

LAKSON MONEY MARKET FUND
Quarterly Report (September 30, 2017)



LAKSON INVESTMENTS
WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN



CONTENTS

Fund's Information	1
Review Report of the Directors of the Management Company	3
Review Report of the Directors of the Management Company (in Urdu)	6
Condensed Interim Statement of Assets and Liabilities	10
Condensed Interim Income Statement	11
Condensed Interim Statement of Comprehensive Income	12
Condensed Interim Statement Of Movement In Reserve Or Unit Holders' Fund	13
Condensed Interim Cash Flow Statement	14
Notes to and forming part of the Condensed Interim Financial Information	15



Fund's Information

Management Company

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Fax: (9221) 3568.1653
Web site: www.li.com.pk
E-mail: info@li.com.pk

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(Regulated by the DFSA as a Representative Office)
Level 15, Gate Building
DIFC, P.O. Box 507054
Dubai, U.A.E.
Phone: +971.4 401.9284
Fax: +971.4 401.9578

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. Jacques John Visser
Mr. Daniel Scott Smaller
Mr. Zahid Zakiuddin

Chief Financial Officer & Company Secretary of the Management Company

Ms. Maimoona Raffat

Audit Committee

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

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 Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
Sindh Bank Limited
United Bank Limited

Legal Adviser

Fazleghani Advocates
F-72/1, Block 8, KDA-5,
Kehkashan, Clifton,
Karachi, Pakistan.

Registrar

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

Distributors

Adam Securities
Amir Noorani
BMA Financial Services Limited
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
AM2+ : Asset Manager Rating



Review Report of the Directors of the Management Company for the quarter ended September 30, 2017

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Money Markets Fund ("LMMF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended September 30, 2017.

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 5.22% in the 1QFY18 compared to the Benchmark return of 5.19%. The LMMF outperformed the benchmark by 3 bps. As of September 30, 2017, the LMMF portfolio is placed 88% in cash deposits with Banks, 9% is placed with DFIs and the remaining 3% is placed in T bills while the weighted average maturity of the LMMF portfolio stands at 08 days. The fund size of the LMMF as of September 30, 2017 is PKR 6,221 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

CPI Inflation averaged only 3.39% in 1QFY18, much lower than 4.58% for 4QFY17, and 3.85% for 1QFY17. Subdued inflation was partly attributable to a decline in average local petrol prices for the period, down 3.7% Qu, in tandem with international crude oil prices, as Arab Light was down 3.0% QoQ. Further, adequate food supplies kept inflation low, according to SBP's monetary policy statement.

Moreover, Government's borrowing for budgetary support from SBP, which is inflationary in nature, was kept under control during the quarter, at PKR 350b compared to PKR 384b in the corresponding period last year. While exchange rate was slightly higher during the quarter, at PKR 105.35/USD, compared to PKR 104.75/USD in 4QFY18, imported inflation had no significant impact on CPI.

Current account deficit surged to USD 2.6b in the first two months of the quarter, compared to USD 1.3b in the corresponding period last year due mostly to a substantial jump in imports of goods, by USD 1.9b. Rise in imports was mostly driven by machineries, petroleum group, and iron and steel. Furthermore, imports were also rushed and preempted because of expectations that PKR will depreciate soon. While both exports and remittances rose too during the period, they could not cover the rise in imports.

Due to the rise in current account deficit, foreign exchange reserves continued to deplete during the quarter. From USD 21.4b as at end June 2017, reserves dipped to USD 19.8b at September 2017 end.



Despite the worsening external position, the exchange rate remained stable through most of the quarter, except for the first week of July, which witnessed a blip. USD averaged PKR 105.35 during the quarter, as opposed to PKR 104.75 in 4QFY17.

Meanwhile, the Government demonstrated better fiscal discipline in 1QFY18, to record a fiscal deficit of only 0.9%, the lowest in ten years. The biggest driver for the low fiscal deficit was greater tax collection, which rose by 20% YoY, followed by a decrease in Federal Government's expenditures by 2.2% YoY 1. Fiscal deficit improved despite slippage in non-tax revenue on the back of a blockade in Coalition Support Fund.

Fixed Income Market Review

In its Sep'17 MPS, the SBP maintained its policy/discount rate at 5.75%/6.25%, where it highlighted the strong growth momentum (LSM up 5.6% in FY17), optimistic about its GDP growth target for FY18 at 6.0%, but also remarked on the weak external position (CAD in 2MFY17 0.9% of GDP). Despite these factors, inflationary pressures have not been concerning, as average CPI for the 3MFY18 clocked in at 3.4%, well below the FY18 target of 6.0% Taking cue for the Jul'17 MPS, the Monetary Policy committee almost unanimously (8 out of 9 members) voted in favor of the status quo, compared to 4 in Nov'17 voting in favor of 25bps cut.

MPC Committee Voting Pattern

MPS Date	25bps cut	No change	Total
Jul'16	2	8	10
Sep'16	2	8	10
Nov'16	4	6	10
Jan'17	3	6	9
Mar'17	2	6	8
May'17	-	10	10
Jul'17	1	8	9

M2 growth clocked in at 13.1%YoY for 1QFY18, at the same pace of growth witnessed during FY17. Following IMF push towards PIBs, ever since end of EFF program GoP preference is again tilting towards shorter-term T Bills, because they are much cheaper. As a result, from a 36% share in Jun'16, PIBs constituted less than 30% of GoP's total domestic debt by Jun'17.

The government was a heavy borrower from the SBP in FY17 while not tapping commercial banks for financing. During 1QFY18, the government raised about PKR 4,330.42bn from the T-Bills Auction, while PKR 52.4bn were raised from the PIB auction (bids in 2 of 3 PIB auctions were rejected). Also, there was an acceleration in government borrowing because they raised more than 2x more money through T-Bills than in the previous quarter. That said, with Pakistan entering an election year, it is possible that GoP borrowing requirements lift especially if populist decision making takes over.

Weighted average yields

Date	T-Bills			PIB		
	6M	3M	12M	3YR	5YR	10 YR
30-Sep-16	5.86%	5.90%	5.91%	6.19%	6.69%	7.80%
30-Dec-16	5.96%	5.98%	5.95%	6.19%	6.69%	7.80%
31-Mar-17	5.97%	5.99%	5.99%	6.40%	6.89%	7.94%
30-Jun-17	5.99%	6.01%	6.04%	6.40%	6.90%	7.94%
30-Sep-17	5.99%	6.01%	6.03%	6.40%	6.90%	7.94%



Future Outlook

Supported by impressive real sector growth and stable agriculture growth, GDP of Pakistan is expected to grow by approximately 5.7% in FY18. The government is trying to curtail worsening current account deficit by restricting imports of luxury items and extending the magnitude and scope of export incentives, this endeavor is expected to reduce deficit by around USD 3bn to 4bn. Inflation averaged 3.4% during 1QFY18 compared to 3.9% during 1QFY17. Going forward, we do anticipate pressure on inflation in the coming months on the back of increase in oil prices. On the fiscal front, things look far more disciplined during 1QFY18 as the fiscal deficit was only 0.9% primarily due to increase in tax collection and marginal reduction in federal government expenditure.

Acknowledgement

The Board would like to thank all 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 Pakistan Stock Exchange Limited for their cooperation and support. We also take this opportunity to acknowledge the hard work and efforts of our team.

For and on Behalf of the Board

Director

Chief Executive Officer

Dated: October 16, 2017



لیکسن منی مارکیٹ فنڈ

30 ستمبر 2017ء کو ختم ہونے والی مدت کے لیے

ہینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، لیکن منی مارکیٹ فنڈ ("LMMF") کی ہینجمنٹ کمپنی، مختصر عہدوری مالیاتی معلومات کے ساتھ 30 ستمبر 2017 کو ختم ہونے والی مدت کے لیے اپنی جائزہ رپورٹ جمع کراتے ہوئے خوش محسوس کرتے ہیں۔

فنڈ کا مقصد

اس فنڈ کا مقصد کم اتار چڑھاؤ کے ساتھ مستحکم اور مسابقتی منافع جات فراہم کرنا ہے جو منی مارکیٹس سے ہم آہنگ اور سرمائے کے تحفظ سے مطابقت رکھتے ہیں۔ اسی طرح یہ سرمایہ کم خطرات، مختصر مدتی سرمایہ کاری کے لیکویڈ پورٹ فولیو پر مشتمل ہے۔

فنڈ کا تعارف

LMMF ایک اوپن اینڈ منی مارکیٹ فنڈ ہے جو گورنمنٹ سکیورٹیز، سرٹیفکیٹس آف انویسٹمنٹس، Clean Placements، ہرم ڈی پازٹرز اور دیگر مختصر مدتی انسٹرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کی موزوں اوسط میچورٹی 3 ماہ سے کم رکھی جاتی ہے۔ LMMF صرف ان سکیورٹیز میں سرمایہ کاری کرتا ہے جنہیں پاکستان میں کسی ریٹنگ ایجنسی نے کم از کم "AA" ریٹنگ دے رکھی ہو اور جن کی میچورٹی 6 ماہ سے کم ہو۔ کریڈٹ رسک کم کرنے کے لیے کسی متقابل فریق سے کوئی سامنا ہونے سے پہلے کریڈٹ کے حوالے سے باریک بینی سے تجزیہ کیا جاتا ہے۔ پورٹ فولیو کی مختصر میچورٹی پونٹ ہولڈرز کو شرح سود کی نقل و حرکت کے خلاف تحفظ دیتی ہے، جب کہ فنڈ کی لیکویڈیٹی میں اضافہ کرتی ہے۔ LMMF کو ریٹینیشن کی تکمیل کے لیے خالص اثاثوں کے 15 فی صد تک قرض لینے کی اجازت ہے، تاہم LMMF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی

LMMF نے 5.19% نیٹج مارک منافع کے مقابلے میں 2018 مالی سال کی پہلی سرمایہ میں 5.22% سالانہ منافع کمایا۔ LMMF نے نیٹج مارک کو 3 زیادہ پوائنٹس سے پیچھے چھوڑ دیا۔ 30 ستمبر 2017 کے مطابق LMMF پورٹ فولیو نے 88% سے بیشکوں کے ساتھ کیٹس ڈپازٹس میں سرمایہ کاری کی، 9% سے DFIs میں اور باقی 3% T بلز میں سرمایہ لگایا، جب کہ LMMF پورٹ فولیو کی طے شدہ اوسط میچورٹی 8 دن رہی۔ LMMF کانٹری سائز 30 ستمبر 2017 کے مطابق 6,221 ملین پاکستانی روپے ہے۔

فی شیئر آمدنی (EPU)

فی شیئر آمدنی (EPU) ظاہر نہیں کی گئی ہے کیوں کہ ہم محسوس کرتے ہیں کہ EPU ظاہر کرنے کے لیے موزوں اوسط پوائنٹس کا تعین اوپن اینڈ فنڈز کے لیے قابل عمل نہیں ہے۔

معاشی جائزہ

CPI افراط زر مالی سال 2018 کی پہلی سرمایہ میں صرف 3.39% رہا جو مالی سال 2017 کی آخری سرمایہ کے لیے 4.58% اور مالی سال 2017 کی پہلی سرمایہ کے لیے 3.85% کے مقابلے میں کم قومی ہے۔ کم افراط زر جزوی طور پر مدت کے لیے پیٹرول کی اوسط مقامی قیمتوں میں گراؤت کا نتیجہ تھا جو سرمایہ کے دوران کروڈ آئل کی بین الاقوامی قیمتوں کے ساتھ 3.7% کم ہوئیں، جیسا کہ عرب لائٹ میں سرمایہ بہ سرمایہ بنیاد پر 3.0%



گروٹ آئی۔ مزید برآں، SBP کے مالیاتی پالیسی بیان کے مطابق غذائی ایشیا کی وافر سپلائی نے افراط زر کم رکھی۔ مزید برآں حکومت کی طرف سے بجٹ سے متعلق معاونت کے لیے SBP سے قرض لینا، جو اپنی نوعیت کے اعتبار سے افراط زر کے زمرے میں آتا ہے، سہ ماہی کے دوران 350 ارب روپے کے ساتھ گزشتہ سال اسی مدت میں 384 ارب روپے کے مقابلے میں کنٹرول میں رکھا گیا تھا، جب کہ شرح مبادلہ مالی سال 2018 کی چوتھی سہ ماہی میں فی امریکی ڈالر 104.75 روپے کے مقابلے میں اس سہ ماہی میں فی امریکی ڈالر 105.35 روپے رہی، جب کہ درآمداتی افراط زر CPI پر کوئی نمایاں اثر نہیں ہوا۔

کرنٹ اکاؤنٹ کا خسارہ اس سہ ماہی میں گزشتہ سال کی اسی مدت میں 1.3 ارب امریکی ڈالر کے مقابلے میں تیز رفتار اضافے کے ساتھ 2.6 ارب امریکی ڈالر تک پہنچ گیا جس کی بڑی وجہ مالی کی درآمدات میں 1.9 ارب امریکی ڈالر کا نمایاں چپ ہے۔ درآمدات کے بڑے محرکات مشینریز، پیٹرولیم گروپ اور لوہا اور اسٹیل ہیں۔ مزید برآں پاکستانی روپے کی قدر میں جلد کی کی توقعات سے بھی درآمدات میں تیزی آئی۔ جب کہ اس مدت کے دوران برآمدات اور ترسیلات زر میں بھی اضافہ ہوا تاہم وہ درآمدات میں اضافہ کو کم کرنے سے قاصر رہے۔

کرنٹ اکاؤنٹ کے خسارے میں اضافے کے نتیجے میں سہ ماہی کے دوران زرمبادلہ کے ذخائر مسلسل کم ہوتے رہے۔ ذخائر جون 2017 کے اختتام پر 21.4 ارب امریکی ڈالر سے ستمبر 2017 کے اختتام پر 19.8 ارب امریکی ڈالر تک گر گئے۔

بیرونی صورت حال خراب تر ہونے کے باوجود سہ ماہی کے زیادہ تر حصے میں شرح مبادلہ مستحکم رہی، ماسوائے جولائی کے پہلے ہفتے کے، جب ہنگامی جھٹک دیکھنے میں آئی۔ مالی سال 2017 کی چوتھی سہ ماہی میں 104.75 روپے کے مقابلے میں اس سہ ماہی میں امریکی ڈالر اوسطاً 105.35 روپے پر رہا۔ اسی دوران حکومت نے مالی سال 2018 کی پہلی سہ ماہی میں بہتر مالیاتی نظم و ضبط کا مظاہرہ کیا اور صرف 0.9% مالیاتی خسارہ دکھایا جو دس سال میں سب سے کم ہے۔ کم مالیاتی خسارے کا سب سے بڑا محرک ٹیکس کی زیادہ وصولی ہے جس میں وفاقی حکومت کی طرف سے اخراجات میں سال بہ سال بنیاد پر 2.2% کمی کے بعد سال بہ سال بنیاد پر 20% اضافہ ہوا۔ مالیاتی خسارے میں کولیشن سپورٹ کی بندش کی وجہ سے بلا ٹیکس آمدنی میں کمی کے باوجود بہتری آئی۔

فکسڈ انکم مارکیٹ کا جائزہ

SBP نے ستمبر 2017 میں اپنے MPS میں اپنا پالیسی ڈسکاؤنٹ ریٹ 6.25%/5.75% پر برقرار رکھا، جس میں جہاں ترقی کی مستحکم رفتار (مالی سال 2017 میں LSM میں 5.6% اضافہ ہوا) اور مالی سال 2018 کے لیے اپنے GDP میں 6.0% کی شرح سے اضافے کے ہدف کے حوالے سے خوش امید کی نشان دہی کی گئی، وہیں کمزور بیرونی صورت حال پر (مالی سال 2017 کی دوسری سہ ماہی میں GDP کا 0.9% CAD)۔ ان عوامل کے باوجود افراط زر کے دباؤ و توشیش کا باعث نہیں بنے ہیں، جیسا کہ مالی سال 2018 کے لیے CPI کی اوسط شرح 3.4% رہی جو مالی سال 2018 کے ہدف 6.0% سے بہت کم ہے۔ جولائی 2017 کی MPS سے اشارہ پاتے ہوئے ماہیگیری پالیسی کمیٹی نے نومبر 2017 میں 25 بنیادی پوائنٹس کوٹنی کے حق میں 4 ووٹوں کے مقابلے میں گج بھگ متفقہ طور پر (9 میں 8 ارکان نے) صورت حال جوں کی توں برقرار رکھنے کے حق میں ووٹ دیا۔

MPC کمیٹی کی ووٹنگ کی ترتیب

ووٹس	کوئی تبدیلی نہیں	25bps کوٹنی	MPS تاریخ
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10	8	2	جولائی 2016
10	8	2	ستمبر 2016
10	6	4	نومبر 2016
9	6	3	جنوری 2017
8	6	2	مارچ 2017
10	10	-	مئی 2017
9	8	1	جولائی 2017

مالی سال 2018 کے لیے دوسرے مہینے کی سال بہ سال نمو کی شرح 13.1% رہی جیسا کہ مالی سال 2017 میں نمو کی رفتار تھی۔ IMF کی جانب سے PIBs کی طرف دباؤ کی بیرونی میں EFF پروگرام کے خاتمے کے بعد سے حکومت پاکستان کا چھکاؤ دو بارہ مختصر مدتی ٹی بلز کی طرف ہو رہا ہے کیوں کہ وہ بہت سستے ہیں۔ جس کے نتیجے میں جون 2016 میں 36% کے مقابلے میں جون 2017 تک حکومت پاکستان کے مجموعی ملکی قرضوں کا 30% سے کم PIBs پر مشتمل تھا۔

مالی سال 2017 کے دوران حکومت نے SBP سے بھاری قرضہ جات لیے، جبکہ فنانسنگ کے لیے کمرشل بینکس سے استفادہ نہیں کیا۔

مالی سال 2018 کی پہلی سہ ماہی کے دوران حکومت پاکستان نے ٹی بلز کی نیلامی کے ذریعے 4,330.42 ارب پاکستانی روپے اور PIBs کی نیلامی کے ذریعے 52.4 ارب پاکستانی روپے حاصل کیے (PIB کی تین نیلامیوں میں سے دو میں پیشکشیں مسترد کر دی گئیں)۔ حکومت کے قرض لینے میں بھی تیزی آئی کیوں کہ انہوں نے ٹی بلز کے ذریعے گزشتہ سہ ماہی کے مقابلے میں دو گنا سے زائد رقم اکٹھی کی۔ اس کے علاوہ پاکستان ایکشن کے سال میں داخل ہو رہا ہے، اس لیے ممکن ہے کہ حکومت پاکستان کی قرضوں کے حصول کی ضروریات بڑھے، خاص طور پر اگر مقبول عوامی فیصلے کیے گئے۔

موزوں اوسط یافت (آمدنی)

PIB		ٹی بلز				تاریخ
10 سال	5 سال	3 سال	12 ماہ	3 ماہ	6 ماہ	
7.80%	6.69%	6.19%	5.91%	5.90%	5.86%	30 ستمبر 2016
7.80%	6.69%	6.19%	5.95%	5.98%	5.96%	31 دسمبر 2016
7.94%	6.89%	6.40%	5.99%	5.99%	5.97%	31 مارچ 2017
7.94%	6.90%	6.40%	6.04%	6.01%	5.99%	30 جون 2017
7.94%	6.90%	6.40%	6.03%	6.01%	5.99%	30 ستمبر 2017



مستقبل کا منظر نامہ

ریٹیل سیکٹرز میں متاثر کن ترقی اور زرعی شعبے میں مستحکم اضافے سے پاکستان کا GDP مالی سال 2018 میں اندازاً %5.7 تک پہنچنے کی امید ہے۔ حکومت کرنٹ اکاؤنٹ کے بدترین خسارے کو کم کرنے کے لیے کوششیں کر رہی ہے، جس کے لیے لگژری آئٹمز کی درآمد کو محدود اور برآمدات سے جزی مراعات کے حجم اور اسکوپ میں اضافہ کیا جا رہا ہے۔ اس اقدام سے خسارے میں 3 بلین سے 4 بلین امریکی ڈالر تک کمی متوقع ہے۔ افراط زر کی شرح مالی سال 2017 کی پہلی سہ ماہی میں %3.9 کے مقابلے میں مالی سال 2018 کی پہلی سہ ماہی میں %3.4 کی اوسط پر رہی۔ آگے بڑھتے ہوئے آنے والے مہینوں میں ہم تیل کی قیمتوں میں اضافے کی بنیاد پر افراط زر کی شرح پر دو باؤ برقرار رکھیں گے۔ مالیاتی ہدف کو پیش نظر رکھتے ہوئے مالی سال 2018 کی پہلی سہ ماہی میں چیزیں خاصی منظم دکھائی دے رہی ہیں، جیسے کہ مالی خسارہ صرف %0.9 رہا، جس کی بنیاد ہی وجہ ٹیکس وصولی میں اضافہ اور وفاقی حکومت کے اخراجات میں معمولی کمی ہے۔

اظہار تشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سیکورٹیز ریٹریبونڈ ایجوکیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی، سینٹرل ڈیپازٹری کمیٹی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج کا، ان کے تعاون اور مدد پر شکر گزار ہے۔ ہم اس موقع کا فائدہ اٹھاتے ہوئے اپنی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے اور اطراف بورڈ

چیف ایگزیکٹو آفیسر

ڈائریکٹر

بتاریخ: 16 اکتوبر 2017



**Condensed Interim Statement of Assets and Liabilities
As at September 30, 2017**

	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
ASSETS	Note	(Rupees)
Bank balances	6	5,493,948,282
Investments	7	750,261,366
Markup receivable		24,684,805
Advance tax		1,975,760
Prepayments		81,113
TOTAL ASSETS		6,270,951,326
LIABILITIES		
Payable to the Management Company	8	39,114,434
Remuneration payable to the Trustee		482,165
Annual fee payable to Securities and Exchange Commission of Pakistan		953,880
Dividend payable		-
Accrued expenses and other liabilities	9	9,234,333
TOTAL LIABILITIES		49,784,812
NET ASSETS		6,221,166,514
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		6,221,166,514
CONTINGENCIES AND COMMITMENTS	10	
		(Number of units)
Number of units in issue		61,303,909
		46,721,150
		(Rupees)
Net assets value per unit		101.4808
		100.1620

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



Condensed Interim Income Statement (Unaudited)
For the quarter ended September 30, 2017

	Note	2017	2016
		(Rupees)	
INCOME			
Mark-up income		78,799,901	78,279,458
Loss on sale of investments - net		(79,296)	(218,219)
Unrealised appreciation / (diminution) in the fair value classified as ' held for trading' - net		2,228	(121,928)
		<u>78,722,833</u>	<u>77,939,311</u>
EXPENSES			
Remuneration to the Management Company	8.1	7,872,735	7,794,021
Sindh Sales Tax on remuneration to Management Company	8.2	1,023,456	1,013,223
Remuneration to the Trustee		1,291,500	1,294,093
Annual fee to the Securities and Exchange Commission of Pakistan		953,879	956,174
Auditors' remuneration		92,222	92,222
Fees and subscription		84,008	96,672
Printing charges		7,561	7,561
Brokerage expenses		108,805	1,202
Bank charges		-	15,146
		<u>11,434,166</u>	<u>11,270,314</u>
Net income from operating activities		67,288,667	66,668,997
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net		-	(9,214,542)
Sindh Workers' Welfare Fund	9.1	(1,345,773)	-
Net income for the period before taxation		65,942,894	57,454,455
Taxation	11	-	-
Net income for the period after taxation		<u>65,942,894</u>	<u>57,454,455</u>

Sep 30, 2017

Allocation of Net Income for the period:

Less: Income already paid on units redeemed	(5,381,429)
Accounting income available for distribution:	
Relating to capital gains / (loss)	(70,779)
Excluding capital gains	60,632,244
Accounting income available for distribution	<u>60,561,465</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended September 30, 2017**

	2017	2016
	(Rupees)	
Net income for the period after taxation	65,942,894	57,454,455
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>65,942,894</u>	<u>57,454,455</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**Condensed Interim Statement of Movement in Reserve
or Unit Holders' Fund (Unaudited)
For the quarter ended September 30, 2017**

	2017	2016
	(Rupees)	
Net assets at the beginning of the period	4,679,682,948	5,296,778,761
Amount received on issue of 21,338,490 units (2016: 6,061,042 units)	2,157,897,768	610,135,975
Amount paid on redemption of 6,755,731 units (2016: 14,752,138 units)	(682,357,096)	(1,488,460,117)
	1,475,540,672	(878,324,142)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	9,214,542
Total comprehensive income for the period less distribution	65,942,894	57,454,455
Net assets as at the end of the period	6,221,166,514	4,485,123,616
Net assets value per unit at the beginning of the period	100.1620	100.1430
Net assets value per unit at the end of the period	101.4808	101.4709
Distribution during the period:		
Undistributed income brought forward comprises of:		
- Realised Gain	7,385,325	7,385,325
- Unrealised Gain	173,553	173,553
	7,558,878	7,558,878
Accounting income available for distribution:		
-Relating to capital gains / (loss)	(70,779)	-
-Excluding capital gains	60,632,244	-
	60,561,465	-
Total comprehensive income for the period	-	57,454,455
Distributions during the period:	-	-
Undistributed income carried forward	68,120,343	65,013,333
Undistributed income carried forward comprises of:		
- Realised Gain	68,118,115	65,135,261
- Unrealised Gain	2,228	(121,928)
	68,120,343	65,013,333

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended September 30, 2017**

	2017	2016
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	65,942,894	57,454,455
Adjustments for:		
Unrealised (appreciation) /diminution in the fair value of investments classified as held for trading - net	(2,228)	121,928
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	-	9,214,542
	<u>65,940,666</u>	<u>66,790,925</u>
Increase in assets		
Investments	(750,259,138)	(1,134,585,296)
Loans and receivables	-	(490,000,000)
Markup receivable	(3,773,735)	5,383,881
Prepayments	40,125	13,789
	<u>(753,992,748)</u>	<u>(1,619,187,626)</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	568,088	(69,508)
Remuneration payable to the Trustee	76,137	3,005
Annual fee payable to Securities and Exchange Commission of Pakistan	(2,756,518)	(2,754,224)
Dividend payable	(2,752,544)	-
Accrued expenses and other liabilities	(30,142,933)	13,989,178
	<u>(35,007,770)</u>	<u>11,168,451</u>
Net cash used in operating activities	<u>(723,059,852)</u>	<u>(1,541,228,250)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	2,157,897,768	610,135,975
Payment against redemption of units	(682,357,096)	(1,488,460,117)
Net cash generated from / (used in) financing activities	1,475,540,672	(878,324,142)
Net Increase / (decrease) in cash and cash equivalents	<u>752,480,820</u>	<u>(2,419,552,392)</u>
Cash and cash equivalents at the beginning of the period	4,741,467,462	4,741,467,462
Cash and cash equivalents at the end of the period	<u>5,493,948,282</u>	<u>2,321,915,070</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**Notes to the Condensed Interim Financial Information (Unaudited)
For the quarter ended September 30, 2017**

1 LEGAL STATUS AND NATURE OF BUSINESS

The Lakson Money Market Fund (the "Fund") was established under the Trust Deed executed on September 2, 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 September 18, 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 Pakistan Stock Exchange Limited. 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 the 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 pursuant to the updated Asset Manager Rating Methodology and Rating Scale, the Pakistan Credit Rating Agency Limited (PACRA) has upgraded asset manager rating of the Company to the new scale i.e. AM2+ (stable outlook), on May 15, 2017 (2016: AM2 as on June 08, 2016).

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial informations have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and 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) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the requirements of the Rules, the Regulations and the directives issued by the SECP shall prevail.

These condensed interim financial informations do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended June 30, 2017. However, selected explanatory notes are included to explain events and transactions that are significant.

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. (NBFC Regulations)

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



2.2 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

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest of rupees.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2017, except the following change in accounting policy during the period ended September 30, 2017.

Pursuant to requirement of SRO 756(I)/2017 issued by Securities and Exchange Commission of Pakistan, the policy for recording "Element of Income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed" has been changed. The impacts of the change in policy have been applied prospectively from July 1, 2017 since prior period impacts cannot be determined.

The "Element of Income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed" represents the difference between the net asset value of units on issuance or redemption date, as the case may be, and the net asset value at the beginning of the relevant accounting period. The "Element of Income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed" is recognized in the unit holders' fund.

To prevent distribution of income/loss already paid out on redemption, the net income/loss will be bifurcated into income/loss already paid on units redeemed and accounting income/loss available for distribution.

To maintain same ex-dividend NAV, element of Income / (loss) and capital gains / (losses) included in the prices of units issued lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4 SIGNIFICANT JUDGEMENTS AND 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 June 30, 2017.

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 June 30, 2017.



		September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
	Note	(Rupees)	
6 BANK BALANCES			
Local currency			
In profit and loss sharing accounts	6.1	5,493,932,986	4,741,452,166
In current accounts		<u>15,296</u>	<u>15,296</u>
		<u><u>5,493,948,282</u></u>	<u><u>4,741,467,462</u></u>
6.1	These represents profit and loss account maintained with banks carrying mark-up rates ranging from 3.75% to 6.80% (June 30, 2017: 3.75% to 7.40%) per annum.		
7 INVESTMENTS - financial assets at fair value through profit or loss - held for trading			
Government securities			
Market Treasury Bills	7.1	<u>200,261,366</u>	<u>-</u>
		<u>200,261,366</u>	<u>-</u>
Loans and Receivables			
Certificate of Investments	7.2	<u>550,000,000</u>	<u>-</u>
		<u>550,000,000</u>	<u>-</u>
		<u><u>750,261,366</u></u>	<u><u>-</u></u>
7.2	This represents Certificate of Investments carrying profit rate 6.20% (2017: Nil) per annum.		



7.1 Market Treasury Bills

Note	Number of treasury bills				Balance as at September 30, 2017			Market value as percentage of net assets of the Fund	Market value as percentage of total investment
	Number of holdings at beginning of the period	Acquired during the period	Disposed/ matured during the period	Number of holdings at the end of the period	Carrying Value	Market value	Unrealized appreciation / (diminution)		
									(Rupees)
Government Securities									
3 Months Market Treasury Bills (face value of Rs. 100,000 each)									
7.1.1	-	92,569	90,549	2,020	200,259,138	200,261,366	2,228	3.22	26.69
6 Months Market Treasury Bills (face value of Rs. 100,000 each)									
-	4,000	4,000	-	-	-	-	-	-	-
September 30, 2017					200,259,138	200,261,366	2,228	3.22	26.69
June 30, 2017					-	-	-	-	-

7.1.1 This represents investments in 3 months Government Treasury Bills carrying effective profit rate ranging from 5.92% to 5.99% (2017: Nil) per annum having maturity from October 12, 2017 to December 21, 2017. The face value of Market Treasury Bills as at September 30, 2017 amounted to Rs. 202 million (June 2017: Nil).

Note	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
(Rupees)		

8 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the Management Company	8.1	3,002,986	2,500,253
Sales tax payable on remuneration to the Management Company	8.2	5,133,538	5,068,183
Federal excise duty payable on remuneration to the Management Company	8.3	30,977,910	30,977,910
		<u>39,114,434</u>	<u>38,546,346</u>

8.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding one percent per annum of the average daily net assets of the Fund. Currently the Management Company is charging its remuneration at the rate of 10% of the gross earnings of the Fund, calculated on a daily basis. The fee is subject to a minimum of 0.5% and maximum of 1.00% of the average annual net assets of the Fund. The effective rate of charging of its remuneration for service rendered for the period ended September 30, 2017 is 0.62%.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2017: 13%) on Management Company's remuneration. Above liability includes Rs. 4,743,150 (June 30, 2017: Rs. 4,743,150) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 8.3 below. Had the provision relating to FED not been made, Net Asset Value per unit of the Fund as at September 30, 2017 would have been higher by Re. 0.0774 (June 30, 2017: Re. 0.1015) per unit.

8.3 The amount is being held for payment to asset management company for onward payment to Federal Board of Revenue on the basis of a stay order of the Honorable High Court of Sindh dated September 04, 2013. The stay order was granted as a result of a petition filed by asset management companies from the platform of MUFAP against the amendment in Finance Act,



2013 which levied FED on the fees received by asset management companies from funds under management. As the asset management services rendered by the Management Company of the Fund is 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.

The Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED has been declared to be 'Ultra Vires' to the Constitution. On September 23, 2016, the Federal Government has filed an appeal against the said SHC order in the Honorable Supreme Court of Pakistan (SCP) and thus the previous balance of FED has not been reversed. Therefore, as a matter of prudence and abundant caution, without prejudice to the above, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs. 30.978 million (June 30, 2017: Rs. 30.978 million). Had the provision on FED not been made, Net Asset Value per unit of the Fund as at September 30, 2017 would have been higher by Re. 0.51 (June 30, 2017: Re. 0.66).

Further, the Federal Government vide Finance Act 2016 has excluded asset management companies and other non-banking finance companies from levy of FED on their services. Accordingly, no provision for FED is made from July 01, 2016 onwards.

		September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
	Note	(Rupees)	
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		296,621	204,400
Sindh Workers' Welfare Fund	9.1	6,717,495	5,371,722
Brokerage payable		504,306	100,669
Withholding tax		1,596,465	33,604,975
Others		119,446	95,500
		<u>9,234,333</u>	<u>39,377,266</u>

9.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs. 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from Tax Year 2016. Accordingly, no further provision in respect of WWF was made with effect from July 1, 2015.

On November 10, 2016 the Supreme Court of Pakistan had passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the Supreme Court of Pakistan. The Federal Board of Revenue has filed a petition in the Supreme Court of Pakistan against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the Sindh High Court, the Mutual Funds Association



of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the Supreme Court of Pakistan judgement on the CISs petition before the Sindh High Court. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs.

Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the Sindh High Court or lower appellate forums will now be disposed of in light of the earlier judgement of the Supreme Court of Pakistan.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on January 12, 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till June 30, 2015, to be reversed on January 12, 2017; and
- the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015) on January 12, 2017.

However, the management considered it prudent to provide for SWWF from the time it becomes applicable under law (i.e. w.e.f. July 01, 2014). Accordingly, the provision for SWWF is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 1, 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds. Accordingly, the Fund has recorded these adjustments in its books on January 12, 2017.

Provision for SWWF as of September 30, 2017 amounted to Rs 6.717 million. Had the recognition in previous years not been made, the net assets value per unit of the Fund would be higher by Re. 0.11 / 0.11% (June 30, 2017: Re. 0.11 / 0.11%).

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2017.

11. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute



90% of the net accounting income other than capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. The Fund is also exempted from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial information.

- 11.1 A new section 4B has been introduced in the Income Tax Ordinance, 2001 vide the Finance Act, 2015, according to which super tax has been imposed for Tax Year 2015 on the income of individuals, association of persons and companies who are earning income of Rs. 500 million or above in Tax Year 2015. Super Tax shall be charged at the rate of 3% for person other than banking companies.

During the year, the Management Company has received an order under the aforementioned section for recovery of super tax not paid with return of income in respect of the Fund for the Tax Year 2015. The Deputy Commissioner considered that the Fund was required to pay super tax as the income of the Fund was more than Rs. 500 million and raised a demand of Rs. 18.819 million in this respect.

The Management Company has filed an appeal before Commissioner Appeals (Inland Revenue) against the order which has been decided in favor of the Company whereby super tax demand has been deleted. The department has filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and no provision has been made for super tax in the financial statements for the period ended September 30, 2017.

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee of the fund, 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, staff retirement benefits of related parties and other entities having holding more than 10% in the units of the Funds as September 30, 2017.

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

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

		September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
	Note	(Rupees)	
13.1 Balance as at year end			
Lakson Investments Limited - Management Company			
Remuneration payable	8.1	<u>3,002,986</u>	<u>2,500,253</u>
Sindh Sales Tax and Federal Excise Duty on remuneration to Management Company	8.2 & 8.3	<u>36,111,448</u>	<u>36,046,093</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration payable		<u>482,165</u>	<u>406,028</u>



13.2 Unit Holders' Fund

	Number of Units				Rupees			
	Number of Units as at July 01, 2017	Units issued during the period	Units redeemed during the period	Number of units as at September 30, 2017	Balance as at July 01, 2017	Units issued during the period	Units redeemed during the period	Balance as at September 30, 2017
Lakson Investments Limited - Management Company	2,399,997	-	-	2,399,997	240,388,500	-	-	243,553,616
Directors, Chief Executive and their spouse and minors	9,764,826	-	547,506	9,217,320	978,064,502	-	55,000,000	935,381,052
Key management personnel, employees and connected persons of the Management Company	705,291	-	-	705,291	70,643,393	-	-	71,573,495
Holding company / associated companies / undertakings of the Management Company								
SIZA Services (Private) Limited	-	-	-	-	-	4,000,000	-	4,000,000
(Holding Company of the Management Company)	1,692,598	39,557	338,151	1,394,005	169,534,001	-	-	141,464,723
SIZA (Private) Limited	3,799,996	-	3,799,996	(0)	380,615,199	-	385,164,403	(20)
Hasanali & Gulbanoo Lakhani Foundation	607,872	72,597	-	-	60,885,675	7,275,000	-	68,160,675
Premier Fashions (Private) Limited	820,692	-	-	820,692	82,202,152	-	-	83,284,481
Colgate Palmolive (Pakistan) Limited	4,999,994	1,971,747	-	6,971,741	500,809,399	200,000,000	-	707,497,838
Clover Pakistan Limited	189,142	-	-	189,142	18,944,841	-	-	19,194,281
Lakson Power Limited	4,326	119	-	4,445	433,301	12,000	-	451,080
SIZA Commodities (Private) Limited	1,521,253	-	-	1,521,253	152,371,748	-	-	154,377,971
Baluchistan Polyproducts (Private) Limited	30,571	-	5,810	24,761	3,062,053	-	585,000	2,512,722
Bashir Dawood - Connected Person due to holding more than 10% outstanding units	-	9,886,216	-	9,886,216	-	1,000,000,000	-	1,003,261,156
* Millat Tractors Limited - holding reduced to below 10 % due to divestment of Unit holder (s) / investment from other Unit holders	253,349	-	-	-	25,375,943	-	-	-



	Period ended September 30, 2016				Rupees			
	Number of Units as at July 01, 2016	Units issued during the period	Units redeemed during the period	Number of units as at September 30, 2016	Balance as at July 01, 2016	Units issued during the period	Units redeemed during the period	Balance as at September 30, 2016
Lakson Investments Limited - Management Company	2,291,317	66,349	66,349	2,291,317	229,459,378	6,716,985	6,722,737	232,524,703
Directors, Chief Executive and their spouse and minors	10,106,945	107,383	240,588	9,973,740	1,012,139,838	11,458,658	25,366,673	1,012,143,091
Key management personnel, employees and connected persons of the management company	200,075	5,940	9,954	196,661	20,096,207	600,000	1,000,000	19,957,314
Holding company / associated companies / undertakings of the Management Company								
SIZA Services (Private) Limited (Holding Company of the Management Company)	68,098	-	-	68,098	6,819,538	-	-	6,910,640
SIZA (Private) Limited	1,413,936	-	1,413,936	-	141,595,793	-	143,225,008	-
Hasnani & Gulbanoo Lakhani Foundation	459,637	329,161	329,161	130,476	46,029,428	-	32,978,272	13,240,849
Century Insurance Company Limited	1,999,487	-	1,999,487	-	200,234,627	-	202,624,725	-
Sybird (Private) Limited	99,389	99,389	-	-	10,000,000	10,000,000	10,079,104	-
Premier Fashions (Private) Limited	1,643,944	189,642	1,788,767	44,819	164,629,484	19,000,000	180,000,000	4,548,271
Colgate Palmolive (Pakistan) Limited	11,993,217	-	1,972,457	10,020,760	1,201,036,730	-	200,000,000	1,016,914,780
Clover Pakistan Limited	267,798	-	-	267,798	-	27,000,000	-	27,176,518
Lakson Power Limited	4,328	-	198	4,130	433,419	-	20,000	419,081
SIZA Commodities (Private) Limited	3,003,933	-	695,631	2,308,302	300,822,862	-	70,000,000	234,248,289
Baluchistan Polyproducts (Private) Limited	224,942	-	-	224,942	22,526,367	-	-	22,827,294
Century Insurance Co. Limited Employees Contributory Provident Fund Trust	-	-	-	-	-	-	-	-
Colgate Palmolive (Pakistan) Limited ECPFT	1,358	281,066	282,424	0	135,994	28,454,414	28,616,318	23
Siza Foods (Private) Limited Employees Contributory Provident Fund Trust	153	24,609	24,762	0	15,322	2,491,400	2,509,031	5
Clover Pakistan Limited Employees Contributory Provident Fund	77	45,333	45,410	0	7,711	4,589,422	4,601,122	32
Accuracy Surgical Limited Employees Contributory Provident Fund	-	-	-	-	-	-	-	-
Princeton Travels (Private) Limited Employees Contributory Provident Fund Trust	21	-	-	21	2,103	-	-	2,131
Gam Corporation (Private) Limited Employees Contributory Provident Fund	225	41,448	41,672	0	22,532	4,196,043	4,222,414	20
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	12	5,051	5,064	(0)	1,202	511,393	513,086	(39)
Clover Pakistan Limited Employees Gratuity Fund	11,096	-	-	11,096	1,111,187	-	-	1,126,031
Tetley Clover (Private) Limited Employees Contributory Provident Fund Trust	-	-	-	-	-	-	-	-
Hasnani Karabhai Foundation ECPF Trust	-	-	-	-	-	-	-	-
Lakson Investments Limited ECPF Trust	7	-	-	7	701	-	-	710
Siza Services Private Limited Employees Contributory Provident Fund Trust	-	-	-	-	-	-	-	-
Sybird (Private) Limited ECPF Trust	-	-	-	-	-	-	-	-
Merit Packaging Limited Employees Contributory Provident Fund Trust	146	59,581	59,727	(0)	14,621	6,031,811	6,051,782	(12)
Merit Packaging Limited Employees Gratuity Fund	58	23,314	23,371	1	5,808	2,560,274	2,568,089	84



		September 30,	
	Note	2017	2016
		(Unaudited) (Rupees)	
13.3 Transaction during the period			
Lakson Investments Limited - Management Company			
Remuneration to the Management Company	8.1	<u>7,872,735</u>	<u>7,794,021</u>
Sindh Sales Tax on remuneration to the Management Company	8.2	<u>1,023,456</u>	<u>1,013,223</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration to the Trustee		<u>1,291,500</u>	<u>1,294,093</u>
Others - Connected Person due to holding more than 10% in the units of the Fund)			
Profit on bank deposits		-	<u>530,309</u>
Bank charges		-	<u>4,458</u>

14 TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 1.00% as of September 30, 2017 and this includes 0.28% representing government levies (comprising of Sindh Workers Welfare Fund and SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Money Market Scheme shall be capped up to 2%.

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 16, 2017 by the Board of Directors of the Management Company.

16 GENERAL

Figures have been rounded off to the nearest rupee.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



A Lakson Group Company

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