AG Zurich - Custodian				
Brokerage and settlement charges	<u>263,698</u>	<u>33,197</u>	<u>-</u>	<u>-</u>
Custody charges	<u>132,791</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bank charges	<u>17,617</u>	<u>3,644</u>	<u>-</u>	<u>-</u>

12. GENERAL

This condensed interim financial information was authorised for issue on April 29, 2013 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Director



A Lakson Group Company

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