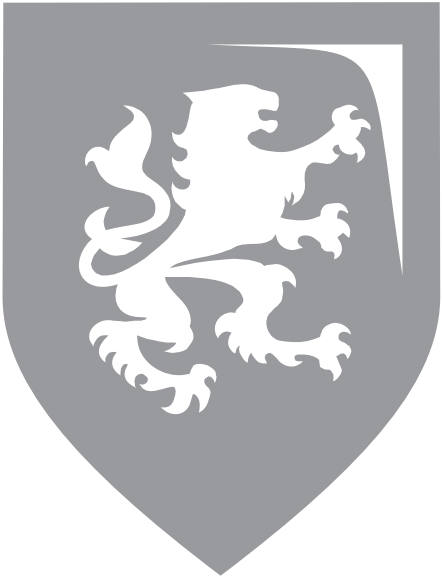


LAKSON MONEY MARKET FUND

Half Yearly Report (December 31, 2014)



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Fund's Information

Management Company

Lakson Investments Limited
Head Office
Lakson Square, Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan.
Phone: (9221) 3569.8000
Fax: (9221) 3568.1653
Web site: www.li.com.pk
E-mail: info@li.com.pk

Board of Directors of the Management Company

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani - Chief Executive Officer
Mr. A. Aziz H. Ebrahim
Mr. Mahomed J. Jaffer
Mr. Amin Mohammed Lakhani
Mr. Sher Afgan Malik
Mr. Daniel Scott Smaller
Mr. Zahid Zakiuddin

Chief Financial Officer & Company Secretary of the Management Company

Ms. Sana Quadri

Audit Committee

Mr. Zahid Zakiuddin - Chairman
Mr. A. Aziz H. Ebrahim
Mr. Iqbal Ali Lakhani
Mr. Sher Afgan Malik

Human Resource and Remuneration Committee

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani
Mr. Daniel Scott Smaller

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S.,
Main Shakra-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
Askari Bank Limited
Bank Al-Falah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
United Bank Limited

Legal Adviser

Fazleghani Advocates
F-72/I, Block 8, KDA-5,
Kehkashan, Clifton,
Karachi, Pakistan.

Registrar

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

Distributors

Adam Securities
Amir Noorani
BMA Financial
Elixir Securities (Pvt.) Limited
Ismail Iqbal Securities
Metro Securities Pvt. Limited
Pearl Securities Pvt. Limited
Rabia Fida
Topline Securities (Pvt.) Limited
Vector Capital (Pvt.) Limited

Rating by PACRA

AA(f) : Fund Stability Rating
AM3 + : Management Company Quality Rating

Review Report of the Directors of the Management Company for the half year ended December 31, 2014

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Money Market Fund ("LMMF") is pleased to submit its review report together with the Condensed Interim Financial Statements for the half year ended December 31, 2014.

Fund Objective

The objective of the fund is to provide stable and competitive returns with low volatility that are in line with the money markets and consistent with capital preservation. Accordingly, the fund consists of a liquid portfolio of low risk, short-term investments.

Fund Profile

LMMF is an open end money market fund which invests in Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts and other short term instruments. The weighted average maturity of the portfolio is kept below 3 months. LMMF invests in only those securities that have been assigned at least an "AA" rating by a rating agency in Pakistan and are of less than 6 months maturity. An in-depth credit analysis is conducted before taking any exposure to any counter party to mitigate the credit risk. Short maturity of the portfolio protects the Unit Holders against interest rate movements while enhancing the liquidity of the Fund. LMMF is allowed to borrow up to 15% of Net Assets to meet redemptions, however, LMMF did not utilize this facility during the period under review.

Fund performance

The LMMF yielded an annualized return of 8.62% in the first half year of FY15 compared to the Benchmark return of 9.04%. The LMMF underperformed the benchmark by 42 bps. As of December 31, 2014, the LMMF portfolio is invested 34% in T-Bills, 63% in Bank & DFIs, 3% cash while the weighted average maturity of the LMMF portfolio stands at 88 days. The fund size of the LMMF as of December 31, 2014 is PKR 6,592 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

While political uncertainty gripped the country during the earlier part of the year, it fizzled out as the PTI leader Imran Khan; citing the need for national unity after the horrific attack on a Peshawar school, called off his party sit-in against the government. The PTI leader also announced that his party will refrain from politics of agitation and would give full support to federal government to combat the menace of terrorism. This positive development was supplemented by the collapse of international crude oil prices which brought windfall gains for the overall economy. The economy is expected to save PKR ~550 billion (2.0% of GDP) per annum on account of declining crude oil prices. Inflation started to abate after crude oil prices tumbled by 44% during the quarter. Inflationary pressure eased off as CPI averaged just 4.7% YoY in 2QFY15 compared to 7.5% YoY witnessed during the previous quarter. As a result the government was able to reduce the prices of petrol and diesel by ~26% and ~20% respectively which had an across the board effect on the consumer price index. With real interest rates rising to over 5.0%, the State Bank of Pakistan ("SBP") reduced the discount rate by 50 bps to 9.5%.

Despite significant improvement in the debt profile, the government continued to miss its fiscal targets. According to provisional figures from the Federal Board of Revenue ("FBR"), PKR 1,158 billion was collected during 1HFY15, against PKR 1,031 billion during the corresponding period of last year, reflecting an increase of 14%. The tax machinery fell short of the target by PKR ~60 billion during the first half, as it missed the targets on custom duty collection amid declining commodity prices in the international market. The Finance Minister hinted that the fiscal deficit might increase beyond the budgeted target of 4.9% for FY15 due to lower revenues, and higher expenditures on the implementation of national action plan on terrorism as well as the rehabilitation of temporary displaced persons.

While the external account remained under pressure in 1QFY15, it remained resilient during the current quarter as the country received financial inflows from multiple sources. The country received USD ~2 billion from the issuance of dollar denominated Sukuk and payment from IMF tranche. Meanwhile, the current account witnessed a deficit of USD 715 million during the 2QFY15, taking the cumulative deficit for 1HFY15 to USD 2,362 million. While the impact of declining oil prices has not been evident on the trade balance as of yet, remittances continued to provide strength to the external account as they witnessed an increase of 15.2% YoY to USD 8.9 billion during 1HFY15. The country added USD ~1.76 billion to foreign exchange reserves during the quarter to bring the total to USD 15.3 billion, providing import cover of 4.5 months. Meanwhile as the country continued to receive significant USD inflows and concerns over the import bill receded, the PKR appreciated by 2.1% against the greenback to close at 100.52.

Fixed Income Market Review

After taking a wait-and-see stance in 1QFY15, the government moved towards a much anticipated easing stance in 2QFY15. The discount rate was cut by 50bps to reach 9.5% due to favorable trends in global commodity prices, lower inflation and limited damage from recent floods. In November '14, inflation reached 3.96%, an 11-year low, and then clocked in at 4.3% in December '14. The Consumer Price Index (CPI) inflation went down significantly to reach 6% during 1HFY15 from an average of 8.9% in 1HFY14. The country's foreign exchange reserves rose by a massive 79% to USD 14.9 billion in December '14 from USD 8.3 billion at the close of December '13.

The banking system continued to show liquidity pressure forcing SBP to inject an average of PKR 161.7 billion in 30 open market operations while it mopped up an average of PKR 55.6 billion in 3 open market operations in 1HFY15. Deposits of scheduled banks rose by 3.2% in 1HFY15 to PKR 8,342 billion compared to a growth of 2.9% in 1HFY14. Broad money (M2) stood at PKR 306 billion in December '14 translating into a growth of 3.08% as opposed to a 4.76% increase for the period December '13.

The government managed to raise PKR 1,615 billion in T-bills in 1HFY15 against a target of PKR 1,945 billion and maturity PKR 1,641 billion. Although 1QFY15 showed volatile participation in PIBs, investors' interest was strong in 2QFY15 raising a total of PKR 667 billion against a target of PKR 450 billion and maturity of PKR 264 billion in 1HFY15. The yield curve flattened in 1HFY15 as yields on 3-month and 6-month bills went down by 40 and 64 basis points (bps) respectively while the 3-year and 10-year PIBs went down by 265 and 239 bps respectively.

Future Outlook

Macroeconomic indicators have significantly improved over the last year. The government has been able to lengthen the duration of its domestic borrowing, raise funds from international markets and reduce the prices for petroleum products. The collapse in oil will bring stability to the external account and PKR while allowing the country to build its FX reserve position as savings on the import of oil are expected to be in excess of USD 3.0 bn per annum. Similarly inflation is declining to multiyear lows

and is expected to average under 7.0% for CY15. Stability on the external account and lower price pressures will allow the SBP to aggressively pursue economic growth through monetary easing. This should prove a boon to both the listed equity sector as well as provide attractive returns in bond markets. The main risk to this bullish thesis is the volatility in commodities, where sharp and sustained reversals in the price of oil could shift the focus of fiscal and monetary policy from growth back to stability.

Acknowledgement

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan, the Trustee of the Fund-Central Depository Company of Pakistan Limited and the management of the Lahore Stock Exchange 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

Dated: February 16, 2015

Babar Ali Lakhani
Chief Executive Officer

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpk.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON MONEY MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Lakson Money Market Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2014 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Aftab Ahmed Diwan
Officiating Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 23, 2015



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2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of LAKSON MONEY MARKET FUND ("the Fund") as at December 31, 2014 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 holders' fund and notes to the accounts for the six-month period then ended (here-in-after referred to as "condensed interim financial information"). Management Company of the Fund is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the period ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

The figures for the quarter ended December 31, 2014 and December 31, 2013 in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund have not been reviewed and we do not express a conclusion on them.

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BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent member firms.



The financial statements for the year ended June 30, 2014 and for the six months ended December 31, 2013 were audited and reviewed respectively by another firm of chartered accountants who had expressed an unqualified opinion and conclusion thereon vide their reports dated August 18, 2014 and February 11, 2014 respectively.

KARACHI

DATED: 16 FEB 2015

CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

**Condensed Interim Statement of Assets and Liabilities
As at December 31, 2014**

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
ASSETS	Note	(Rupees)
Bank balances	5	3,170,953,808
Investments	6	4,909,444,639
Placements	7	1,186,711,533
Mark-up receivable	8	1,390,000,000
Prepayment		39,124,693
Deferred formation cost		19,836
TOTAL ASSETS		6,684,150,978
		7,572,496,240
LIABILITIES		
Payable to the Management Company	9	31,506,848
Payable to the Trustee		502,193
Annual fee payable to the Securities and Exchange Commission of Pakistan		2,776,960
Accrued and other liabilities	10	57,816,831
TOTAL LIABILITIES		92,602,832
NET ASSETS		6,591,548,146
		7,490,246,168
UNIT HOLDERS' FUND (as per statement of movement in Unit holders' Fund)		6,591,548,146
		7,490,246,168
CONTINGENCIES AND COMMITMENTS		
	11	
		(Number of units)
Number of units in issue		63,105,405
		74,814,937
		(Rupees)
Net assets value per unit		104.4530
		100.1170

The annexed notes from 1 to 15 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 half year ended December 31, 2014

	Half year ended December 31,		Quarter ended December 31,	
	2014	2013	2014	2013
Note	----- (Rupees) -----			
INCOME				
Mark-up income	372,715,465	365,278,845	181,732,762	183,901,963
Capital gain / (loss) on sale of investments - net	1,606,262	(41,717)	1,592,716	(609,468)
Unrealised appreciation / (diminution) in the fair value of investments classified as 'held for trading' - net	6.1 940,465	(1,129,448)	1,342,399	(707,609)
	375,262,192	364,107,680	184,667,877	182,584,886
EXPENSES				
Remuneration to the Management Company	38,338,318	50,237,679	18,877,300	24,823,942
Sales tax on remuneration to the Management Company	6,670,867	9,324,113	3,284,650	4,607,323
Federal excise duty on remuneration to the Management Company	9.1 6,134,131	8,038,029	3,020,368	3,971,831
Remuneration of the Trustee	3,155,042	3,392,343	1,551,317	1,678,478
Annual fee to Securities and Exchange Commission of Pakistan	2,776,960	3,014,261	1,362,276	1,489,437
Brokerage, custody, settlement and bank charges	734,610	783,829	452,441	467,590
Amortisation of deferred formation cost	148,731	201,228	48,117	100,614
Auditors' remuneration	213,780	157,710	94,142	88,381
Fees and subscription	125,165	70,575	62,583	35,288
Printing charges	17,723	13,125	10,161	(1,998)
Workers' Welfare Fund	10.1 5,556,229	5,585,871	2,468,523	2,898,986
	63,871,556	80,818,763	31,231,878	40,159,872
Net income from operating activities	311,390,636	283,288,917	153,435,999	142,425,014
Element of (loss) and capital (losses) included in the prices of units issued less those in units redeemed - net	(39,135,431)	(9,581,241)	(32,478,384)	(374,721)
Net income for the period	272,255,205	273,707,676	120,957,615	142,050,293

The annexed notes from 1 to 15 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 half year ended December 31, 2014**

	Half year ended December 31,		Quarter ended December 31,	
	2014	2013	2014	2013
	------(Rupees)-----			
Net income for the period	272,255,205	273,707,676	120,957,615	142,050,293
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>272,255,205</u>	<u>273,707,676</u>	<u>120,957,615</u>	<u>142,050,293</u>

The annexed notes from 1 to 15 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 half year ended December 31, 2014**

	Half year ended December 31, 2014		Quarter ended December 31, 2014	
	2013	2013	2013	2013
	------(Rupees)-----			
Undistributed income at the beginning of the period realised	9,033,582	72,728,740	160,452,025	8,398,239
Undistributed (loss) / income at the beginning of the period - unrealised	(281,081)	293,994	(401,934)	(421,839)
Undistributed income at the beginning of the period	8,752,501	73,022,734	160,050,091	7,976,400
Less: Final distribution as issue of bonus units: Nil (2013: Rs 0.7026 on 8 July 2013)	-	(72,722,041)	-	-
	8,752,501	300,693	160,050,091	7,976,400
Total comprehensive income for the period	272,255,205	273,707,676	120,957,615	142,050,293
Interim distributions during the period	-	(265,164,693)	-	(141,183,017)
Issue of bonus units	272,255,205	8,542,983	120,957,615	867,276
Undistributed income at the end of the period	281,007,706	8,843,676	281,007,706	8,843,676
Undistributed income at the end of the period - realised	280,067,241	9,973,124	280,067,241	9,973,124
Undistributed income / (loss) at the end of the period - unrealised	940,465	(1,129,448)	940,465	(1,129,448)
Undistributed income at the end of the period	281,007,706	8,843,676	281,007,706	8,843,676

The annexed notes from 1 to 15 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 half year ended December 31, 2014**

	Half year ended December 31,		Quarter ended December 31,	
	2014	2013	2014	2013
------(Rupees)-----				
Net assets at beginning of the period	7,490,246,168	10,423,441,276	7,263,746,471	8,105,591,353
Amount received on issue of 21,818,771 (2013: 39,731,512) units and 9,751,609 (2013: 11,492,440) units for half year and quarter respectively	2,228,437,766	3,984,809,484	1,006,854,562	1,152,999,674
Amount paid on redemption of 33,528,303 (2013: 68,236,396) units and 17,683,168 (2013: 15,502,352) units for half year and quarter respectively	(3,438,526,424)	(6,844,899,866)	(1,832,488,886)	(1,554,376,230)
Element of loss and capital losses in prices of units sold less those of units redeemed - net	39,135,431	9,581,241	32,478,384	374,721
Less : Final distribution nil (2013: Rs 0.7026 on 8 July 2013) per unit	-	(72,722,041)	-	-
Issue of bonus units as final distribution: nil (2013: 727,199)	-	72,722,041	-	-
Total comprehensive income for the period	272,255,205	273,707,676	120,957,615	142,050,293
Interim distributions during the period Issue of bonus units	-	(265,164,693)	-	(141,183,017)
Issue of bonus units as interim distribution: nil (2013: 2,651,461)	-	265,164,693	-	141,183,017
Net assets as at the end of the period	6,591,548,146	7,846,639,811	6,591,548,146	7,846,639,811
Net assets value per unit at beginning of the period	100.1170	100.7055	102.2531	100.0985
Net assets value per unit at end of the period	104.4530	100.1129	104.4530	100.1129

The annexed notes from 1 to 15 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 half year ended December 31, 2014**

	Half year ended December 31,		Quarter ended December 31,	
	2014	2013	2014	2013
	------(Rupees)-----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	272,255,205	273,707,676	120,957,615	142,050,293
Adjustments for non-cash charges and other items:				
Amortisation of deferred formation cost	148,731	201,228	48,117	100,614
Unrealised (appreciation) / diminution in the fair value of investments - held for trading - net	(940,465)	1,129,448	(1,342,399)	707,609
Element of loss and capital losses included in the prices of units issued less those of units redeemed - net	39,135,431	9,581,241	32,478,384	374,721
	310,598,902	284,619,593	152,141,717	143,233,237
(Increase) / decrease in assets				
Investments - net	(1,086,400,643)	(443,067,837)	231,943,584	3,601,518,204
Placements	190,000,000	-	150,000,000	-
Markup and other receivables	46,961,644	32,788,774	30,794,046	427,753
Security deposits and prepayments	85,164	30,575	62,582	35,287
	(849,353,835)	(410,248,488)	412,800,212	3,601,981,244
Increase / (decrease) in liabilities				
Payable to the Management Company	6,683,979	9,404,644	3,255,868	4,892,515
Payable to the Trustee	(15,412)	6,221	(26,229)	16,807
Annual fee payable to the Securities and Exchange Commission of Pakistan	(3,169,571)	(3,247,324)	1,362,276	1,489,438
Payable against redemption of units	-	-	-	(48,038)
Accrued and other liabilities	6,853,764	5,546,753	3,824,051	2,656,205
	10,352,760	11,710,294	8,415,966	9,006,927
Net cash (used in) / generated from operating activities	(528,402,173)	(113,918,601)	573,357,895	3,754,221,408
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from issue of units	2,228,437,766	3,984,809,484	1,006,854,562	1,152,999,674
Cash paid on redemption of units	(3,438,526,424)	(6,844,899,866)	(1,832,488,886)	(1,554,376,230)
Net cash (used in) financing activities	(1,210,088,658)	(2,860,090,382)	(825,634,324)	(401,376,556)
Net (decrease) / increase in cash and cash equivalents during the period	(1,738,490,831)	(2,974,008,983)	(252,276,429)	3,352,844,852
Cash and cash equivalents at beginning of the period	4,909,444,639	7,899,404,000	3,423,230,238	1,572,550,165
Cash and cash equivalents at end of the period	3,170,953,808	4,925,395,017	3,170,953,808	4,925,395,017

The annexed notes from 1 to 15 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 Statements (Unaudited)
For the half year ended December 31, 2014**

1. LEGAL STATUS AND NATURE OF BUSINESS

The Lakson Money Market Fund (the "Fund") was established under the Trust Deed executed on 2, September 2009 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on 18 September 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore.

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

The Fund is categorised as "Money Market Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and Fund primarily invests in Government Securities, Certificates of Investment, Certificates of Deposits, Term Deposit Receipts, Commercial Papers, Reverse Repo, etc. subject to the guidelines issued by SECP from time to time.

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

The Pakistan Credit Rating agency Limited (PACRA) has assigned 'AA(f)' (Fund Stability rating) to the Fund and '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 six month period ended December 31, 2014 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 year ended June 30, 2014.

This condensed interim financial information comprise of condensed interim statement of assets and liabilities as at December 31, 2014 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 six month period ended December 31, 2014.

2.2 This condensed interim financial information is unaudited, however, limited scope review has been performed by the external auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance.

2.3 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).

2.4 Basis of measurement

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

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.5 Functional and presentation currency

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

2.6 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 as at and for the year ended June 30, 2014.

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, 2014.

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 year ended June 30, 2014.

		December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
	Note	(Rupees)	
5. BANK BALANCES			
In profit and loss sharing accounts	5.1	170,953,808	104,126,240
In current accounts		-	2,805,318,399
Term deposits receipts	5.2	<u>3,000,000,000</u>	<u>2,000,000,000</u>
		<u>3,170,953,808</u>	<u>4,909,444,639</u>

5.1 These represents profit and loss account maintained with banks carrying mark-up rates ranging from 7% to 9.80% (June 30, 2014: 7% to 11.83%) per annum.

5.2 These represents term deposits receipts with banks carrying mark-up rates ranging from 10.25% to 10.50% (June 30, 2014: 10.25% to 10.55%) per annum maturing from February 23, 2015 to March 30, 2015.

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

Government securities - Market			
Treasury Bills	6.1	2,274,052,641	158,144,872
Government securities - Pakistan			
Investment Bonds	6.2	-	1,028,566,661
		<u>2,274,052,641</u>	<u>1,186,711,533</u>

6.1 Government securities-Market Treasury bills

	Note	Number of holdings				Balance as at December 31, 2014			Market value as percentage of net assets of the Fund	Market value as percentage of total investment
		Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at end of the period	Carrying value	Market value	Unrealized diminution		
Treasury Bills - 3 months (face value of Rs. 100,000 each)	6.1.1	-	102,790	98,740	4,050	401,086,438	401,116,290	29,852	6.09%	17.64%
Treasury Bills - 6 months (face value of Rs. 100,000 each)	6.1.2	1,640	78,731	61,990	18,381	1,774,704,011	1,775,580,151	876,140	26.94%	78.08%
Treasury Bills - 12 months (face value of Rs. 100,000 each)	6.1.3	-	11,178	10,178	1,000	97,321,727	97,356,200	34,473	1.48%	4.28%
Total - December 31, 2014						2,273,112,176	2,274,052,641	940,465	34.50%	100.00%
Total - June 30, 2014						158,127,661	158,144,872	17,211	2.11%	8.00%

6.1.1 These represent 3 months Government Treasury bills carrying effective yield ranging from 9.54% to 9.93% (June 30, 2014: Nil) maturing from January 08, 2015 to February 09, 2015. The face value of Treasury Bills held as at December 31, 2014 amounted to Rs. 405 million (June 30, 2014: Nil).

6.1.2 This represents a 6 months Government Treasury bills carrying an effective yield ranging from 9.47% to 9.80% (June 30, 2014: 10.01%) having maturity from April 30, 2015 to May 28, 2015. The face value of Treasury Bills held as at December 31, 2014 amounted to Rs. 1,838 million (June 30, 2014: Rs. 164 million).

6.1.3 This represents a 12 months Government Treasury bills carrying an effective yield ranging from 9.60% (June 30, 2014: Nil) having maturity on April 16, 2015. The face value of Treasury Bills held as at December 31, 2014 amounted to Rs. 100 million (June 30, 2014: Nil).

6.2 Government securities- Pakistan Investment Bonds

	Note	Number of holdings				Balance as at December 31, 2014			Market value as percentage of net assets of the Fund	Market value as percentage of total investment
		Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at end of the period	Carrying value	Market value	Unrealized diminution		
3 years Pakistan investment Bond (face value of Rs 100,000 each)		10,273	-	10,273	-	-	-	-	-	-
Total - December 31, 2014										
Total - June 30, 2014						1,028,864,953	1,028,566,661	(298,292)	-	-

December 31, 2014 (Unaudited) **June 30, 2014 (Audited)**
(Rupees)

7. CERTIFICATE OF INVESTMENT AND LETTER OF PLACEMENT

Certificate of Investment - unsecured

Pak Brunei Investments Company Limited	7.1	600,000,000	790,000,000
Pak Oman Investments Company Limited	7.2	600,000,000	-

Letter of Placement - unsecured

Saudi Pak Agricultural and Industrial Company Limited		-	600,000,000
		1,200,000,000	1,390,000,000

- 7.1 This represents short term Certificate of investment carrying a effective mark-up rate of 10.50% (2014: 10.25%) per annum and mature on February 16, 2015 . This is a non-rated debt instrument.
- 7.2 This represents short term Certificate of investment carrying a effective mark-up rate ranging from 9.95% to 10.00% (2014: 10.25%) per annum and maturity from February 23, 2015 to March 12, 2015. This is a non-rated debt instrument.

8. PROFIT RECEIVABLE	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
Note	(Rupees)	
Considered good		
Profit receivable on:		
Certificate of Investment	17,827,125	24,173,562
Profit and Loss Sharing Accounts	1,900,307	6,369,277
Term Deposits Receipts with Banks	19,397,261	13,431,234
Government Securities - Pakistan		
Investment Bond	-	42,112,264
	<u>39,124,693</u>	<u>86,086,337</u>

9. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to Management Company	6,145,499	6,411,721
Sales tax payable on remuneration to Management Company	4,239,915	3,423,845
Federal excise duty payable on remuneration to the Management Company	9.1 21,121,434	14,987,303
	<u>31,506,848</u>	<u>24,822,869</u>

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

On September 4, 2013, a constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, 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. 21.121 million (June 30, 2014: Rs. 14.987 million).

10. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration	188,285	207,480
Workers' Welfare Fund	10.1 56,165,201	50,608,973
Brokerage payable	267,381	115,414
Others	1,195,964	31,200
	<u>57,816,831</u>	<u>50,963,067</u>

10.1 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 (CISs) / mutual funds 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 Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

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

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

As the matter relating to levy of WWF is currently pending in the Court, the Management Company, as a matter of prudence and abundant caution, has decided to make provision for WWF amounting to Rs.56.165 million up to December 31, 2014.

Had the above recognition not been made, the net assets value per unit of the Fund would be higher by Re. 0.89/ 0.89%. (June 30, 2014: Re. 0.68 / 0.68%).

11. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2014.

12. 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.

13. 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 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 December 31, 2014.

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:

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
	(Rupees)	
13.1 Balance as at period / year end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable	<u>31,506,848</u>	<u>24,822,869</u>
Units held as at the period / year end 2,616,821 (June 30, 2014: 3,522,244) units	<u>273,334,808</u>	<u>352,636,603</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	<u>502,193</u>	<u>517,605</u>
Directors, Chief Executive, their spouses and minor children		
Units held as at the period / year end 12,780,527 (June 30, 2014: 16,883,060) units	<u>1,334,964,377</u>	<u>1,690,281,318</u>
Key management personnel, employees and connected persons of the Management Company		
Units held as at the period / year end 140,215 (June 30, 2014: 14,375,077) units	<u>14,645,894</u>	<u>1,439,189,584</u>
Associated companies / undertakings of the Management Company		
SIZA Services (Private) Limited- Holding Company of the Management Company		
Units held as at the period / year end 4,101,215 (June 30, 2014: 2,743,471) units	<u>428,384,217</u>	<u>274,668,086</u>
SIZA (Private) Limited		
Units held as at the period / year end 5,249,845 (June 30, 2014: 5,114,275) units	<u>548,362,043</u>	<u>512,025,870</u>
Hasanali & Gulbanoo Lakhani Foundation		
Units held as at the period / year end 116,145 (June 30, 2014: 1,440,477) units	<u>12,131,706</u>	<u>144,216,236</u>

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
	(Rupees)	
Century Insurance Company Limited		
Units held as at the period / year end 595,090 (June 30, 2014: 1,474,239) units	<u>62,158,953</u>	<u>147,596,386</u>
Premier Fashions (Private) Limited		
Units held as at the period / year end 1,578,554 (June 30, 2014: 1,059,097) units	<u>164,884,725</u>	<u>106,033,714</u>
Century Enterprises (Private) Limited		
Units held as at the period / year end 23,462 (June 30, 2014: 23,462) units	<u>2,450,656</u>	<u>2,348,945</u>
Colgate Palmolive (Pakistan) Limited		
Units held as at the period / year end 11,200,373 (June 30, 2014: 12,687,574) units	<u>1,169,912,554</u>	<u>1,270,241,846</u>
Clover Pakistan Limited		
Units held as at the period / year end 2,505,635 (June 30, 2014: 3,086,867) units	<u>261,721,084</u>	<u>309,047,863</u>
Lakson Power Limited		
Units held as at the period / year end 4,074 (June 30, 2014: 4,317) units	<u>425,531</u>	<u>432,205</u>
SIZA Commodities (Private) Limited		
Units held as at the period / year end nil (June 30, 2014: 788,336) units	<u>-</u>	<u>78,925,835</u>
Baluchistan Polyproducts (Private) Limited		
Units held as at the period / year end 109,034 (June 30, 2014: 109,034) units	<u>11,388,898</u>	<u>10,916,057</u>
Others - Connected Person due to holding more than 10% Outstanding Units		
Bank Deposits	<u>-</u>	<u>4,098,721</u>
Profit receivable	<u>-</u>	<u>108,185</u>
Units held as at the period / year end nil (30 June 2014: 7,419,601) units	<u>-</u>	<u>742,828,193</u>

**Half year ended
December 31,
2014 2013**
(Unaudited)
(Rupees)

13.2 Transactions during the period

Lakson Investments Limited - Management Company of the Fund		
Issue: 58,495 (2013: 318,983) units	<u>6,000,000</u>	<u>32,000,000</u>
Bonus: Nil (2013: 93,500) units	<u>-</u>	<u>9,350,604</u>
Redemption: 963,918 (2013: 29,935) units	<u>100,000,000</u>	<u>3,000,000</u>

	Half year ended December 31,	
	2014	2013
	(Unaudited) (Rupees)	
Directors, Chief Executives and their Spouse and Minors		
Issue: 1,589,762 (2013: 7,589,631) units	<u>159,985,733</u>	<u>759,071,799</u>
Bonus: Nil (2013: 1,116,896) units	<u>-</u>	<u>111,703,976</u>
Redemption: 5,693,822 (2013: 31,696,258) units	<u>591,929,022</u>	<u>3,179,309,604</u>
Key Management Personnel, Employees and Connected Persons of the Management Company		
Issue: Nil (2013: 16,332,033) units	<u>-</u>	<u>1,637,679,278</u>
Bonus: Nil (2013: 352,357) units	<u>-</u>	<u>35,237,845</u>
Redemption: 2,032,504 (2013: 37,796,689) units	<u>204,053,751</u>	<u>3,794,950,760</u>
SIZA Services (Private) Limited- Holding Company of the Management Company		
Issue: 2,043,210 (2013: 2,859,755) units	<u>209,000,000</u>	<u>287,000,000</u>
Bonus: Nil (2013: 52,779) units	<u>-</u>	<u>5,278,265</u>
Redemption: 685,466 (2013: 562,464) units	<u>71,100,000</u>	<u>56,500,000</u>
Associated Companies / Undertaking of the Management Company		
SIZA (Private) Limited		
Issue: 204,563 (2013: 3,272,171) units	<u>21,000,000</u>	<u>328,500,000</u>
Bonus: Nil (2013: 193,410) units	<u>-</u>	<u>19,342,284</u>
Redemption: 68,993 (2013: 2,191,951) units	<u>7,000,000</u>	<u>2,200,000</u>
Hasanali & Gulbanoo Lakhani Foundation		
Issue: 5,633 (2013: 167,489) units	<u>565,000</u>	<u>16,776,000</u>
Bonus: Nil (2013: 13,400) units	<u>-</u>	<u>1,340,103</u>
Redemption: 1,329,965 (2013: 816,185) units	<u>133,206,712</u>	<u>81,762,203</u>
Century Insurance Company Limited		
Issue: Nil (2013: 787,078) units	<u>-</u>	<u>79,000,000</u>
Bonus: Nil (2013: 109,124) units	<u>-</u>	<u>10,913,136</u>
Redemption: 879,149 (2013: 696,532) units	<u>90,415,432</u>	<u>69,886,351</u>
Premier Fashions (Private) Limited		
Issue: 1,095,338 (2013: 1,505,660) units	<u>112,500,000</u>	<u>151,000,000</u>
Bonus: Nil (2013: 15,858) units	<u>-</u>	<u>1,555,911</u>
Redemption: 575,882 (2013: 831,821) units	<u>60,000,000</u>	<u>83,500,000</u>
Century Enterprises (Private) Limited		
Bonus: Nil (2013: 915) units	<u>-</u>	<u>91,460</u>

	Half year ended December 31,	
	2014	2013
	(Unaudited) (Rupees)	
Colgate Palmolive (Pakistan) Limited		
Issue: 2,917,181 (2013: 5,489,502) units	<u>300,000,000</u>	<u>550,000,000</u>
Bonus: Nil (2013: 331,371) units	<u>-</u>	<u>33,139,270</u>
Redemption: 4,404,383 (2013: 3,743,665) units	<u>450,000,000</u>	<u>375,000,000</u>
Clover Pakistan Limited		
Bonus: Nil (2013: 136,236) units	<u>-</u>	<u>13,624,493</u>
Redemption: 581,232 (2013: 537,888) units	<u>62,000,000</u>	<u>54,121,583</u>
Lakson Power Limited		
Bonus: Nil (2013: 175) units	<u>-</u>	<u>17,522</u>
Redemption: 243 (2013: 299) units	<u>25,000</u>	<u>30,000</u>
SIZA Commodities (Private) Limited		
Issue: 899,263 (2013: 1,085,430) units	<u>92,000,000</u>	<u>109,000,000</u>
Bonus: Nil(2013: 10,717) units	<u>-</u>	<u>1,071,787</u>
Redemption: 1,687,599 (2013: 447,899) units	<u>173,964,300</u>	<u>45,000,000</u>
Baluchistan Polyproducts (Private) Limited		
Issue: Nil (2013: 13,962) units	<u>-</u>	<u>14,000,000</u>
Bonus: Nil (2013: 3,530) units	<u>-</u>	<u>353,023</u>
Redemption: Nil (2013: 24,871) units	<u>-</u>	<u>25,000,000</u>
Others - Connected Person due to holding more than 10% in the units of the Fund)		
Issue: Nil (2013: 1,284,300) units	<u>-</u>	<u>129,000,000</u>
Bonus: Nil (2013: 334,100) units	<u>-</u>	<u>33,412,224</u>
Redemption: Nil (2013: 2,719,127) units	<u>-</u>	<u>272,859,413</u>
Profit on Bank Deposits	<u>-</u>	<u>4,362,426</u>
Bank Charges	<u>-</u>	<u>139,077</u>

Half year ended December 31,		Quarter ended December 31,	
2014	2013	2014	2013
----- (Unaudited) -----			
----- (Rupees) -----			

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

Remuneration to the Management
Sindh sales tax on remuneration of
Management Company
Federal Excise Duty on remuneration
of Management Company

38,338,318	50,237,679	18,877,300	24,823,942
6,670,867	9,324,113	3,284,650	4,607,323
6,134,131	8,038,029	3,020,368	3,971,831
51,143,316	67,599,821	25,182,318	33,403,096

**Central Depository Company of
Pakistan Limited - Trustee of the
Fund**

Remuneration for the period

3,155,042	3,392,343	1,551,317	1,678,478
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14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 16, 2015 by the Board of Directors of the Management Company.

15. GENERAL

Figures have been rounded off to the nearest rupee.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director



A Lakson Group Company

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