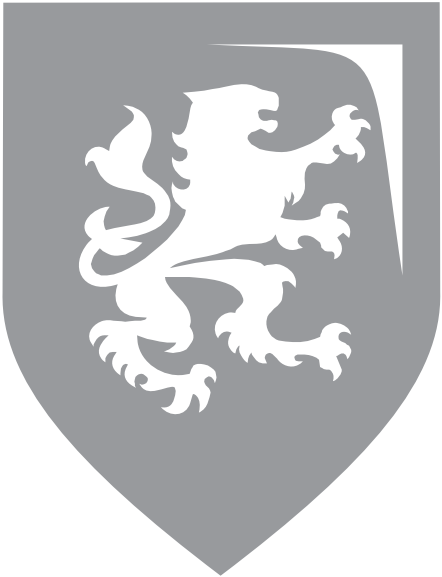


LAKSON MONEY MARKET FUND

Quarterly Report (September 30, 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

Syed Muhammad Zeeshan

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 quarter ended September 30, 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 Condensed Interim Financial Statements for the first quarter ended September 30, 2014.

Fund Objective

The objective of the LMMF 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

The 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 a "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 8.43% in the first quarter of FY15 compared to the Benchmark (50% Average 3M T-Bill yield + 50% Average 3M TDR rate of minimum AA rated banks) return of 8.94% p.a. The LMMF underperformed the benchmark by 51 bps. As of September 30, 2014, the LMMF portfolio is invested 34% in T-Bills, 46% in TDRs, 19% in COIs and LOPs and 1% in Bank Deposits while the weighted average maturity of the LMMF portfolio stood at 44 days. The Standard Deviation, a measure of the volatility of the fund's performance, of monthly returns of the LMMF declined to 0.18% in 1QFY15, from 0.22% a quarter earlier, as interest rates remained relatively stable and the fund increased exposure to lower volatility fixed placements. The fund size of the LMMF as of September 30, 2014 stood at PKR 7,264 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

Political developments during the start of new fiscal year brought the capital of Pakistan to a standstill, amidst anti-government protests staged by PTI's Imran Khan and PAT's Tahir-ul-Qadri. Both the leaders called on the Prime Minister to resign, saying that last year's landslide election victory was rigged. Meanwhile, COAS ("Chief of Army Staff") raised his support for democratic and civilian forces in the country which ruled out possibility of a military takeover. While much of the attention during the period was inclined towards political disruptions, the recent floods managed to divert public attention away from politics to likely damages in Central and Southern Punjab. However, in terms of crop damage, the ongoing floods seemed less severe than 2010 floods.

The inflationary pressures in the economy abated as the headline inflation retreated during the first quarter FY15, averaging at 7.5% YoY compared to 8.6% YoY witnessed during the previous quarter. Inflation eased off after the recent bugbear of food inflation moderated during the quarter, as food inflation averaged 6.6% YoY during the 1QFY15 compared to previous quarter's average of 8.2% YoY. The government largely tackled the food prices by allowing duty free import of perishable food items from the neighboring country. On the flip side, the State Bank of Pakistan ("SBP") kept the discount rate unchanged during the two monetary policy meetings conducted during the quarter. Although

the headline inflation had been on the lower side, the cautious approach maintained by the Central Bank was attributed to deterioration in external account, political uncertainty and concerns on delay in the approval of the 5th IMF tranche.

External account of the country remained under severe pressure owing to a weak current account position coupled with delayed inflows. The current account deficit for 2MFY15 stood at USD 1,372 million, compared to a deficit of USD 580 million during the same period of the last year. The deterioration in current account came in from a higher trade deficit which increased by 55% YoY to USD 4.2 billion. Exports declined by 11.0% YoY to USD 3.8 billion while imports were up by 14.9% YoY to USD 7.9 billion. However, remittances continued to provide support to the crippling current account, growing by 12.6% YoY to USD 3.0 billion during the period.

The pressure on PKR continued to grow amidst delayed financial inflows along with political uncertainty in the country. Pakistan failed to satisfy the International Monetary Fund ("IMF") for the fifth tranche of USD 550 million as the reform process earlier initiated by the government slowed down in the midst of political crisis. The foreign exchange reserves of the country declined by USD ~1 billion during the quarter to USD 13.2 billion (as of Sep 26th 2014). Consequently, the Pak Rupee felt the pressure during the quarter, depreciating by 4.0% against the greenback, and closed at 102.6 per USD.

Fixed Income Market Review

The course of the monetary policy was kept essentially unchanged during 1QFY15 as the SBP held the discount rate steady at 10%. The past quarter saw an improvement in the country's macro indicators with foreign exchange reserves rising to USD 14.6 billion from USD 8.5 billion at the close of December '13. However, in the July MPS meeting the SBP took a wait-and-see stance on the sustainability of the economic turnaround and kept the discount rate unchanged. In August '14, macro economic trends shifted following the political protests in the country's capital. Foreign exchange reserves started depleting driven by deterioration in the trade deficit combined with lack of expected inflows from abroad, particularly from the IMF. In addition, the SBP highlighted risks of a potential uptick in inflation (1QFY15: 7.52% YoY) following this year's floods, and thus kept the discount rate steady in its September meeting as well. Liquidity in the banking system remained tight compelling the SBP to inject an average of PKR 78.3 billion via 12 (twelve) open market operations during the quarter, while mopping up PKR 55.6 billion via 3 (three) mop-up operations. The M2 money supply contracted by 1.97% (as of 19th September) vs. a contraction of 0.62% in the same period last year; the sharper slowdown in money supply was due to a significant reduction in government's fresh borrowing for budgetary support. The yield curve has steepened during the quarter as yields on the 3-month and 4-month T-Bills increased by 5 and 2 basis points ("bps") respectively, while the yields on the 3-year and 10-year PIBs increased by 26 and 42 bps, respectively. During 1QFY15, the government had planned to raise PKR 700 billion from the auction of T-Bills; however, it fell short of its target and raised PKR 658 billion against a maturity of PKR 630 billion. Cumulatively, the bid-to-cover ratio of the T-Bill auctions came in at 0.89x for 1QFY15 vs. 0.85x for FY14, indicating a neutral participation in the T-Bill auctions as banks preferred to park their liquidity in long-term instruments. The PIB auctions witnessed volatile participation as investors seemed uninterested in investing in PIBs in the July and August auctions, but in September, their interest was rekindled. Thus, investors placed total bids of PKR 372 billion against the cumulative auction target of PKR 300 billion and maturity of PKR 259 billion. The government was able to raise PKR 311 billion from PIBs during 1QFY15.

Future Outlook

Pakistan's economic climate has started taking heat from the recent political crisis originated by the sit-ins by political heavyweights. With overall economic activity slowing down due to delay in the policy reforms and the crucial inflows from the donors, deteriorated energy supplies, decline in the PKR, the overall macro environment looks challenging now. On the other hand, CPI outlook is increasingly favorable given the recent decline in commodities prices in general and oil prices in particular, which is expected to provide a relief in the form of muted current account deficit going forward and thus a natural support for the PKR against the USD in the remainder of the FY15. However, interest rate scenario still looks downward sticky in the near term till the planned inflows on account of IMF

tranches, new Sukuk issue in the international market as well as the on-going privatization of the state owned entities are materialized. The recent release of the coalition support fund money has provided some support to the foreign exchange reserves of the country.

Though the government is still working to resolve the current political as well as the chronic energy crisis, which remained persistent, accumulation of foreign reserves and managing inflation will remain the primary tasks, having direct implication on country's currency and interest rate outlook. Meanwhile, recent political turmoil, if continued, would have its bearing on investor confidence. In addition, there are continued delays in appointing heads of various state owned organizations which may have repercussions on industry.

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: October 22, 2014

**Babar Ali Lakhani
Chief Executive Officer**

**Condensed Interim Statement of Assets and Liabilities
As at September 30, 2014**

Assets	Note	September 30, 2014 (Unaudited)	June 30, 2014 (Audited)
		(Rupees)	
Bank balances	6	3,423,230,238	4,909,444,639
Investments		2,504,653,825	1,186,711,533
Placements	8	1,350,000,000	1,390,000,000
Mark-up receivable		69,918,739	86,086,337
Deferred formation cost		48,117	148,731
Prepayments		82,418	105,000
Total assets		<u>7,347,933,337</u>	<u>7,572,496,240</u>
Liabilities			
Remuneration payable to the Management Company	9	28,250,980	24,822,869
Remuneration payable to the Trustee		528,422	517,605
Annual fee payable to Securities and Exchange Commission of Pakistan		1,414,684	5,946,531
Accrued expenses and other liabilities		53,992,780	50,963,067
Total liabilities		<u>84,186,866</u>	<u>82,250,072</u>
Net assets		<u>7,263,746,471</u>	<u>7,490,246,168</u>
Unit holders' funds (as per the statement attached)		<u>7,263,746,471</u>	<u>7,490,246,168</u>
Contingencies and Commitments	11		
		(Number of units)	
Number of units in issue		<u>71,036,964</u>	<u>74,814,937</u>
		(Rupees)	
Net assets value per unit		<u>102.2531</u>	<u>100.1170</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**Condensed Interim Income Statement (Unaudited)
For the quarter ended September 30, 2014**

Income	Note	2014 (Rupees)	2013
Mark-up income		190,982,703	181,376,882
Gain on sale of held for trading investments - net		13,546	567,751
Unrealised diminution in the fair value of held for trading investments - net	7.1	(401,934)	(421,839)
		<u>190,594,315</u>	<u>181,522,794</u>
Expenses			
Remuneration to the Management Company		19,461,018	25,413,737
Sindh sales tax on remuneration of Management Company		3,386,217	4,716,790
Federal Excise Duty on Remuneration of Management Company		3,113,763	4,066,198
Remuneration to the Trustee		1,603,725	1,713,865
Annual fee to the Securities and Exchange Commission of Pakistan		1,414,684	1,524,824
Auditors' remuneration		119,638	69,329
Fees and subscription		62,582	35,287
Printing charges		7,562	15,123
Brokerage expenses		243,658	281,400
Amortization of deferred formation cost		100,614	100,614
Bank charges		38,511	34,839
		<u>29,551,972</u>	<u>37,972,006</u>
Net income from operating activities		<u>161,042,343</u>	<u>143,550,788</u>
Element of loss and capital losses in prices of units sold less those in units redeemed - net		(6,657,047)	(9,206,520)
Provision for Workers' Welfare Fund	10.1	(3,087,706)	(2,686,885)
Net income for the period before taxation		<u>151,297,590</u>	<u>131,657,383</u>
Taxation		-	-
Net income for the period after taxation		<u>151,297,590</u>	<u>131,657,383</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended September 30, 2014**

	2014	2013
	(Rupees)	
Net income for the period	151,297,590	131,657,383
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>151,297,590</u>	<u>131,657,383</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

**Condensed Interim Distribution Statement (Unaudited)
For the quarter ended September 30, 2014**

	Note	2014	2013
		(Rupees)	
Undistributed income at beginning of the period - realised		9,033,582	72,728,740
Accumulated loss at beginning of the period - unrealised		<u>(281,081)</u>	293,994
Undistributed income at beginning of the period		8,752,501	73,022,734
Final distribution Nil (2013: Rs 0.7026 on 8 July 2013)			
- Issue of bonus units		-	(72,722,041)
Net income for the period		151,297,590	131,657,383
Interim distributions during the period			
- Issue of bonus units		-	(123,981,676)
		151,297,590	7,675,707
		160,050,091	7,976,400
Undistributed income at end of the period - realised		160,452,025	8,398,239
Undistributed accumulated loss at end of the period - unrealised		(401,934)	(421,839)
Undistributed income at end of the period		160,050,091	7,976,400

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)
For the quarter ended September 30, 2014**

	Note	2014	2013
		(Rupees)	
Net assets at beginning of the period		7,490,246,168	10,423,441,276
Amount received on issue of 12,067,162 (2013: 28,239,072) units		1,221,583,204	2,831,809,810
Amount paid on redemption of 15,845,135 (2013: 52,734,021) units		(1,606,037,538)	(5,290,523,636)
		(384,454,334)	(2,458,713,826)
Element of loss and capital losses in prices of units sold less those in units redeemed - net		6,657,047	9,206,520
Final distribution Nil (2013: Rs 0.7026 on 8 July 2013) - Issue of bonus units		-	(72,722,041)
Issue of Nil (2013: 727,199) bonus units as final distribution		-	72,722,041
Net income for the period		151,297,590	131,657,383
Interim distributions during the period - Issue of bonus units		-	(123,981,676)
Net income for the period less distribution		151,297,590	7,675,707
Issue of Nil (2012: 1,239,714) bonus units as interim distribution		-	123,981,676
Net assets as at end of the period		7,263,746,471	8,105,591,353
Net assets value per unit at beginning of the period		100.1170	100.7055
Net assets value per unit at end of the period		102.2531	100.0985

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended September 30, 2014**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES	(Rupees)	
Net income for the period	151,297,590	131,657,383
Adjustments for:		
Amortisation of formation cost	100,614	100,614
Unrealised diminution in the fair value of held for trading investments - net	401,934	421,839
Element of loss and capital losses in prices of units sold less those in units redeemed - net	6,657,047	9,206,520
	<u>158,457,185</u>	<u>141,386,356</u>
Decrease / (Increase) in assets		
Investments	(1,318,344,226)	(4,044,586,041)
Placements	40,000,000	-
Mark-up receivable	16,167,598	32,361,021
Prepayment	22,582	(4,712)
	<u>(1,262,154,046)</u>	<u>(4,012,229,732)</u>
Increase / (Decrease) in liabilities		
Remuneration payable to the Management Company	3,428,111	4,512,129
Remuneration payable to the Trustee	10,817	(10,586)
Annual fee payable to Securities and Exchange Commission of Pakistan	(4,531,847)	(4,736,762)
Payable against redemption of units	-	48,038
Accrued expenses and other liabilities	3,029,713	2,890,548
	<u>1,936,794</u>	<u>2,703,367</u>
Net cash flows from operating activities	<u>(1,101,760,067)</u>	<u>(3,868,140,009)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	1,221,583,204	2,831,809,810
Payment against redemption of units	(1,606,037,538)	(5,290,523,636)
Net cash flows from financing activities	<u>(384,454,334)</u>	<u>(2,458,713,826)</u>
Net increase in cash and cash equivalents	<u>(1,486,214,401)</u>	<u>(6,326,853,835)</u>
Cash and cash equivalents at beginning of the period	4,909,444,639	7,899,404,000
Cash and cash equivalents at end of the period	<u>3,423,230,238</u>	<u>1,572,550,165</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

Notes to the Condensed Interim Financial Information (Unaudited) For the quarter ended September 30, 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 maintained 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

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). In case the requirements differ, the provisions or directives of the Companies Ordinance, 1984, and the requirements of the Rules and the Regulations shall prevail.

This condensed interim financial statements comprise of condensed interim statement of assets and liabilities as at 30 September 2014 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim distribution statement, condensed interim statement of movement in unit holder's fund, and notes thereto, for the quarter ended 30 September 2014.

The condensed interim financial statements does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund as at and for the year ended 30 June 2014.

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

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

2.2 Functional and presentation currency

These Condensed interim financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupees.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the published financial statements as at and for the year ended June 30, 2014.

4. ACCOUNTING ESTIMATES

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to financial statements as at and for the year ended 30 June 2014.

5. FINANCIAL RISK MANAGEMENT

The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2014.

	Note	September 30, 2014 (Unaudited) (Rupees)	June 30, 2014 (Audited)
6. BANK BALANCES			
local currency			
- In profit and loss sharing accounts	6.1	73,230,238	104,126,240
- In current accounts		-	2,805,318,399
- Term deposits receipts	6.2	3,350,000,000	2,000,000,000
		<u>3,423,230,238</u>	<u>4,909,444,639</u>
6.1		These represents profit and loss account maintained with banks carrying mark-up rates ranging from 7% to 9.25% (2014: 7% to 11.83%) per annum.	
6.2		These represents term deposits receipts with banks carrying mark-up rates ranging from 10.25% to 10.50% (2014: 10.25% to 10.55%) per annum maturing from 16 October 2014 to 23 February 2015.	
7. INVESTMENTS			
Held for trading			
Government securities- Market Treasury Bills	7.1	2,504,653,825	158,144,872
Government securities- Pakistan			
Investment Bonds	7.2	-	1,028,566,661
		<u>2,504,653,825</u>	<u>1,186,711,533</u>

7.1 Government securities- Market Treasury Bills

	Note	Number of holdings at beginning of the period	Acquired during the period	Sold / matured during the period	Number of holdings at end of the period	Cost as at September 30, 2014	Market value as at September 30, 2014	Unrealised diminution	Market value as percentage of net assets of the Fund	Market value as percentage of total investment	
(Rupees)											
3 Months Market Treasury Bills (face value of Rs. 100,000 each)	7.1.1	-	66,840	49,490	17,350	1,716,542,891	1,716,350,865	(192,026)	23.63	68.53	
6 Months Market Treasury Bills (face value of Rs. 100,000 each)	7.1.2	1,640	14,450	8,050	8,040	788,512,868	788,302,960	(209,908)	10.85	31.47	
12 Months Market Treasury Bills (face value of Rs. 100,000 each)		-	-	-	-	-	-	-	-	-	
						30 September 2014	2,505,055,759	2,504,653,825	(401,934)	34.48	100.00
						30 June 2014	158,127,661	158,144,872	17,211	2.11	8.00

7.1.1 This represents investments in 3 months Government Market Treasury Bills carrying a effective mark-up rate ranging from 9.9300% to 9.9800% (2014: Nil) having maturity from 02 October 2014 to 27 November 2014. The face value of Market Treasury Bills as at 30 September 2014 amounted to Rs 1,735 million.

7.1.2 This represents investments in 6 months Government Market Treasury Bills carrying a effective mark-up rate ranging from 9.9791% to 10.0900% (2014: 10.0100%) having maturity from 16 October 2014 to 08 January 2015 . The face value of Market Treasury Bills as at 30 September 2014 amounted to Rs. 804 million.

7.2 Government securities- Pakistan Investment Bonds

Issue Date	Tenor	Number of holdings at beginning of the period	Acquired during the period	Sold / matured during the period	Number of holdings at end of the period	Cost as at September 30, 2014	Market value as at September 30, 2014	Unrealised appreciation / (diminution)	Market value as percentage of net assets of the Fund	Market value as percentage of total investment
18-Aug-11	3 years	10,273	-	10,273	-	-	-	-	-	-
(Rupees)										
						30 September 2014	-	-	-	-
						30 June 2014	1,028,864,953	1,028,566,661	(298,292)	15

September 30, 2014 (Unaudited) **June 30, 2014 (Audited)**
Note (Rupees)

8. CERTIFICATE OF INVESTMENT AND LETTER OF PLACEMENT

Certificate of Investment - unsecured

- Pak Brunei Investments Company Limited		-	790,000,000
- Pak Oman Investments Company Limited	8.1	600,000,000	-
- Saudi Pak Agricultural and Industrial Company Limited	8.2	750,000,000	-

Letter of Placement - unsecured

- Saudi Pak Agricultural and Industrial Company Limited		-	600,000,000
		1,350,000,000	1,390,000,000

- 8.1 This represents short term Certificate of investment carrying a effective mark-up rate of 10.20% (2014: Nil) per annum and maturity from 17 October 2014 to 10 November 2014. This is an unrated debt instrument.
- 8.2 This represents short term Certificate of investment carrying a effective mark-up rate ranging from 10.25% to 10.40% (2014: 10.25%) per annum and maturity from 15 October 2014 to 22 December 2014. This is an unrated debt instrument.

	Note	September 30, 2014 (Unaudited)	June 30, 2014 (Audited)
		(Rupees)	
9	REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration payable	6,334,678	6,411,721
	Sind Sales Tax on Management remuneration	3,815,236	3,423,845
	Federal Excise Duty on Management remuneration	9.1 18,101,066	14,987,303
		28,250,980	24,822,869

- 9.1 As per the requirement of the Finance Act, 2013, the Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been levied from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which doesn't appear to be the spirit of the law. A stay order against the collection have been granted by the Honourable High Court of Sindh on a petition filed by the Mutual Funds Association of Pakistan (MUFAP) on September 04, 2013..

In view of uncertainty regarding the applicability of FED on asset management services, the management, as a matter of abundant caution, has decided to maintain the provision for FED amounting to of Rs. 18.101 million as at September 30, 2014. Had the said provision of FED not been recorded in the books of account of the Fund, the net asset value per unit of the Fund would have been higher by Re. 0.25 / 0.25%. (2014: Re. 0.20 / 0.20%)

	Note	September 30, 2014 (Unaudited)	June 30, 2014 (Audited)
		(Rupees)	
10.	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	94,143	207,480
	Payable to Workers' Welfare Fund	10.1 53,696,678	50,608,973
	Brokerage payable	134,329	115,414
	Other liabilities	67,630	31,200
		53,992,780	50,963,067

- 10.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending for adjudication.

During the year 2011, a single bench of the Lahore High Court (LHC) in a constitutional petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. However, in the month of March 2013, a larger bench of the Sindh High Court (SHC) in various constitutional petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity and overruled a single-member LHC bench judgement issued in August 2011. However, the Honourable Peshawar High Court on 29 May 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.53.697 million up to 30 September 2014.

Had the above recognition not been made, the net assets value per unit of the Fund would be higher by Re. 0.76 / 0.76% (2014: Re. 0.68 / 0.68%)

11. CONTINGENCIES AND COMMITMENTS

The Fund had no contingency or commitment at period end.

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 these condensed interim financial information.

13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons/ related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company and also include entities having holding 10% or more in the units of the Fund as at 30 September 2014. It also includes staff retirement funds of the above related parties / connected persons.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively. Purchase and redemptions of the Fund's unit by the related parties / connected persons are recorded at the applicable net asset value per unit. Other transactions are recorded in accordance with the agreed terms.

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

13.1 Balance as at period ended	September 30, 2014 (Unaudited)	June 30, 2014 (Audited)
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable (including the Sindh Sales Tax and Federal Excise Duty)	<u>28,250,980</u>	<u>24,822,869</u>
Units held as at the period / year ended 3,551,589 (2014: 3,522,244) units	<u>363,082,501</u>	<u>352,636,603</u>
Central Depository Company of Pakistan Limited - Trustee of the fund		
Remuneration payable	<u>528,422</u>	<u>517,605</u>
Directors, Chief Executives and their Spouse and Minors		
Units held as at the period / year ended 16,088,664 (2014: 16,883,060) units	<u>1,644,760,252</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 ended 410,063 (2014: 14,375,077) units	<u>41,921,146</u>	<u>1,439,189,584</u>
Siza Services (Private) Limited- Holding Company of the Management Company		
Units held as at the period / year ended 4,479,717 (2014: 2,743,471) units	<u>457,965,935</u>	<u>274,668,086</u>
Related Parties of the Management Company		
Siza (Private) Limited		
Units held as at the period / year ended 5,113,754 (2014: 5,114,275) units	<u>522,784,190</u>	<u>512,025,870</u>
Hasanali & Gulbanoo Lakhani Foundation		
Units held as at the period / year ended 116,145 (2014: 1,440,477) units	<u>11,873,631</u>	<u>144,216,236</u>
Century Insurance Company Limited		
Units held as at the period / year ended 947,433 (2014: 1,474,239) units	<u>96,857,040</u>	<u>147,596,386</u>
Premier Fashions (Private) Limited		
Units held as at the period / year ended 1,133,889 (2014: 1,059,097) units	<u>115,918,556</u>	<u>106,033,714</u>
Century Enterprises (Private) Limited		
Units held as at the period / year ended 23,462 (2014: 23,462) units	<u>2,398,524</u>	<u>2,348,945</u>
Colgate Palmolive (Pakistan) Limited		
Units held as at the period / year ended 10,738,496 (2014: 12,687,574) units	<u>1,097,807,135</u>	<u>1,270,241,846</u>
Clover Pakistan Limited		
Units held as at the period / year ended 3,037,371 (2014: 3,086,867) units	<u>310,513,512</u>	<u>309,047,863</u>

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
	(Rupees)	
Lakson Power Limited		
Units held as at the period / year ended 4,218 (2014: 4,317) units	<u>431,258</u>	<u>432,205</u>
Siza Commodities (Private) Limited		
Units held as at the period / year ended 766,119 (2014: 788,336) units	<u>78,321,123</u>	<u>78,925,835</u>
Baluchistan Polyproducts (Private) Limited		
Units held as at the period / year end 109,034 (2014: 109,034) units	<u>11,146,625</u>	<u>10,916,057</u>
Others - Connected Person due to holding more than 10% Outstanding Units		
Bank Deposits	<u>7,668,485</u>	<u>4,098,721</u>
Profit receivable	<u>75,763</u>	<u>108,185</u>
Units held as at the period / year end 7,419,601 (30 June 2014: 7,419,601) units	<u>758,677,153</u>	<u>742,828,193</u>
	September 30,	
	2013	2012
	(Unaudited)	
	(Rupees)	
13.2 Transactions relating to units of the Fund during		
Remuneration payable (including the Sindh Sales Tax and Federal Excise Duty)		
Issue: 29,345 (2013: 179,517) units	<u>25,960,998</u>	<u>34,196,725</u>
Bonus: Nil (2013: 50,732) units	<u>3,000,000</u>	<u>18,000,000</u>
Redemption: Nil (2013: 29,935) units	<u>-</u>	<u>5,073,519</u>
	<u>-</u>	<u>3,000,000</u>
Central Depository Company of Pakistan Limited - Trustee of the fund		
Remuneration to the Trustee	<u>1,603,725</u>	<u>1,713,865</u>
Directors, Chief Executives and their Spouse and Minors		
Issue: 1,445,373 (2013: 7,584,645) units	<u>144,985,733</u>	<u>759,071,799</u>
Bonus: Nil (2013: 696,815) units	<u>-</u>	<u>69,685,565</u>
Redemption: 2,239,769 (2013: 29,684,089) units	<u>226,729,500</u>	<u>2,977,809,604</u>
Key Management Personnel, Employees and Connected Persons of the Management Company		
Issue: Nil (2013: 16,329,190) units	<u>-</u>	<u>1,637,394,280</u>
Bonus: Nil (2013: 455,766) units	<u>-</u>	<u>45,568,477</u>
Redemption: 2,032,504 (2013: 29,904,899) units	<u>204,053,751</u>	<u>2,998,637,450</u>
Siza Services (Private) Limited- Holding Company of the Management Company		
Issue: 1,820,989 (2013: Nil) units	<u>186,000,000</u>	<u>-</u>
Bonus: Nil (2013: 12,523) units	<u>-</u>	<u>1,252,398</u>
Redemption: 84,743 (2013: Nil) units	<u>8,600,000</u>	<u>-</u>

Associated Companies / Undertaking of the Management Company	September 30,	
	2014	2013
	(Unaudited) (Rupees)	
Siza (Private) Limited		
Issue: 68,472 (2013: 1,509,046) units	<u>7,000,000</u>	<u>151,500,000</u>
Bonus: Nil (2013: 102,703) units	<u>-</u>	<u>10,271,058</u>
Redemption: 68,993 (2013: 199,839) units	<u>7,000,000</u>	<u>20,000,000</u>
Hasanali & Gulbanoo Lakhani Foundation		
Issue: 5,633(2013: 167,489) units	<u>565,000</u>	<u>16,776,000</u>
Bonus: Nil (2013: 11,417) units	<u>-</u>	<u>1,141,764</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: 478,230) units	<u>-</u>	<u>48,000,000</u>
Bonus: Nil (2013: 61,451) units	<u>-</u>	<u>6,142,546</u>
Redemption: 526,806 (2013: 696,532) units	<u>53,695,408</u>	<u>69,886,351</u>
Premier Fashions (Private) Limited		
Issue: 74,791 (2013: 149,635) units	<u>7,500,000</u>	<u>15,000,000</u>
Bonus: Nil (2013: 2,614) units	<u>-</u>	<u>231,424</u>
Redemption: Nil (2013: 34,889) units	<u>-</u>	<u>3,500,000</u>
Century Enterprises (Private) Limited		
Bonus: Nil (2013: 514) units	<u>-</u>	<u>51,394</u>
Colgate Palmolive (Pakistan) Limited		
Issue: 1,480,753 (2013: 3,494,662) units	<u>150,000,000</u>	<u>350,000,000</u>
Bonus: Nil (2013: 174,094) units	<u>-</u>	<u>17,410,573</u>
Redemption: 3,429,832 (2013: Nil) units	<u>350,000,000</u>	<u>-</u>
Clover Pakistan Limited		
Issue: Nil (2013: Nil) units	<u>-</u>	<u>-</u>
Bonus: Nil (2013: 80,371) units	<u>-</u>	<u>8,037,671</u>
Redemption: 49,495 (2013: Nil) units	<u>5,000,000</u>	<u>-</u>
Lakson Power Limited		
Bonus: Nil (2013: 100) units	<u>-</u>	<u>10,043</u>
Redemption: 99 (2013: 100) units	<u>10,000</u>	<u>10,000</u>
Siza Commodities (Private) Limited		
Issue: 364,751 (2013: Nil) units	<u>37,000,000</u>	<u>-</u>
Bonus: Nil (2013: 1,065) units	<u>-</u>	<u>81,293</u>
Redemption: 386,968 (2013: Nil) units	<u>39,000,000</u>	<u>-</u>
Baluchistan Polyproducts (Private) Limited		
Issue: Nil (2013: 4,986) units	<u>-</u>	<u>500,000</u>
Bonus: Nil (2013: 2,041) units	<u>-</u>	<u>204,116</u>

	September 30,	
	2014	2013
	(Unaudited)	
	(Rupees)	
Others - Connected Person due to holding more than 10% in the units of the Fund)		
Issue: Nil (2013: 284,300) units	-	129,000,000
Bonus: Nil (2013: 194,817) units	-	19,483,346
Redemption: Nil (2013: 2,662,261) units	-	267,062,316
Profit on Bank Deposits	226,356	1,020,023
Bank Charges	20,310	15,818

14 GENERAL

This condensed interim financial information was authorised for issue on October 22, 2014 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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