

LAKSON MONEY MARKET FUND

Annual Report 2014



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

CONTENTS

Vision & Mission Statement	1
Fund's Information	2
Report of the Directors of the Management Company	4
Report of the Fund Manager	9
Trustee Report to the Unit Holders	13
Statement of Compliance with the Code of Corporate Governance	14
Review Report to the Unit Holders on Statement of Compliance with the Best Practices of Code of Corporate Governance	17
Independent Auditor's Report to the Unit Holders	18
Statement of Assets and Liabilities	20
Income Statement	21
Statement of Comprehensive Income	22
Distribution Statement	23
Statement of Movement in Unit Holders' Fund	24
Cash Flow Statement	25
Notes to and forming part of the Financial Statements	26
Performance Table	55

==== **Vision** =====

To be a top quartile provider of investment solutions to both individuals and institutions. Through the success of our clients and employees we seek to build sustainable and long-term shareholder value, and to be an employer of choice in the asset management industry.



==== **Mission** =====

To deliver superior performance as measured by market share parameters, high-quality service and a portfolio of innovative yet tailored products across a range of investment disciplines and distribution channels.

To provide a fulfilling, stimulating and supportive environment for our employees that fosters their personal growth and facilitates our productivity as a team.

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

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road,
Karachi - 75530, Pakistan

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 Services Ltd.
Elixir Securities (Pvt.) Limited
Ismail Iqbal Securities
Metro Securities Pvt. Limited
Pearl Securities Pvt. Limited
Topline Securities (Pvt.) Limited
Vector Capital (Pvt.) Limited

Rating by PACRA

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



REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2014

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Money Market Fund ('LMMF'), is pleased to present its annual report together with the audited financial statements for the year ended June 30, 2014.

Fund Objective

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

Fund Profile

LMMF is an open end money market fund which invests in Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts and other short term instruments. The weighted average maturity of the portfolio is kept below 3 months. LMMF invests in only those securities that have been assigned at least 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 year under review.

Funds Performance

The net assets of the LMMF as at June 30, 2014 stood at PKR 7,490.246 million compared to PKR 10,423.441 million at June 30, 2013 registering a decline of 28.14%.

The net income for the year ended June 30, 2014 was PKR 594.218 million which mainly comprised of mark-up income from bank deposits, treasury bills, placements, and term deposit receipts amounting to PKR 754.913 million and capital loss - net amounting to PKR 1.598 million. The net unrealized diminution was mainly due to the valuation of treasury bills amounted to PKR 0.281 million.

The detailed fund performance and significant matters relating to the industry are disclosed in the Fund Manager Report which is a part of this Annual Report.

Earning Per Unit (EPU)

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

Income Distribution

The Board of Directors of the Management Company in its meeting held on June 25, 2014, declared an interim payout of PKR 0.6561 per unit amounting to PKR 46.159 million distributed as Bonus for the year ended June 30, 2014. This was in addition to the interim payouts of PKR 6.8752 per unit. The total distribution for the year ended June 30, 2014 was PKR 7.5313 per unit (7.5313% of face value of PKR 100/-).

Fund and Asset Manager Rating

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company at AM3+. PACRA has maintained the Fund Stability Rating of LMMF at "AA (f)".

Corporate Governance

The Fund is listed on the Lahore Stock Exchange; therefore, the Management Company is required to comply with the requirements of the Code of Corporate Governance for listed companies.

1. The financial statements prepared by the Management Company present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in unit holders' fund.
2. Proper books of accounts of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. Relevant International Financial Reporting Standards, as applicable in Pakistan, provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 ('NBFC Regulations'), directives issued by the Securities & Exchange Commission of Pakistan and requirements of the constitutive documents of the Fund have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. Key financial data as required by the Code of Corporate Governance has been summarized in this Annual Report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges have been fully disclosed in the Financial Statements.
10. The statement as to the value of investments of provident fund is not applicable in the case of the Fund as such expenses are borne by the Management Company.
11. Meetings of the Board of Directors of the Management Company are held at least once in every quarter. During the year under review six meetings were held. Attendance of the Directors in these meetings is as follows:

S.No.	Name	Designation	Meetings		
			Eligible to Attend	Attended	Leave Granted
1	Mr. Iqbal Ali Lakhani	Chairman	6	5	1
2	Mr. Babar Ali Lakhani	Chief Executive	6	6	-
3	Mr. A. Aziz H. Ebrahim	Director	6	5	1
4	Mr. Mahomed J. Jaffer	Director	6	6	-
5	Mr. Amin Mohammed Lakhani	Director	6	2	4
6	Mr. Sher Afgan Malik	Director	6	5	1
7	Mr. Daniel Scott Smaller	Director	6	6	-
8	Mr. Zahid Zakiuddin	Director	6	3	3

12. Meetings of the Audit Committee of the Management Company are held at least once in every quarter. During the year under review four meetings were held. Attendance of the Directors in these meetings is as follows:

S.No.	Name	Designation	Meetings		
			Total	Attended	Leave Granted
1	Mr. Zahid Zakiuddin	Chairman	4	3	1
2	Mr. A. Aziz H. Ebrahim	Member	4	4	-
3	Mr. Iqbal Ali Lakhani	Member	4	4	-
4	Mr. Sher Afgan Malik	Member	4	3	1

13. Four Meetings of the Human Resource and Remuneration Committee of the Management Company were held during the year under review. Attendance of the Directors in these meetings is as follows:

S.No.	Name	Designation	Meetings		
			Total	Attended	Leave Granted
1	Mr. Iqbal Ali Lakhani	Chairman	4	3	1
2	Mr. Babar Ali Lakhani	Member	4	4	-
3	Mr. Daniel Scott Smaller	Member	4	2	2

14. The pattern of unit holding is given in note No. 22.1 of the Financial Statements.

15. During the year under review trades in the Units of the Fund were carried out by the Directors, the Chief Executive Officer, the Executives and including their spouses and minor children are as under:

S.No.	Name	Designation	Investment	Redemption	Bonus
			(Number of Units)		
1	Mr. Iqbal Ali Lakhani	Chairman	833,975	3,380,372	70,908
2	Mrs. Ronak Iqbal Lakhani	Spouse of Chairman	-	10,197,020	748,347
3	Mr. Babar Ali Lakhani	Chief Executive	5,855,086	6,529,265	252,024
4	Mrs. Zil Lakhani	Spouse of Chief Executive	-	124,361	1,544
5	Mr. Hasan Ali Lakhani	Minor Child of Chief Executive	-	-	335
6	Mr. Mahomed J. Jaffer	Director	-	-	369
7	Mr. Amin Mohammed Lakhani	Director	2,509,260	12,363,967	371,331
8	Mrs. Saira Amin Lakhani	Spouse of Director	-	8,337,843	530,191
9	Mr. Kashif Mustafa	Executive	11,210	7,437	591
10	Syed Hassan Askary	Executive	-	287	12
11	Mr. Mustafa Osman Pasha	Executive	-	9,949	266

External Auditor

The existing auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants have completed five years with the Fund. The Code of Corporate Governance stipulates that all listed companies in the financial sector shall change their external auditors every five years, therefore, to continue the trend of adopting the best industry practices, the Board of Directors, on the recommendations of the Audit Committee, has as the fund's auditors changed the auditors of the Fund and appoint M/s. BDO Ebrahim & Co., Chartered Accountants for the year ending June 30, 2015.

Economic Review

With a smooth transition of power from one democratically elected government to other last year, the business sentiment in Pakistan soared sharply along with improved economic growth. Pakistan succeeded in attaining 4.1% growth in its GDP during FY14, the highest level achieved since FY09. The economy took a turnaround on account of following serious economic agenda pursued by the new government. Positive results were evident during the year, particularly stabilizing foreign exchange reserves, appreciation of exchange rate, and stability in prices despite heavy adjustments. Pakistan's Per Capita Income recorded a growth of 3.4% in FY14 compared to 1.4% growth in FY13. In USD terms, it increased to USD 1,340 in FY14 from USD 1,368 in FY13.

The government targeted a GDP growth of 4.4% for FY14 on the back of 3.7% growth in Agriculture, 4.8% growth in Industrial sector and 4.5% in Services sector. However, the target was slightly missed, while attaining a growth of 4.1% in FY14 against the growth of 3.7% last year. The growth momentum was broad based, as all the three major sectors namely agriculture, industry and services provided support to improve economic growth. The Agricultural sector grew at a rate of 2.1%, while Industrial and Services sector grew by 5.8% and 4.3% respectively. Interestingly, some improvement was witnessed in the Large Scale Manufacturing ("LSM") sector, which registered a growth of 5.3% in FY14, compared to 4.0% in the previous year. The major LSM industries which recorded a notable growth included Fertilizers, Paper & Board, Food, Beverages and Tobacco. The aggregate demand analysis of the economy revealed that impetus to the economic growth was again provided by consumption expenditure, as it accounted for 92.5% of the GDP. On the flip side, the share of investment in GDP stood at a dismal 14.0%, compared to the levels of 19.2% seen during FY08.

While the external account remained under pressure during most of the year, it gradually improved as Pakistan entered an agreement with the International Monetary Fund ("IMF") for a bailout program of USD 6.64 billion. The Executive Board of the IMF approved a 3-year arrangement under the Extended Fund Facility ("EFF") for Pakistan in an amount totaling USD 6.64 billion, to support the country's economic reform program to promote growth. Alongside, Pakistan successfully raised USD 2 billion from global capital markets through the issue of five- and 10-year Eurobonds during the month. Furthermore, the government of Pakistan also raised USD 1.1 billion after they auctioned the much-awaited 3G and 4G licenses to different telecom companies in the country. Resultantly, the external position improved considerably as increase in capital flows substantially offset a gradual widening of the current account deficit during the financial year. The current account posted a deficit of USD 2.92 billion during the year, compared to a deficit of USD 2.50 billion last year. The deterioration in current account was primarily attributable to a widening trade deficit, as it increased by 7.5% YoY to USD 16.5 billion. However, remittances played a pivotal role in providing respite to the current account, recording a commendable growth of 13.7% to fetch USD 15.8 billion during the year. The foreign exchange reserves of the country increased by USD 3.12 billion during the year to USD 14.1 billion. While, PKR appreciated by 0.9% against the greenback during the FY14 to close at 98.8.

Whilst the official figures for FY14 fiscal deficit are not public as yet, the government expects fiscal deficit to clock in at 5.7% of the GDP, against the budgeted target of 5.8%. The fiscal deficit has been confined primarily due to controlled expenditures coupled with foreign inflows of USD 1.5 billion of Saudi grant. However, the tax machinery remained ineffective as the Federal Board of Revenue (FBR) failed to achieve the revised revenue collection target during the year. The government had set revenue collection target at PKR 2,475 billion for the fiscal year, which was later slashed to PKR 2,275 billion owing to the poor performance of the tax department. The tax collection for FY14 stood at PKR 2,266 billion (+16.0%), missing the twice-revised target by PKR 9 billion. Consequently, the tax to GDP ratio remained dismal at 9.4% in FY14, which continues to remain one of the lowest in the region.

The average CPI inflation for FY14 stood at 8.6% vis-à-vis 7.4% in FY13; an increase of 120 bps. The increase in inflation was fueled by higher GST charges coupled with increase in prices of perishable food items during the first half of the fiscal year. However, the bugbear of food inflation was moderated during the second half as the government largely tackled the food price issue by resolving the transportation issues and reigning in the urea price. On the flip side, core inflation, as measured by non-food non-energy CPI ("Core NFNE"), averaged 8.3% during the year, compared to 9.6% witnessed during the last year.

In line with the accelerating inflation, the State Bank of Pakistan ("SBP") increased the benchmark discount rate by 100 bps to 10.00% during FY14, breaking a 33-month long streak of monetary easing cycle. The SBP cited increased inflationary pressures coupled with fragile external flows as key reasons behind the hike in discount rate.

Mutual Funds Industry Review

The assets under management of the mutual funds industry increased by 6.9% during FY14 compared to a growth of 10.5% in the deposits of commercial banks and a growth of 12.5% in the money supply. The assets under management of the industry stood at PKR 385 billion at the end of the fiscal year compared to PKR 360 billion at the close of June 2013.

The assets under management in the Money Market category declined by 7.26% while Income funds' AUMs increased by 20.0% during the period. With inflation cooling off and foreign exchange reserves posting an impressive recovery, investors have preferred long-dated government bonds to maximize the potential gains from monetary easing expected in FY15. The highest growth of 15.43% (PKR 17.5 billion) was witnessed in the equity funds as the stock market performed well during FY14 with the KSE-100 Index posting a substantial return of 41%, adding to the 52% returns already witnessed during FY13. In the Finance Act FY15, the government has imposed a tax on bonus issue in addition to increase in the capital gains tax, albeit with a lower percentage and higher holding period than it initially planned, and the increased tax on cash dividends for various institutional investor categories, which is expected to keep the industry AUMs under check in FY15.

Future Outlook

Pakistan's economic climate continued to remain upbeat. With overall economic activity picking up due to improved energy supplies, lower subsidies, tightly controlled fiscals, marked improvement in the PKR followed by soft CPI outlook, re-profiling of the government debt to longer-term basis, rising private sector credit off-take and improved external account given back-to-back inflows, overall macros of the country are seemingly heading in the right direction. This has been in addition to the successful resumption of the privatization process with smooth execution of the capital market transactions of UBL and PPL. This was preceded by flows received under Eurobond issue and 3G auction. The result was evidently reflected in country's FDI and foreign exchange reserves. Likewise, portfolio investment flows also remained strong as foreign interest was visible in the privatization transactions. This also reflected positively on Pakistan's rating, as Moody's revised its outlook from 'Negative' to 'Stable'. The conviction was backed by modest current account deficit, improved foreign flows in the form of bilateral and multilateral flows, privatization and bond transactions alongside controlled fiscal expenditures to keep fiscal deficit under 6% of GDP in FY14.

Though sustainability of improving macros is yet to be validated, revival of foreign investor's confidence in the reforms agenda of the present government has provided much-needed support to the macros. However, the government is still working to resolve the country's chronic energy crisis, which remains persistent despite steps to reduce subsidies and increase tariffs. The government is targeting to improve recoveries of energy sector dues and remains committed towards resolving the problem through medium term measures such as induction of cheaper generation alternates like coal. Accumulation of foreign reserves and managing inflation will remain the primary challenges, having direct implication on country's currency and interest rate outlook. Meanwhile, recent political turmoil, if continued, would have its bearing on investor confidence.

Acknowledgment

The Board is thankful to its valued investors, the Securities & 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 Limited for their continued cooperation and support. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company for the growth and the prudent management of the Fund.

For and on behalf of the Board

Babar Ali Lakhani
Chief Executive Officer

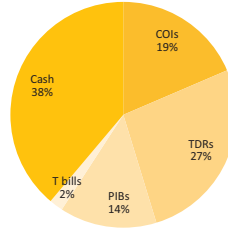
Dated: August 18, 2014

**REPORT OF THE FUND MANAGER
FOR THE YEAR ENDED JUNE 30, 2014**

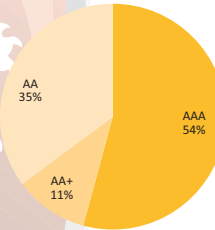
Fund Facts

Fund Type	Open-End
Category	Money Market Fund
Net Assets (PKR Mil.)	7,490
NAV (30.06.2014)	100.1170
Pricing Mechanism	Previous Day
Trustee	CDC Pakistan Limited
Auditor	KPMG Taseer Hadi & Co.
Management Fee	10% of Gross Earnings subject to a minimum of 1.00% and maximum of 1.25% of the average annual net assets
Front End Load	None
Back End Load	None
Launch Date	November 13, 2009
Benchmark	50% average 3M T bills yield + 50% average 3M TDR rate of minimum AA rated banks
Dealing Days	Mon - Fri
Cut-Off Time	04:00 PM
Fund Rating	'AA(f)' by PACRA
Asset Manager Rating	AM3+

Asset Allocation



Credit Split



Morningstar	LMMF	Benchmark
FY14	7.90%	8.50%
June-14	8.39%	9.47%
2 Months	8.62%	9.27%
3 Months	8.62%	9.31%
6 Months	8.57%	9.20%
12 Months	7.90%	8.50%
CY14 - YTD	8.57%	9.20%

Simple Annualized	LMMF	Benchmark
FY14	7.90%	8.50%
June-14	8.08%	9.08%
2 Months	8.33%	8.96%
3 Months	8.35%	8.97%
6 Months	8.39%	9.00%
12 Months	7.90%	8.50%
CY14 - YTD	8.39%	9.00%

Investment Committee

Babar Ali Lakhani	Chairman
Syed Muhammad Zeeshan	
Khurram Schehzad	
Mustafa O. Pasha, CFA	
Saifullah Kazmi	
Farhan Bashir	
Syed Imran Raza Kazmi	
Maryam Hidayatullah	

Investment Objective

The investment objective of the Lakson Money Market Fund ("LMMF") is to provide stable and competitive returns in line with the money markets, exhibiting low volatility consistent with capital preservation by constructing a liquid portfolio of low risk short term investments.

The LMMF achieved its investment objective by constructing a liquid portfolio of short term instruments mainly comprising of risk free T-Bills. The LMMF provided a positive return to its investors in every single month during FY14. The LMMF exhibits very low volatility as the annualized standard deviation of daily returns was only 0.07% during the period under review.

Investment Strategy

The LMMF's investment committee focused on maintaining a low risk and liquid portfolio in accordance with its investment objective. Exposure of the LMMF in T-Bills, TDRs, and other money market placements was managed based on the relative yield analysis of these instruments and our yield curve expectations. The LMMF maintained an average exposure of 57% in risk free T-Bills in FY14 as compared

to 73% in FY13. Exposure in T-Bills enabled the LMMF to remain liquid and meet all its obligations in a timely manner. Given the relative stability in T bill yields from Nov'13 onwards, the fund allocated on average 39% to placements with banks and DFIs (including cash) as opposed to 27% last year. This higher allocation to placements served the dual purpose of enhancing portfolio yield while reducing return volatility. During 1HFY14 LMMF maintained an average WAM of 21 days as economic uncertainty indicated a higher probability of monetary tightening and resulted in the discount rate jumping from 9.0% in Jun'13 to 10.0% by Nov'13. However in anticipation of greater macro stability and easing of monetary conditions in the new calendar year, the average WAM was increased to 54 days during 2HFY14. Since the timing and extent of interest rate cuts was unclear, LMMF adopted a market neutral strategy in which exposure was taken on both ends of the yield curve. This allowed the fund to shield itself from the market's disappointment over a status quo in the discount rate without forgoing any potential benefit from monetary easing.

Fixed Income Market Review

The SBP started tightening its monetary policy stance this fiscal year, raising the discount rate by 100 bps cumulatively to 10%. Accordingly, yields on T-Bills rose by 103-115 basis points during the period while yields on Pakistan Investment Bonds ("PIBs") rose by 210-280 basis points as well. Liquidity in the banking system remained tight, compelling the SBP to inject an average of PKR 141 billion in 37 open market operations ("OMOs") in FY14 while mopping up an average of PKR 66 billion in another 41 OMOs. Money supply ("M2") grew at 12.53% during FY14, compared to the 15.91% growth in the same period last year. This significant deceleration in M2 growth was driven by a 79% decline in the government's fresh borrowing for budgetary support as the new PML-N government has reduced its fiscal deficit substantially. Additional inflows from foreign sources, such as the IMF, the World Bank, Asian Development Bank and Coalition Support Fund ("CSF"), have also played a vital role in reducing total government borrowing while also arresting the decline in Net Foreign Assets ("NFA"). Due to the above mentioned inflows, Net Foreign Assets flow turned positive PKR 332 billion compared to a net outflow of PKR 263 billion in the same period last year. However, the government's borrowing mix was volatile during this fiscal year; however, as of June-end, 2014, 43% of the borrowing for budgetary support consisted of borrowing from SBP whereas as of June 30, 2013, it stood at 42%.

During FY14, the government had planned to raise PKR 8.4 trillion from the auction of T-bills, however, it fell short of its target and raised ~PKR 6.9 trillion against a maturity of PKR 8.2 trillion. Cumulatively, the bid-to-cover ratio of the T-bill auctions came in at 0.85x for FY14, indicating a neutral participation in the T-bill auctions as banks preferred to park their liquidity in long-term instruments particularly in the last quarter where expectations of a discount rate cut strengthened. Slightly divergent trends were witnessed in the PIB auctions this year. Investors gave a lukewarm response to the PIB auctions in 1HFY14, with bid-to-cover of just 1.01x as the monetary policy was somewhat unclear, with a tightening-bias. However, in 2HFY14, with the inflation coming in lower than expected and foreign exchange reserves recovering from the record-low, investors piled into PIB auctions as indicated by the bid-to-cover ratio of 4.3x for the second half of the fiscal year. Therefore, even though the government had planned to raise just PKR 780 billion from PIB auctions in FY14, it ended up raising PKR 2.0 trillion against a maturity of only PKR 256 billion. The government's preference for longer dated debt was unsurprising given that the IMF warned against significant roll-over and financing needs in the medium term due to the government's heavy reliance on short-dated debt. The GoP Ijarah Sukuk market was also rekindled this fiscal year with the first auction of PKR 49.5 billion held after a hiatus of ~15 months; the Sukuk was fully subscribed at a cutoff of 200 bps below the last 6-month T-Bill cutoff yield.

Fund Performance

The LMMF yielded 7.90% in FY14 compared to 8.76% in FY13. In the absence of large capital gains from a decline in market interest rates the fund's overall returns declined. In fact the 100 bps increase in the discount rate during 1HFY14 negatively impacted the mark to market element of the portfolio as can be seen from the return of 7.13%. However in the latter half of FY14 the fund recovered and posted a return of 8.39%. The benchmark of the LMMF was changed in Feb'14 from the average of returns earned by money market funds to 50% average 3M T-bills yield + 50% average 3M TDR rate of minimum AA rated banks. This blended benchmark yielded 8.50% in FY14 which meant the LMMF underperformed the benchmark by 60bps. The LMMF declined by 28% in FY14 to PKR 7.49 billion

from PKR 10.42 billion at the start of the year. The standard deviation of daily returns of the LMMF dropped to 0.07% in FY14 as interest rates remained relatively stable and the fund increased exposure to lower volatility fixed placements. As of June 30, 2014, the WAM of the LMMF portfolio was 34 days. The WAM of the LMMF portfolio moved in line with the interest rate trends.

Future Outlook

The LMMF will continue to balance allocation between sovereign rated T bills and higher yielding placements. This balance will be maintained keeping in mind the goal of generating competitive risk adjusted returns, retaining liquidity and reducing volatility. The LMMF may switch between different maturities depending upon the liquidity conditions of the market and interest rate outlook. The SBP increased the discount rate by 100bps during FY14 and given the significant improvement in inflationary numbers and FX reserves there is a high probability that the SBP will look to promote growth now that a modicum of macroeconomic stability has been achieved. For that reason portfolio WAM will trend on the higher side in FY15.

Circumstances Materially Affecting Interests of Unit Holders

The management fee of LMMF was reduced in Jan'14 from 1.25% of annual average net assets to 10% of gross earnings subject to a minimum of 1.00% and maximum of 1.25% of the average annual net assets.

During the period under review, the Fund Stability Rating of 'AA' was maintained for the LMMF by PACRA, which denotes a fund consistently outperforming its peers with strong capacity to respond to future opportunities or stress situations. PACRA maintained the Asset manager Rating of Lakson Investments at 'AM3+' during FY14.

Any change in interest rates would affect the market values of tradable instruments present in the LMMF's portfolio. Any change in counterparty credit ratings can materially affect the interests of unit holders. Such changes could impact the NAV and credit split of the LMMF.

As of June 30, 2014 judgment of the Sind High Court is awaited on the petition regarding exemption of the mutual funds from the WWF. The Unit Holders of the LMMF will have a downside protection in case the judgment comes against the mutual funds industry as the LMMF is one of the funds already providing for this liability. As of June 30, 2014 the LMMF has maintained provisions against Workers' Welfare Fund's liability to the tune of PKR 50.61 million. If the same were not made the NAV per unit of the LMMF would be higher by PKR 0.6765. If the LMMF would not have made the WWF provisions during FY14, the return of the LMMF for FY13 would be higher by 0.18%.

In the Federal Budget for FY14 the government had imposed 16% Federal Excise Duty ("FED") on asset management services. The management Company is currently charging FED to the management fee applicable to the fund.

In the Sindh Provincial Budget for FY15 the government has proposed a reduction in the standard rate of sales tax applicable on asset management services from 16% to 15%. This reduced rate of tax will come into effect on 1st July, 2014.

Furthermore in the Federal budget for FY15 material changes have been proposed to the:

Taxation on bonus units

Rate of Capital Gains Tax (CGT)

Taxation on cash dividends

Unit holders are encouraged to contact our helpline for details and clarification on the above.

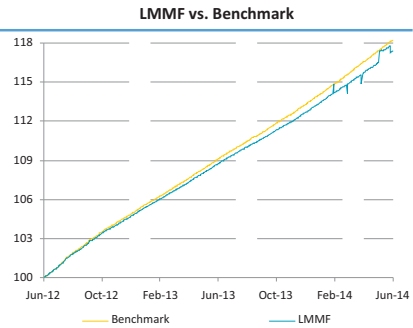
Other Disclosures

Lakson Investments Limited or any of its delegates did not receive any soft commission from its broker(s) or dealer(s).

There was no unit split undertaken during the year.

As of June 30, 2014 the LMMF does not employ leverage.

Performance Table	FY14	FY13
Net Assets - Beginning (PKR Mil.)	10,423	6,876
Net Assets - Ending (PKR Mil.)	7,490	10,423
Highest Offer Price (PKR)	101.1451	100.9823
Lowest Offer Price (PKR)	100.0039	100.0202
Highest Redemption Price (PKR)	101.1451	100.9823
Lowest Redemption Price (PKR)	100.0039	100.0202
Beginning NAV - (PKR)	100.7055	100.0001
Interim Distributions (PKR)	7.5313	7.7256
Final Distribution (PKR)	-	0.7026
Ending NAV - (PKR)	100.1170	100.7055
Return	7.90%	8.76%
Net Income (PKR Mil.)	594.22	716.17
WAM (Days)	34	9



Distributions	FY14	FY13
PKR per Unit		
1st Interim Distribution	0.5783	0.8030
NAV before Distribution	100.5903	100.8040
NAV after Distribution	100.0120	100.0010
Distribution Date	31-Jul-13	30-Jul-12
2nd Interim Distribution	0.5565	0.8731
NAV before Distribution	100.5658	101.0086
NAV after Distribution	100.0093	100.1355
Distribution Date	30-Aug-13	31-Aug-12
3rd Interim Distribution	0.5197	0.6993
NAV before Distribution	100.5235	100.7865
NAV after Distribution	100.0038	100.0872
Distribution Date	27-Sep-13	26-Sep-12
4th Interim Distribution	0.5414	0.6676
NAV before Distribution	100.5454	100.7865
NAV after Distribution	100.0040	100.1358
Distribution Date	25-Oct-13	24-Oct-12
5th Interim Distribution	0.6546	0.7960
NAV before Distribution	100.6586	100.9081
NAV after Distribution	100.0040	100.1121
Distribution Date	28-Nov-13	28-Nov-12
6th Interim Distribution	0.6039	0.6541
NAV before Distribution	100.6134	100.7060
NAV after Distribution	100.0095	100.0519
Distribution Date	27-Dec-13	27-Dec-12

Distributions	FY14	FY13
PKR per Unit		
7th Interim Distribution	0.7497	0.7428
NAV before Distribution	100.7535	100.7769
NAV after Distribution	100.0038	100.0341
Distribution Date	30-Jan-14	29-Jan-13
8th Interim Distribution	0.6397	0.6291
NAV before Distribution	100.6510	100.6292
NAV after Distribution	100.0113	100.0001
Distribution Date	27-Feb-14	28-Feb-13
9th Interim Distribution	0.6040	0.5453
NAV before Distribution	100.6079	100.5454
NAV after Distribution	100.0039	100.0001
Distribution Date	27-Mar-14	27-Mar-13
10th Interim Distribution	0.6549	0.6886
NAV before Distribution	100.6588	100.7227
NAV after Distribution	100.0039	100.0341
Distribution Date	25-Apr-14	29-Apr-13
11th Interim Distribution	0.7725	0.6267
NAV before Distribution	100.7764	100.6268
NAV after Distribution	100.0039	100.0001
Distribution Date	29-May-14	29-May-13
12th Interim Distribution	0.6561	-
Final Distribution	-	0.7026
NAV before Distribution	100.6562	100.7055
NAV after Distribution	100.0001	100.0029
Distribution Date	26-Jun-14	08-Jul-13

Breakdown of Unit Holding by Size

Units Range	No. of Clients	Units Held
1 - 100	10	435
101 - 500	6	1,489
501 - 1,000	10	7,383
1,001 - 5,000	25	62,719
5,001 - 10,000	12	82,750
10,001 - 50,000	23	552,610
50,001 - 100,000	4	315,994
100,001 - 500,000	6	1,483,749
500,001 - 1,000,000	7	4,970,772
1,000,001 - 5,000,000	16	38,635,212
5,000,001 - Above	3	28,701,824
	122	74,814,937

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office

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S.M.C.H.S. Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON MONEY MARKET FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Lakson Money Market Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2014 in accordance with the provisions of the following:

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


Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: October 23, 2014



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2014

This statement is being presented to comply with the Code of Corporate Governance ('the Code') contained in Listing Regulations of Lahore Stock Exchange where Lakson Money Market Fund ('the Fund') is listed. The purpose of the Code is to establish a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

Lakson Investments Limited ('Management Company'), an un-listed public company, which manages the affairs of the Fund, has applied principles contained in the Code in the following manner.

1. The Management Company encourages representation of independent non-executive directors on its Board of Directors. At present the Board includes:

Category	Names
Independent Directors	<ol style="list-style-type: none">1. Mr. Mahomed J. Jaffer2. Mr. Daniel Scott Smaller3. Mr. Zahid Zakiuddin
Executive Director	<ol style="list-style-type: none">1. Mr. Babar Ali Lakhani
Non-Executive Directors	<ol style="list-style-type: none">1. Mr. Iqbal Ali Lakhani - Chairman2. Mr. A. Aziz H. Ebrahim3. Mr. Amin Mohammed Lakhani4. Mr. Sher Afgan Malik

The Independent Directors meets the criteria of independence under clause i(b) of the Code.

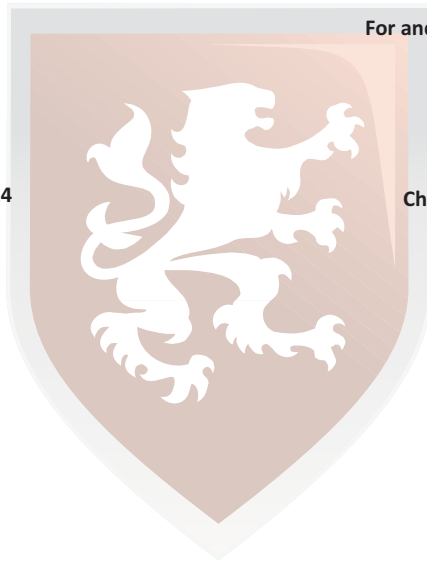
2. The Directors of the Management Company have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
3. All the resident Directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the period no casual vacancy occurred on the Board of the Management Company.
5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer ('CEO'), other Executive and Non-Executive Directors, have been taken by the Board. Further their remunerations are being borne by the Management Company.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. In order to apprise the Directors of their duties and responsibilities and for their orientation purpose they were informed about the recent developments / changes in applicable laws and regulations affecting the mutual fund industry. The Directors are conversant of the relevant laws applicable to the Management Company, its policies and provisions of memorandum and articles of association and are aware of their duties and responsibilities. One of Director has completed all parts of the program offered by the Pakistan Institute of Corporate Governance and duly certified. Further, based on the criteria stipulated in the Code, four Directors on the Board are exempt from the requirement to have certification under a directors' training program offered by any local or foreign institutions that meet the criteria specified by the Securities & Exchange Commission of Pakistan. The Management Company, however, intends to complete the said requirement in full within the time specified in the Code.
10. The new appointment of Chief Financial Officer and Company Secretary was made during the year and is duly approved by the Board of Directors including his terms of employment. The Company has designated one of its employees as 'Coordinator/Head of Internal Audit' to act as coordinator between the firm providing internal audit services and the Audit Committee.
11. The Directors' Report of the Fund for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
13. The Directors, Chief Executive Officer and Executives do not hold any interest in the units of the Fund other than those disclosed in the Annual Report.
14. The Management Company has complied with all the corporate and financial reporting requirements of the Code with respect to the Fund.
15. The Board has formed an Audit Committee. It comprises of four members, all of whom are Non-Executive Directors of the Management Company and the Chairman of the Committee is an Independent Director.
16. The meetings of the Audit Committee were held at least once every quarter and prior to approval of interim and final results of the Fund. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board of the Management Company has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are Non-Executive Directors and the Chairman of the Committee is a Non-Executive Director.
18. The Board has outsourced the internal audit function to M/s. Anjum Asim Shahid Rahman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ('ICAP'), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'Closed Period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Fund's securities, was determined and intimated to directors, employees and stock exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other applicable material principles enshrined in the Code have been complied with.

For and on behalf of the Board

Dated: August 18, 2014



Babar Ali Lakhani
Chief Executive Officer



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

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Review Report to the Unit Holders on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Lakson Investments Limited (“the Management Company”) for and on behalf of **Lakson Money Market Fund** (“the Fund”) to comply with the Listing Regulations No. 35 of Lahore Stock Exchange, where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund’s compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non compliance with the requirements of the Code. A review is limited primarily to inquiries of the Fund personnel and review of various documents prepared by the Fund to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board’s statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Fund’s corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed in arm’s length transactions and transactions which are not executed at arm’s length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm’s length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the Fund’s statement of compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended 30 June 2014.

Date: 18 August 2014

Karachi



KPMG Taseer Hadi & Co.
Chartered Accountants



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Chartered Accountants
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Independent Auditors' Report to the Unit Holders

Report on the Financial Statements

We have audited the accompanying financial statements of **Lakson Money Market Fund** ("the Fund") which comprise the statement of assets and liabilities as at 30 June 2014 and the related income statement, statement of comprehensive income, distribution statement, statement of movement in Unit Holders' Fund, cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation of the financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2014 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.




KPMG Taseer Hadi & Co.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Date: 18 August 2014

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Amyr Pirani

**Statement of Assets and Liabilities
As at June 30, 2014**

	Note	2014	2013
Assets		(Rupees)	
Bank balances	4	4,909,444,639	7,899,404,000
Investments	5	1,186,711,533	2,528,804,562
Letter of placement and certificate of investment	6	1,390,000,000	-
Markup receivable	7	86,086,337	50,311,976
Deferred formation cost	8	148,731	547,903
Prepayments (prepaid listing fee)		105,000	100,000
Total assets		<u>7,572,496,240</u>	<u>10,479,168,441</u>
Liabilities			
Remuneration payable to the Management Company	9	24,822,869	10,097,283
Remuneration payable to the Trustee	10	517,605	556,440
Annual fee payable to Securities and Exchange Commission of Pakistan	11	5,946,531	6,261,586
Accrued expenses and other liabilities	12	50,963,067	38,811,856
Total liabilities		82,250,072	55,727,165
Net assets		<u>7,490,246,168</u>	<u>10,423,441,276</u>
Unit holders' funds (as per the statement attached)		<u>7,490,246,168</u>	<u>10,423,441,276</u>
Contingencies and Commitments	13		
(Number of units)			
Number of units in issue	14	<u>74,814,937</u>	<u>103,504,186</u>
(Rupees)			
Net assets value per unit		<u>100.1170</u>	<u>100.7055</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

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

Chief Executive Officer

Director

Income Statement

For the year ended June 30, 2014

Income	Note	2014	2013
			(Rupees)
Mark-up income	15	754,912,511	835,608,727
(loss) / Gain on sale of held for trading investments - net		(1,598,444)	7,733,333
Unrealised (diminution) / appreciation in the fair value of held for trading investments - net	5.1 & 5.2	(281,081)	293,994
		<u>753,032,986</u>	<u>843,636,054</u>
Expenses			
Remuneration to the Management Company	9.1	90,808,427	104,359,767
Sindh sales tax on remuneration of Management Company	9.2	16,854,044	16,770,836
Federal Excise Duty on Remuneration of Management Company	9.3	14,529,348	457,954
Remuneration to the Trustee	10	6,696,529	7,338,022
Annual fee to the Securities and Exchange Commission of Pakistan	11	5,946,531	6,261,586
Auditors' remuneration	16	315,420	321,475
Fees and subscription		245,000	240,000
Printing charges		29,672	89,050
Brokerage expenses		1,087,035	480,505
Amortization of deferred formation cost	8	399,172	399,174
Bank charges		227,588	179,785
		<u>137,138,766</u>	<u>136,898,154</u>
		<u>615,894,220</u>	<u>706,737,900</u>
Element of (loss) / income and capital (losses) / gains in prices of units sold less those in units redeemed - net		(9,548,829)	24,043,065
Provision for Workers' Welfare Fund	12.1	(12,126,908)	(14,615,619)
Net income for the year before taxation		<u>594,218,483</u>	<u>716,165,346</u>
Taxation	18	-	-
Net income for the year after taxation		<u><u>594,218,483</u></u>	<u><u>716,165,346</u></u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

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

Chief Executive Officer

Director

Statement of Comprehensive Income
For the year ended June 30, 2014

	2014	2013
	(Rupees)	
Net income for the year	594,218,483	716,165,346
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>594,218,483</u></u>	<u><u>716,165,346</u></u>

The annexed notes from 1 to 23 form an integral part of these financial statements.



For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

**Distribution Statement
For the year ended June 30, 2014**

	Note	2014	2013
		(Rupees)	
Undistributed income at beginning of the year - realised		72,728,740	59,884,100
Accumulated loss at beginning of the year - unrealised		293,994	(559,225)
Total undistributed income at beginning of the year		<u>73,022,734</u>	<u>59,324,875</u>
Final distribution for the year ended 30 June 2013 at the rate of Re. 0.7026 (2013: Rs. 0.8702) per unit approved on 8 July 2013 (2012: 4 July 2012)			
- Cash distribution		-	(4,762,229)
- Issue of bonus units		(72,722,041)	(54,558,662)
		(72,722,041)	(59,320,891)
Comprehensive income for the year		594,218,483	716,165,346
Interim distributions during the period	17		
- Cash distribution		-	(2,559,352)
- Issue of bonus units		(585,766,675)	(640,587,244)
		8,451,808	73,018,750
		<u>8,752,501</u>	<u>73,022,734</u>
Undistributed income at end of the year - realised		9,033,582	72,728,740
Undistributed (loss) / income at end of the year - unrealised		(281,081)	293,994
Undistributed income at end of the year		<u>8,752,501</u>	<u>73,022,734</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

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

Chief Executive Officer

Director

**Statement of Movement In Unit Holders' Fund
For the year ended June 30, 2014**

	Note	2014	2013
		(Rupees)	
Net assets at beginning of the year		10,423,441,276	6,876,250,955
Amount received on issue of 82,012,986 units (2013: 138,904,644 units)		8,224,372,831	13,961,829,784
Amount paid on redemption of 117,286,770 units (2013: 110,517,614 units)		(11,761,335,251) (3,536,962,420)	(11,099,440,163) 2,862,389,621
Element of (income) / loss and capital (gains) / losses in prices of units sold less those in units redeemed - net		9,548,829	(24,043,065)
Final distribution for the year ended 30 June 2013 at the rate of Re. 0.7026 (2013: Rs. 0.8702) per unit approved on 8 July 2013 (2012: 4 July 2012)			
- Cash distribution		-	(4,762,229)
- Issue of bonus units		(72,722,041) (72,722,041)	(54,558,662) (59,320,891)
Issue of 727,199 (2013: 545,586) bonus units as final distribution		72,722,041	54,558,662
Comprehensive income for the year		594,218,483	716,165,346
Interim distributions during the year	17		
- Cash distribution		-	(2,559,352)
- Issue of bonus units		(585,766,675)	(640,587,244)
Comprehensive income for the year less distribution		8,451,808	73,018,750
Issue of 5,857,336 (2013: 6,402,309) bonus units as interim distribution	17	585,766,675	640,587,244
Net assets as at end of the year		7,490,246,168	10,423,441,276
Net assets value per unit at beginning of the year		100.7055	100.8703
Net assets value per unit at end of the year		100.1170	100.7055

The annexed notes from 1 to 23 form an integral part of these financial statements.

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

Chief Executive Officer

Director

Cash Flow Statement
For the year ended June 30, 2014

	2014	2013
(Rupees)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	594,218,483	716,165,346
Adjustments for:		
Amortisation of formation cost	399,172	399,174
Unrealised diminution / (appreciation) in the fair value of held for trading investments - net	281,081	(293,994)
Element of loss / (income) and capital losses / (gains) in prices of units sold less those in units redeemed - net	9,548,829	(24,043,065)
	<u>604,447,565</u>	<u>692,227,461</u>
(Increase) / Decrease in assets		
Investments	1,341,811,948	1,585,737,274
Letter of placement and certificate of investment	(1,390,000,000)	-
Markup receivable	(35,774,361)	(37,341,087)
Prepayments	(5,000)	(100,000)
	<u>(83,967,413)</u>	<u>1,548,296,187</u>
Increase / (decrease) in liabilities		
Remuneration payable to the Management Company	14,725,586	1,970,381
Remuneration payable to the Trustee	(38,835)	32,959
Annual fee payable to Securities and Exchange Commission of Pakistan	(315,055)	1,994,711
Payable against redemption of units	-	(95,012)
Accrued expenses and other liabilities	12,151,211	14,712,076
	<u>26,522,907</u>	<u>18,615,115</u>
Net cash flows from operating activities	<u>547,003,059</u>	<u>2,259,138,763</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	8,224,372,831	13,961,829,784
Payment against redemption of units	(11,761,335,251)	(11,099,440,163)
Cash dividend paid	-	(7,321,581)
Net cash flows (used in) / from financing activities	<u>(3,536,962,420)</u>	<u>2,855,068,040</u>
Net (decrease) / increase in cash and cash equivalents	<u>(2,989,959,361)</u>	<u>5,114,206,803</u>
Cash and cash equivalents at beginning of the year	<u>7,899,404,000</u>	<u>2,785,197,197</u>
Cash and cash equivalents at end of the year	<u><u>4,909,444,639</u></u>	<u><u>7,899,404,000</u></u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

Notes to and forming part of the Financial Statements For the year ended June 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These 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.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except investments that are stated at fair values.

2.3 Functional and presentation currency

These 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.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and valuation of investments

For details please refer notes 3.1 and 21 to these financial statements.

Impairment of investment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. This objective evidence of impairment of fixed income securities is determined in accordance with provisioning criteria for non performing exposures as per the requirements Circular No. 33 of 2012 dated 24 October 2012.

Element of income and capital gains in prices of units sold less those in units redeemed - net For details please refer note 3.9 to these financial statements.

Provision for taxation

For details please refer notes 3.7 and 18 to these financial statements.

Workers welfare fund liability

For details please refer note 12.1 to these financial statements.

Other assets

Judgment is involved in assessing the realisability of other assets balances.

2.5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2014:

- IFRIC 21- Levies 'an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Fund's financial statements.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not likely to have an impact on Fund’s financial statements.
- Amendment to IAS 36 “Impairment of Assets” Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments are not likely to have an impact on Fund’s financial statements.
- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria. The amendments are not likely to have an impact on Fund’s financial statements.
- Amendments to IAS 19 “Employee Benefits” Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria. The amendments are not likely to have an impact on Fund’s financial statements.
- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefit of the intangible asset are ‘highly correlated’, or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Fund’s financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Fund’s financial statements.
- Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:

- IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition.
- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves.
- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment's assets to the entity assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.
- Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.
- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.
- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.
- The above improvements are not likely to have an impact on the financial statements of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies has been consistently applied to all the periods pretested in the preparation of these financial statements and are set out below:

Investments

3.1.1 All investments are initially recognised at cost, being the fair value of the consideration given including the transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the income statement.

3.1.2 The Fund classifies its investments in the following categories:

Held for trading

Investments which are acquired principally for the purposes of generating profit from short term fluctuations in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading.

After initial recognition, above investments are remeasured at fair value determined with reference to the period-end / year end quoted rates. Gains or losses on re-measurement of these investments are recognised in income statement.

Available for sale

Investments which do not fall under the above category and which may be sold in response to the need for liquidity or changes in market rates are classified as available-for-sale. After initial recognition, investments classified as available-for-sale are remeasured at fair value, determined with reference to the period end / year-end quoted rates. Gains or losses on remeasurement of these investments are recognised directly in the unit holders' funds until the investment is sold, collected or otherwise disposed-off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in unit holders' funds is included in income statement.

3.1.3 Basis of valuation of investments

Fair value of the investments in Federal Government securities comprising Market Treasury Bills and Pakistan Investment Bond are determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

All regular way of purchases and sales of investments are recognised on the trade date i.e. the date the Fund commits to purchase / sell the investments.

Income accrued on market treasury bills are included in the carrying value of investments.

3.2 Securities under resale / repurchase agreements

Transactions of purchase under resale (reverse-repo) of authorized investments are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repos) are not recognised in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

Transactions of sale under repurchase (repo) of authorized investments are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement.

3.3 Formation cost

This represents expenses incurred on the formation of the Fund. As permitted in the Non-Banking Finance Companies and Notified Entities Regulations, 2008, these expenses are being amortised to the income statement over a period of five years i.e. effective from 14 November 2009.

3.4 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

3.5 Issue and redemption of units

Units are allocated at the offer price prevalent on the day on which applications for the purchase of units are received (however units are issued on realisation of cheques). The offer price represents the net assets value of units at end of the day plus the allowable sales load (if any).

Units are redeemed at the redemption price prevalent on the day on which the applications for the redemption of units are received. The redemption price represents the net assets value at end of the day.

3.6 Net asset value per unit

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund with the number of units in issue at the year end.

3.7 Taxation

The Fund is exempt from taxation on income under clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its income excluding realised and unrealised capital gain for the year is distributed amongst the unit holders. Since the Board of Directors of the management company has declared such a dividend (refer note 17), accrual of the tax liability has not been made.

3.8 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of investments classified as financial assets held for trading are included in the income statement in the period in which they arise.
- Interest Income on Government securities, reverse repurchase arrangements, certificates of investment, certificates of deposits, term deposit receipts, commercial paper, placements and bank deposits are recognised in the income statement at rate of return implicit in the instrument on a time proportionate basis.

3.9 Element of income / (loss) and capital gains / (losses) in prices of units sold less those in units redeemed - net

To prevent the dilution of per unit income and distribution of income already paid out on redemption, as dividend, an equalisation account called "element of income and capital gains included in prices of units sold less those in units redeemed" is created.

The net "element of income / (loss) and capital gains / (losses) in prices of units sold less those in units redeemed" during an accounting year is recognised in the income statement.

3.10 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Fund loses control of the contractual rights that comprises that financial assets. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. The particular recognition method adopted for measurement of financial liabilities investments subsequent to initial recognition is disclosed in the individual policy statement associated with each item.

Certificates of investment and letter of placements are carried at their fair value.

3.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.12 Impairment

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial assets is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

Provision for diminution in the value of debt securities is made as per the requirements of Circular No. 33 of 2012 dated 24 October 2012 (which is essentially the same as contained in Circular No. 1 of 2009 previously issued by the SECP) and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company pursuant to the requirements of the SECP's above referred circular.

In case of impairment of other available-for-sale investments, the cumulative loss that has been recognised directly in statement of comprehensive income is taken to the income statement.

Other individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in income statement.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in income statement.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated cash flows discounted at the original effective interest rate.

3.13 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances including term deposits with banks (with maturity period of less than three months from the date of deposit) that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.15 Dividend (including bonus units)

Dividend (including the bonus units) declared subsequent to the balance sheet date are recorded in the period in which they are approved.

3.16 Other assets

Other assets are stated at cost less impairment losses, if any.

5.2 Held For Trading - Government Securities (Pakistan Investment Bond)

	Number of holdings at beginning of the year	Acquired during the year	Sold / matured during the year	Number of holdings at the end of the year	Carrying Value as at 30 June 2014 before valuation	Market value as at 30 June 2014 (revised carrying value)	Unrealized appreciation / (diminution)	Market value as percentage of net assets of the Fund	Market value as percentage of total investment	
Government Securities					Quantity		(Rupees)		Percentage (%)	
3 years Pakistan Investment Bond (face value of Rs. 100,000 each)	5.2.1	-	10,273	-	10,273	1,028,864,953	1,028,566,661	(298,292)	13.73	86.67
3 years Pakistan Investment Bond (face value of Rs. 100,000 each)	-	-	-	-	-	-	-	-	-	-
5 years Pakistan Investment Bond (face value of Rs. 100,000 each)	5.1.3	-	-	-	-	-	-	-	-	-
					30 June 2014	<u>1,028,864,953</u>	<u>1,028,566,661</u>	<u>(298,292)</u>	<u>13.73</u>	<u>86.67</u>
					30 June 2013	-	-	-	-	-

5.2.1 This represents investment in 3 years Pakistan Investment Bonds carrying effective profit rates of 11.25% (2013: Nil) per annum having maturity on 18 August 2014. The face value of Pakistan Investment Bonds as at 30 June 2014 amounted to Rs. 1,027.3 million. As at 30 June 2014, unamortised premium amounted to Rs 1,565 million (2013: Nil).

6. CERTIFICATE OF INVESTMENT AND LETTER OF PLACEMENT

	Note	2014	2013
		(Rupees)	
Certificate of Investment - unsecured	6.1	790,000,000	-
Letter of Placement - unsecured	6.2	600,000,000	-
		<u>1,390,000,000</u>	<u>-</u>

6.1 This represents short term Certificate of investment placed with Pak Brunei Investments Company Limited having carrying value of Rs 790 million and carry profit rate of 10.25% (2013: Nil) per annum maturing on 12 September 2014. This is an unrated debt instrument.

6.2 This represents letter of placement of Rs. 600 million with Saudi Pak Agricultural and Industrial Company Limited carrying profit rate at 10.00% (2013: Nil) per annum and maturing on 10 July 2014.

7. MARKUP RECEIVABLE

Considered good

Mark-up receivable on:

	2014	2013
	(Rupees)	
- letter of placement	657,534	-
- certificates of investment	23,516,028	-

Bank Balances

- profit and loss sharing accounts	6,369,277	7,778,551
- term deposits receipts with banks	13,431,234	42,533,425
	<u>19,800,511</u>	<u>50,311,976</u>

Held For Trading Investments

- government securities - Pakistan Investment Bonds	42,112,264	-
	<u>86,086,337</u>	<u>50,311,976</u>

8.	DEFERRED FORMATION COST	2014	2013
		(Rupees)	
	Opening balances	547,903	947,077
	Amortisation during the year	<u>(399,172)</u>	<u>(399,174)</u>
	Closing balances	<u><u>148,731</u></u>	<u><u>547,903</u></u>

8.1 This represents expenses incurred on the formation of the Fund. The Regulation 60 (2) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 requires that all expenses incurred in connection with the incorporation, establishment and registration of collective investment scheme (formation cost) shall be reimbursable by a collective investment scheme to an Assets Management Company (AMC) subject to the audit of expenses. The said formation cost shall be amortised by the collective investment scheme over a period of not less than five years or within the maturity date of collective investment scheme. Accordingly, the said expenses are being amortised over a period of five years effective from 14 November 2009, i.e. after the close of initial period of the Fund.

9. REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY

	Remuneration payable	9.1	6,411,721	8,246,601
	Sindh Sales Tax on Management remuneration	9.2	3,423,845	1,392,728
	Federal Excise Duty on Management remuneration	9.3	<u>14,987,303</u>	457,954
			<u><u>24,822,869</u></u>	<u><u>10,097,283</u></u>

9.1 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 three percent per annum of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to two percent per annum of such assets of the Fund. However, currently effective from 01 January 2014, 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 1% and maximum of 1.25% of the average annual net assets of the Fund (up to 31 December 2013, the Management fee was being charged at the rate of 1.25% of the average daily net assets of the Fund). The change in the basis of the calculation has also been approved by the Securities and Exchange Commission of Pakistan.

9.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 16% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2011. This amount is paid / payable to the Management Company who then pays it to the Government of Sindh.

9.3 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 applied effective 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).

In view of the pending decision, as a matter of abundant caution, remuneration of the Management Company of the Company charged to the Fund during the year includes the imposed taxes of amount Rs 14.529 million (2013: Rs. 0.458 million.)

10. REMUNERATION PAYABLE TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of Trust Deed. Effective from 01 April 2013 the Trustee has revised the trustee fee as under.

Net assets ranging from Rs. 1 million to Rs. 1 billion

0.15% per annum of the daily average net assets of the Fund.

Net assets ranging between Rs 1 billion to Rs 10 billion

Rs 1.5 million plus 0.075% per annum of the daily average net assets of the Fund exceeding Rs 1 billion.

Exceeding Rs 10 Billion

Rs 8.25million plus 0.06% per annum of the daily average net assets of the Fund exceeding Rs 10 billion.

11. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Regulation 62 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. Currently, the Fund is required to pay annual fee to SECP at the rate of 0.075% of the average daily net assets of the Fund.

	Note	2014	2013
		(Rupees)	
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		207,480	215,250
Payable to Workers' Welfare Fund	12.1	50,608,973	38,482,065
Brokerage payable		115,414	69,541
Printing and Stationery Payable		31,200	45,000
		<u>50,963,067</u>	<u>38,811,856</u>

12.1 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.50.609 million up to 30 June 2014.

Had the above recognition not been made, the net assets value per unit of the Fund would be higher by Re. 0.68 / 0.68% (2013: Re. 0.37 / 0.37%)

13. CONTINGENCIES AND COMMITMENTS

The Fund has no contingency or commitment at year end.

	2014	2013
	(Numbers)	
14. NUMBER OF UNITS IN ISSUE		
Units in issue at beginning of the year	103,504,186	68,169,261
Units issued during the year	82,012,986	138,904,644
Bonus units issued	6,584,535	6,947,895
Units redeemed during the year	<u>(117,286,770)</u>	<u>(110,517,614)</u>
Units in issue at the end of the year	<u>74,814,937</u>	<u>103,504,186</u>

Face value of the unit is Rs. 100 each.

15. MARK-UP INCOME

Mark-up / return on financial assets comprises of:

- letters of placements	38,857,502	14,883,586
- certificates of investments	37,823,263	-

Bank Balances

- profit and loss sharing account	117,503,389	51,804,915
- term deposits receipts with banks	81,648,767	145,066,391
	<u>199,152,156</u>	<u>196,871,306</u>

Held For Trading Investments

- government securities- market treasury bills	448,901,355	623,853,835
- government securities- Pakistan investment bonds	30,178,235	-
	<u>479,079,590</u>	<u>623,853,835</u>
	<u>754,912,511</u>	<u>835,608,727</u>

16. AUDITORS' REMUNERATION

Annual audit fee	157,500	157,500
Fee for review of half yearly financial statements	78,750	78,750
Fee for review of statement of compliance with the best practices of Code of Corporate Governance	26,250	26,250
Other services	15,750	15,750
Out of pocket expenses	37,170	43,225
	<u>315,420</u>	<u>321,475</u>

17. INTERIM DISTRIBUTIONS DURING THE YEAR

----- For the year ended 30 June 2014 -----

Date of distributions	Distribution per unit	No. of Bonus Units Issued	Bonus -----(Rupees) -----	Cash
29 July 2013	0.5783	400,796	40,084,451	-
28 August 2013	0.5565	421,199	42,123,800	-
25 September 2013	0.5197	417,718	41,773,425	-
23 October 2013	0.5414	425,538	42,555,520	-
26 November 2013	0.6546	508,503	50,852,343	-
25 December 2013	0.6039	477,706	47,775,154	-
28 January 2014	0.7497	613,274	61,329,725	-
25 February 2014	0.6397	515,637	51,569,539	-
25 March 2014	0.6040	479,491	47,950,977	-
23 April 2014	0.6549	519,333	51,935,319	-
27 May 2014	0.7225	616,544	61,656,791	-
24 June 2014	0.6561	461,596	46,159,631	-
	7.5313	5,857,335	585,766,675	-

----- For the year ended 30 June 2013 -----

Date of distributions	Distribution per unit	No. of Bonus Units Issued	Bonus -----(Rupees) -----	Cash
30 July 2012	0.8030	492,849	49,285,361	399,330
30 August 2012	0.8731	747,295	74,830,783	434,190
26 September 2012	0.6993	597,301	59,782,222	347,760
24 October 2012	0.6676	573,586	57,436,492	331,996
28 November 2012	0.7960	656,846	65,758,217	395,848
27 December 2012	0.6541	568,140	56,843,460	650,228
29 January 2013	0.7428	623,769	62,398,217	-
28 February 2013	0.6291	531,896	53,189,696	-
27 March 2013	0.5453	467,213	46,721,388	-
29 April 2013	0.6886	595,185	59,518,435	-
28 May 2013	0.6267	548,229	54,822,973	-
	7.7256	6,402,309	640,587,244	2,559,352

18. TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to 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 unrealised capital gains 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. Since the management has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

19. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons / related parties comprise of Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the

trustee, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company, Key Management personnel and other funds being managed by the Management Company, entities in which the above parties or their connected persons have material interest, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at 30 June 2014.

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 as disclosed in note 9 and 10 of these financial statements. 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 in accordance with the agreed terms.

Transactions and balances with related parties are as follows:

		2014	2013
		(Rupees)	
19.1	Balance as at year end		
	Lakson Investments Limited - Management Company		
	Remuneration payable (excluding the Sindh Sales Tax and Federal Excise Duty on Management Company Remuneration)	9.1 <u>6,411,721</u>	<u>8,246,601</u>
	Sindh Sales Tax and Federal Excise Duty on Management Company Remuneration*	9.1 & 9.2 <u>18,411,148</u>	<u>1,850,682</u>
	Units held as at the year-ended 3,522,245 (2013: 2,115,305) units	<u>352,636,603</u>	<u>213,022,798</u>
	Central Depository Company of Pakistan Limited - Trustee of the Fund		
	Remuneration payable	10 <u>517,605</u>	<u>556,440</u>
	Directors, Chief Executives and their Spouse and Minors		
	Units held as at the year-ended 16,883,060 (2013: 46,612,571) units	<u>1,690,281,318</u>	<u>4,694,142,219</u>
	Key Management Personnel, Employees and Connected Persons of the Management Company		
	Units held as at the year-ended 14,375,077 (2013: 27,466,971) units	<u>1,439,189,584</u>	<u>2,766,075,009</u>
	Holding Company of the Management Company		
	Siza Services (Private) Limited		
	Units held as at the year-ended 2,743,471 (2013: 526,678) units	<u>274,668,086</u>	<u>53,039,370</u>
	Related parties of the Management Company		
	Siza (Private) Limited		
	Units held as at the year-ended 5,114,275 (2013: 3,580,254) units	<u>512,025,870</u>	<u>360,551,316</u>

	2014	2013
	(Rupees)	
Hasanali Karabhai Foundation		
Units held as at the year-ended		
1,440,477 (2013: 746,817) units	<u>144,216,236</u>	<u>75,208,585</u>
Century Insurance Company Limited		
Units held as at the year-ended		
1,474,239 (2013: 2,641,450) units	<u>147,596,386</u>	<u>266,008,591</u>
Premier Fashions (Private) Limited		
Units held as at the year-ended		
1,059,098 (2013: 21,420) units	<u>106,033,714</u>	<u>2,157,088</u>
Century Enterprises (Private) Limited		
Units held as at the year-ended		
23,462 (2013: 21,613) units	<u>2,348,945</u>	<u>2,176,564</u>
Colgate Palmolive (Pakistan) Limited		
Units held as at the year-ended		
12,687,574 (2013: 5,735,900) units	<u>1,270,241,846</u>	<u>577,636,723</u>
Clover Pakistan Limited		
Units held as at the year-ended		
3,086,867 (2013: 3,380,127) units	<u>309,047,863</u>	<u>340,397,370</u>
Lakson Power Limited		
Units held as at the year-ended		
4,317 (2013: 4,269) units	<u>432,205</u>	<u>429,881</u>
Siza Commodities (Private) Limited		
Units held as at the year-ended		
788,336 (2013: 44,794) units	<u>78,925,835</u>	<u>4,510,952</u>
Baluchistan Polyproducts (Private) Limited		
Units held as at the year-ended		
109,033 (2013: 83,575) units	<u>10,916,057</u>	<u>8,416,507</u>
Others - Connected Person due to holding more than 10% Outstanding Units		
Bank Deposits	<u>4,098,721</u>	<u>313,474,044</u>
Profit receivable	<u>108,185</u>	<u>649,915</u>
Units held as at the year-ended		
7,419,601 (30 June 2013: Nil) units	<u>742,828,193</u>	<u>-</u>

*Sales tax and FED is paid / payable to the Management Company for onwards payment to the Government.

19.2 Transactions during the year

Lakson Investments Limited - Management Company

Remuneration to the Management Company (excluding the Sindh Sales Tax and Federal Excise Duty on Management Company's Remuneration)

9.1	<u>90,808,427</u>	<u>104,359,767</u>
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	2014	2013
	(Rupees)	
Sindh Sales Tax and Federal Excise Duty on Management Company Remuneration* 9.2 & 9.3	<u>31,383,392</u>	<u>17,228,790</u>
Issue of units: 1,233,699 (2013: 692,327) units	<u>124,000,000</u>	<u>69,500,000</u>
Issue of bonus units: 233,139 (2013: 143,552) units	<u>23,315,062</u>	<u>14,361,626</u>
Redemption of units: 59,898 (2013: 39,742) units	<u>6,000,000</u>	<u>4,000,000</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration to the Trustee	<u>6,696,529</u>	<u>7,338,022</u>
Directors, Chief Executives and their Spouse and Minors		
Issue of units: 9,228,270 (2013: 45,336,549) units	<u>924,071,798</u>	<u>4,559,797,194</u>
Issue of bonus units: 1,975,048 (2013: 219,689) units	<u>197,514,575</u>	<u>21,980,666</u>
Redemption: 40,932,829 (2013: 3,487,001) units	<u>4,105,044,659</u>	<u>350,925,273</u>
Key Management Personnel, Employees and Connected Persons of the Management Company		
Issue of units: 19,112,346 (2013: 27,869,621) units	<u>1,915,893,818</u>	<u>2,802,850,962</u>
Issue of bonus units: 483,752 (2013: 65,076) units	<u>48,378,016</u>	<u>6,509,422</u>
Redemption of units: 32,687,992 (2013: 1,022,955) units	<u>3,276,783,193</u>	<u>102,734,453</u>
Holding Company of the Management Company		
Siza Services (Private) Limited		
Issue of units: 3,338,009 (2013: 1,375,379) units	<u>335,000,000</u>	<u>138,200,000</u>
Issue of bonus units: 178,916 (2013: 173,177) units	<u>17,892,551</u>	<u>17,329,221</u>
Redemption of units: 1,300,132 (2013: 3,803,425) units	<u>130,700,000</u>	<u>382,620,000</u>
Related parties of the Management Company		
Siza (Private) Limited		
Issue of units: 4,115,017 (2013: 2,381,036) units	<u>413,100,000</u>	<u>239,204,769</u>
Issue of bonus units: 383,994 (2013: 1,643,160) units	<u>38,401,485</u>	<u>164,403,262</u>
Redemption of units: 2,964,990 (2013: 19,054,993) units	<u>297,500,000</u>	<u>1,913,026,413</u>

*Sales tax and FED is paid / payable to the Management Company for onwards payment to the Government.

	2014	2013
Accuracy Surgical Limited - Employees		(Rupees)
Contributory Provident Fund Trust		
Issue of bonus units: Nil (2013: 5,547) units	-	555,109
Redemption of units: Nil (2013: 93,432) units	-	9,434,198
Hasanali Karabhai Foundation		
Issue of units: 1,483,320 (2013: 647,643) units	149,145,000	65,130,000
Issue of bonus units: 26,525 (2013: 11,901) units	2,652,619	1,190,718
Redemption of units: 816,185 (2013: 44,841) units	81,762,203	4,500,000
Lakson Business Solutions Limited Employees		
Contributory Provident Fund Trust		
Issue of bonus units: Nil (2013: 53) units	-	5,306
Redemption of units: Nil (2013: 899) units	-	90,180
Century Paper & Board Mills Limited Employees		
Contributory Provident Fund Trust		
Issue of units: Nil (2013: 112,592) units	-	11,269,035
Issue of bonus units: Nil (2013: 6,689) units	-	669,358
Redemption of units: Nil (2013: 226,020) units	-	22,645,568
Century Insurance Company Limited		
Issue of units: 1,284,675 (2013: 698,801) units	129,000,000	70,118,815
Issue of bonus units: 189,564 (2013: 265,103) units	18,957,530	26,524,928
Redemption of units: 2,641,450 (2013: 1,682,971) units	265,037,780	168,955,425
Premier Fashions (Private) Limited		
Issue of units: 1,869,344 (2013: 1,661,655) units	187,500,000	166,950,000
Issue of bonus units: 49,581 (2013: 191,639) units	4,958,292	19,174,869
Redemption of units: 881,247 (2013: 4,024,907) units	88,500,000	404,600,000
Century Enterprises (Private) Limited		
Issue of bonus units: 1,849 (2013: 1,773) units	184,874	177,414
Colgate Palmolive (Pakistan) Limited		
Issue of units: 11,981,033 (2013: 11,956,350) units	1,200,000,000	1,200,000,000
Issue of bonus units: 703,417 (2013: 446,036) units	70,345,470	44,624,679
Redemption of units: 5,732,776 (2013: 9,198,445) units	575,000,000	925,000,000
Clover Pakistan Limited		
Issue of units: 3,086,867 (2013: 3,878,485) units	308,761,354	390,000,000
Issue of bonus units: 259,525 (2013: 290,793) units	25,953,890	29,094,679
Redemption of units: 3,639,652 (2013: 4,911,480) units	364,383,380	494,061,072
Lakson Power Limited		
Issue of bonus units: 347 (2013: 358) units	34,711	35,819
Redemption of units: 299 (2013: 149) units	30,000	15,000

	2014	2013
	(Rupees)	
Siza Commodities (Private) Limited		
Issue of units: 1,813,145 (2013: 20,988,868) units	<u>182,000,000</u>	<u>2,113,350,000</u>
Issue of bonus units: 45,744 (2013: 1,519,485) units	<u>4,574,644</u>	<u>152,046,780</u>
Redemption of units: 1,115,347 (2012: 22,852,771) units	<u>112,000,000</u>	<u>2,294,621,109</u>
Baluchistan Polyproducts (Private) Limited		
Issue of units: 42,852 (2013: 31,888) units	<u>4,300,000</u>	<u>3,200,000</u>
Issue of bonus units: 7,477 (2013: 5,262) units	<u>747,743</u>	<u>526,561</u>
Redemption of units: 24,871 (2013: Nil) units	<u>2,500,000</u>	<u>-</u>
Others - Connected Person due to holding more than 10% in the units of the Fund)		
Profit on Bank Deposits	<u>4,971,441</u>	<u>1,726,251</u>
Bank Charges	<u>168,614</u>	<u>102,250</u>
Issue of units: 4,950,651 (2013: Nil) units	<u>496,000,000</u>	<u>-</u>
Issue of bonus units: 654,896 (2013: Nil) units	<u>65,493,160</u>	<u>-</u>
Redemption of units: 7,119,512 (2013: Nil) units	<u>713,098,441</u>	<u>-</u>

20. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Fund has exposure to following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

This disclosure presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

Risk management framework

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund.

20.1 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. At the year-end it arises principally from bank balances and mark-up / return recoverable, etc.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations and guidelines given by SECP from time to time.

Credit risk is managed and controlled by the management company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analysing credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with minimum long term credit rating of AA.

Exposure to credit risk

In summary, compared to the maximum amount included in Statement of Assets and Liabilities, the maximum exposure to credit risk at year end was as follows:

Note	June 30, 2014		June 30, 2013		
	Statement of Assets and Liabilities	Maximum exposure	Statement of Assets and Liabilities	Maximum exposure	
	----- (Rupees) -----		----- (Rupees) -----		
Bank balances including profit receivables	4 & 6	4,929,245,150	4,929,245,150	7,949,715,976	7,949,715,976
Investments including profit receivables	5 & 7	1,228,823,797	-	2,528,804,562	-
Letter of Placements and certificates of investments including profit receivables	6 & 7	1,414,173,562	1,414,173,562	-	-
		<u>7,572,242,509</u>	<u>6,343,418,712</u>	<u>10,478,520,538</u>	<u>7,949,715,976</u>

Difference in the balances as per the Statement of Assets and Liabilities and maximum exposure in investments is due to the fact that investments (including mark-up thereon of Rs 42.112 million) of Rs. 1,229.8 million relates to investments in Government Securities which are not considered to carry credit risk.

Past due / impaired assets

None of the financial assets of the Fund are past due or impaired as at year end.

Credit ratings and Collaterals

Credit risk arising from bank balances is mitigated through deposit held with banks which

are rated AA or above. The Fund is required to follow the guidelines / restrictions imposed in its offering document and the SECP in respect of the minimum ratings prior to any investment.

Details of the credit ratings (entites' credit rating) of investments, (other than Government securities) and bank balances including term deposits receipts as at year end are as follows:

Ratings	2014	2013
AAA	44.39	21.75
AA+	12.91	49.73
AA	42.70	28.52
Total	100.0	100.0

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS on period end dates. The bank balances are unsecured.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Around 19.27% (2013: 24.13%) of the Fund's financial assets are in Government securities which are not exposed to the credit risk, while the remaining portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk. The Fund's concentration of credit risk of financial assets by industrial distribution are with Central bank and Commercial banks.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in Government securities, marketable debt securities and other financial instruments having remaining maturity less than 6 months, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement.

The Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of total assets at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

In order to manage the Fund's overall liquidity, the Fund also has the option to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, during the year no such option was exercised or considered necessary.

Maturity analysis for financial liabilities

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date and represents the undiscounted cash flows.

	Carrying amount	Less than 1 month	Within 3 months	Total
	(Rupees)			
30 June 2014				
Non-derivative liabilities				
Remuneration payable to the Management Company (excluding the Sindh Sales Tax and Federal Excise Duty)	6,411,721	6,411,721	-	6,411,721
Remuneration payable to the Trustee	517,605	517,605	-	517,605
Annual fee payable to Securities and Exchange Commission of Pakistan	5,946,531	-	5,946,531	5,946,531
Accrued expenses and other liabilities (excluding WWF)	354,094	354,094	-	354,094
	<u>13,229,951</u>	<u>7,283,420</u>	<u>5,946,531</u>	<u>13,229,951</u>
Unit Holders' Fund	<u>7,490,246,168</u>	<u>*7,490,246,168</u>	-	-
30 June 2013				
Non-derivative liabilities				
Remuneration payable to the Management Company (excluding the Sindh Sales Tax and Federal Excise Duty)	8,246,601	8,246,601	-	8,246,601
Remuneration payable to the Trustee	556,440	556,440	-	556,440
Annual fee payable to Securities and Exchange Commission of Pakistan	6,261,586	-	6,261,586	6,261,586
Accrued expenses and other liabilities (excluding WWF)	329,791	329,791	-	329,791
	<u>15,394,418</u>	<u>9,132,832</u>	<u>6,261,586</u>	<u>15,394,418</u>
Unit Holders' Fund	<u>10,423,441,276</u>	<u>*10,423,441,276</u>	-	-

Above financial liabilities do not carry any mark-up.

* Payable on demand

20.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will effect the Fund's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risks

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

The Fund is exposed to interest rate risk only.

20.3.1 Interest rate risk

20.3.1.1 Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently the Funds interest rate exposure arises on investment in Government Securities, Term Deposits with banks, bank balances in profit and loss sharing accounts and placement with and certificate of investments of financial institutions. Currently all of the Fund's investment carry fixed interest rates. The Management Company monitors the interest rate environment on a regular basis and may change the mix of its portfolio to enhance the earning potential of the Fund subject to the above defined guidelines. Other risk management procedures are the same as those mentioned in the credit risk management.

20.3.1.2 Details of the interest rate profile of the Fund's interest bearing financial assets were as follows:

		2014	2013
		(Rupees)	
Fixed rate instruments			
Financial assets			
Investments in Government Market			
Treasury Bills	5.1	158,144,872	2,528,804,562
Investments in Government Pakistan			
Investment Bond	5.2	1,028,566,661	-
Bank balances	4.1	104,126,240	7,899,404,000
Letter of Placement	6.1	790,000,000	-
Certificate of Investment	6.2	600,000,000	-
		<u>2,680,837,773</u>	<u>10,428,208,562</u>

None of the financial liabilities carry any interest rate. In addition, none of the financial assets bear variable interest rate.

Fair value sensitivity analysis for fixed rate instruments

Interest bearing Government securities are held by the Fund at fair value through profit and loss account (held for trading) exposes the Fund to the fair value risk. In case of 100 basis points decrease / increase in yield rates of the above Government Securities during

the year, the net assets of the Fund would have been lower / higher by Rs. 2.3 million (2013: Rs. 1.8 million) with consequential effect on net income for the year.

Other balances are not carried at fair value through profit and loss. Therefore a change in interest rate during the year would not effect the income statement and unit holder's fund.

20.3.1.3 A summary of the Fund's interest rate gap position, categorised by the earlier of contractual re-pricing or maturity date is as follows:

30 June 2014	Mark-up/ profit rate (%)	Less than one month	One to three month	Two to five months	Total
		----- (Rupees) -----			
Financial assets					
Bank balances	7.00 to 11.83	104,126,240	-	-	104,126,240
Investments	10.01 to 11.25	1,028,566,661	-	158,144,872	1,186,711,533
Letter of placements	10.00	600,000,000			600,000,000
Certificate of investments	10.25		790,000,000		790,000,000
Total assets		1,732,692,901	790,000,000	158,144,872	2,680,837,773
30 June 2013					
Financial assets					
Bank balances	6.00 to 9.25	7,899,404,000	-	-	7,899,404,000
Investments	9.00 to 9.62	2,395,727,980	133,076,582	-	2,528,804,562
Total assets		10,295,131,980	133,076,582	-	10,428,208,562

None of the Fund's financial liability is exposed to interest rate risk.

Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors of the Management Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;

- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

20.4 Unit Holders' Fund risk management

Management's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders' and to ensure reasonable safety of unit holders' funds.

The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units and with effect from 1 July 2012 the Fund is subject to maintain minimum fund size of 100 million at all times.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund's accounting policy on fair value measurements of the investments is discussed in note 3.1 to these financial statements.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

30 June 2014	Level 2	Level 3	Total
	----- (Rupees) -----		
Financial assets at fair value through profit and loss (held for trading)			
Government market treasury bills	1,186,711,533	-	1,186,711,533
Letter of Placement and Certificate of Investment	-	1,390,000,000	1,390,000,000
	<u>1,186,711,533</u>	<u>1,390,000,000</u>	<u>2,576,711,533</u>

30 June 2013

Financial assets at fair value through profit and loss (held for trading)

Government market treasury bills	<u>2,528,804,562</u>	<u>-</u>	<u>2,528,804,562</u>
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22. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top brokers, members of the Investment Committee, Fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company are as follows:

22.1 Unit holding pattern of the Fund	June 30, 2014		
	No of Investors	Investment amount (Rupees)	% of total net assets
Category			
Individuals	66	33,168,695	0.51
Associated Companies and Directors	35	4,840,078,546	73.87
Insurance Companies	4	195,320,474	2.98
Banks and DFIs	3	1,068,051,838	16.30
NBFCs	1	352,636,437	5.38
Retirement Funds	3	62,944,209	0.96
Public Limited Companies	10	938,045,969	14.32
	122	7,490,246,168	114.32

Category	June 30, 2013		
Individuals	65	29,845,623	0.29
Associated Companies and Directors	40	8,113,929,929	77.84
Insurance Companies	4	48,417,929	0.46
Banks and DFIs	2	1,001,642,819	9.61
NBFCs	1	213,022,809	2.04
Retirement Funds	1	1,021,302	0.02
Public Limited Companies	16	1,015,560,865	9.74
	129	10,423,441,276	100.00

22.2 List of brokers by percentage of commission paid	Commission paid (Percentage %)	
	2014	2013
Name of broker		
- Arif Habib Limited	2.58	-
- BMA Capital Management Limited	0.08	5.30
- C&M Management (Pvt.) Limited	0.07	-
- First Capital Securities Corporation Limited	0.03	1.79
- Global Securities Pakistan Limited	11.26	4.71
- Icon Securities (Pvt) Limited	10.17	7.91
- Invest & Finance Securities Limited	19.91	32.60
- Invest Capital Investment Bank Limited	2.81	-
- Invest One Markets Limited	5.85	6.45
- JS Global Capital Limited	7.35	3.71
- KASB Securities Limited	7.28	19.22
- Optimus Capital Management Limited	21.77	4.22
- Pearl Securities Limited	3.18	-
- Vector Capital (Private) Limited	7.66	14.09
	100.00	100.00

22.3 Particulars of the Investment Committee and Fund manager

Following are the members of the investment committee of the Fund:

- Mr. Babar Ali Lakhani (Chairman Investment Committee)
- Syed Muhammad Zeeshan
- Mr. Khurram Shahzad
- Mr. Mustafa O. Pasha

- Mr. Saifullah Kazmi
- Mr. Farhan Bashir
- Syed Imran Raza Kazmi
- Ms. Maryam Hidayatallah

Mr. Babar Ali Lakhani - Chief Executive Officer

Mr. Lakhani has over 14 years of investment and portfolio management experience in domestic and international equity and fixed income markets. Mr. Lakhani most recently served as the Chief Investment Officer of Century Insurance, a Public Limited Company listed on the Karachi and Lahore Stock Exchanges. He was an Investment Associate at High Street Advisors and a Research Analyst at Credit Suisse Equity Group (formerly Credit Suisse

First Boston). Mr. Lakhani brings extensive investment experience, globally practiced portfolio management discipline, and a comprehensive understanding of the global asset management industry to Lakson Investments Limited.

Mr. Lakhani received his BA in Finance from Bentley College, and his MBA from Brandeis University. He is the chairman of Tritex Cotton Mills Limited, a board member of the Mutual Fund Association of Pakistan (MUFAP), a member of the GARP (Global Association of Risk Professionals), the Society of Financial Service Professionals and the Young President's Organization (YPO). Mr. Lakhani is a member of the Alumni Trustee Committee of Brandeis University and is the school's representative in Pakistan.

Mr. Lakhani was looking after Lakson Asset Allocation Emerging Market Fund and Lakson Asset Allocation Global Commodities Fund. Subsequently, Mr. Umair and Mr. Pasha have designated to manage the Lakson Asset Allocation Emerging Market Fund and Lakson Asset Allocation Global Commodities Fund respectively.

Syed Muhammad Zeeshan - Chief Financial Officer and Company Secretary

Mr. Zeeshan currently holds positions of Chief Financial Officer (CFO) and Company Secretary in Lakson Investments Limited. He is a qualified Cost and Management Accountant (ACMA) from Institute of Cost and Management Accountants of Pakistan (ICMAP) and is also CA (Finalist) from the Institute of Chartered Accountants of Pakistan (ICAP).

Prior to joining Lakson Investments Limited, he has also worked as Chief Financial Officer/ Company Secretary at IGI Funds Limited (subsequently merged in Alfalah GHP Investment Management Limited in October 2013).

He has also worked at various senior positions at UBL Fund Managers Limited and National Investment Trust Limited. His total professional experience in mutual fund industry is more than thirteen years. In addition to this, he was also associated with M/s Ernst & Young Ford, Rhodes, Sidat Hyder & Co. Chartered Accountants, for more than four years as audit supervisor conducting audits of various commercial banks, insurance, FMCGs and other MNC corporations.

Mr. Khurram Schehzad - Chief Investment Officer

Mr. Schehzad has been associated with the financial markets since 2005, serving in the capacity of Investment Research, Corporate Finance Advisory and Discretionary / Non-Discretionary Funds Advisory & Management.

Before joining LI, he previously served as Vice President at Arif Habib Group, overseeing equity brokerage as well as group research (local & foreign), extending coverage from equities to commodities, real estate, manufacturing (cements, fertilizers, steel, energy and dairies) in direct coordination with the group chair. Prior to Arif Habib Group, Khurram held the position as Head of Research for Invest Capital Markets Limited, alongside managing a discretionary / non-discretionary portfolio of Equities / Fixed Income for institutional clients.

He has recently been appointed by the Government of Pakistan as the youngest Member of the Board of the Privatization Commission of Pakistan (PC), for the purpose of restructuring / overhauling / turnaround / privatization of the state-owned entities (SOEs).

Mr. Schehzad is also one of the youngest Executive Committee Members of the Federal Board of Investment (BoI), striving for a valuable contribution to country's overall investment policy making. Mr. Schehzad was consistently ranked as one of the Top Analysts in Pakistan (ranked by CFA Pakistan) for 2008-09, 2009-10 and 2011-12, based on quality research, spot-on accuracy, client service quality and investment value creation. He also received extensive credits by the ASIAMONEY for valuable research in relation to the Best Debt House 2010 award given by the ranking journal to the company.

Mr. Schehzad is an MBA in Finance with distinction of 'Gold Medallist' (Summa cum Laude), and is a finalist for the CFA Charter-holder professional certification while he plans for PhD in Financial Economics.

Mr. Mustafa O. Pasha

Mr. Mustafa O. Pasha has six years experience in the asset management and investment advisory industry. He was previously associated with BMA Funds where he initially served as a fixed income analyst and later became the in house economist for the entire Between 2009 - 2012 he supervised Rs. 7.25 bn in fixed income/money market investments across all mutual funds and institutional/HNW accounts advised by BMA As a fund manager he was responsible for formulating the investment outlook, implementing strategy through portfolio construction, asset allocation, analysing credit/interest rate risk and generating out performance against contracted benchmarks. At Lakson Investments he manages the domestic fixed income and money markets funds and is a member of the Investment Committee.

Mr. Pasha did his Bachelors in Economics from McGill University (Montreal, Canada) in 2006 and qualified as a CFA charter holder in 2012.

Mr. Saifullah Kazmi

Mr. Kazmi has 08 years experience of management portfolios for various companies. He started his career in 2006 with Faysal Bank Limited, as Equity Dealer for the bank's Treasury. He progressed onto managing Equity and Fixed income funds at IGI Funds Limit in 2008, which merged into Alfalah GHP Investment Management Limited in 2013. During his tenure, he was responsible for strategy creation and portfolio management of mutual funds and specially maintained accounts for HNWs. Mr Kazmi joined Lakson Investments Limited in mid 2014, fulfilling the need for a seasoned equity fund manager for the various portfolios.

Mr. Kazmi has a BA (hons) in Business Management from Kingston Business School, Kingston University in Surrey, United Kingdom.

Mr. Farhan Bashir Khan - Deputy Head of Research

Mr. Farhan has 08 years of experience in financial and economic research. Before joining Lakson Investments Limited in June 2014, Mr. Farhan was associated with NIB Bank under its Treasury & Capital Markets Group, working as an economist for the bank while also managing the capital market desk. He was a member of Treasury's Investment Committee and a regular participant of bank's ALCO committee, providing research input on fixed income portfolio strategy. He was also shortly associated with Gul Ahmed Group, providing research and advisory services on group investments. During his career, he has worked as an analyst at various brokerage houses including IGI and InvestCapital.

Mr. Farhan has a MBA in Finance from Bahria University, Karachi and is currently pursuing CFA, having cleared level 1.

Syed Imran Raza Kazmi - Assistant Fund Manager

Mr. Imran Kazmi has over 8 years of Experience in Fixed Income Market. He was previously affiliated with Alfalah GHP Investment Management Limited as Assistant Manager – Fixed Income where he managed Income fund & Cash fund with the fund size of PKR 4.5 billion. He has also worked with IGI Finex Securities Ltd (Formerly; Finex Securities Ltd.) for 2.5 years as Money Market Dealer.

During his entire career, He attended different Seminars and workshop organized by FMA to enhance the market knowledge and to improve market skills. He is the Member of Financial Market Association of Pakistan.

Mr. Kazmi holds a MBA in Finance from PAF-Karachi Institute of Economics & Technology, Karachi.

Ms. Maryam Hidayatallah - Deputy Manager Risk and Compliance

Miss. Maryam Hidayatallah has over 18 months of experience in the asset management industry.

Before joining Lakson Investments Limited she previously worked as Finance and Audit Executive at Ernst and Young Ford Rhodes Sidat Hyder and Company, Chartered Accountants at Karachi, Bahrain and UAE Offices in Business Risk Services and Audit and Assurance Business Services for 9 years which includes 4 years of article ship. During the given period she has conducted the audits, due diligence and risk and compliance assignments of various asset management companies, oil and gas companies, commercial banks and service sector entities.

Miss Maryam is a Certified Associate Member of Institute for Internal Controls USA, Institute of Internal Auditors and Pakistan Institute of Public Finance Accountants.

Miss Maryam's professional qualification include CA finalist from Institute of Chartered Accountants of Pakistan and MA (Economics) from University of Karachi.

22.4 Directors meeting attendance

Information in respect of attendance by Directors in the meeting is given below:

Name of directors	Meeting Attended	July 8, 2013	August 30, 2013	October 28, 2013	February 11, 2014	April 25, 2014	June 25, 2014
Mr. Iqbal Ali Lakhani	5	X	✓	✓	✓	✓	✓
Mr. Babar Ali Lakhani	6	✓	✓	✓	✓	✓	✓
Mr. Amin Mohammed Lakhani	2	X	✓	✓	X	X	X
Mr. A. Aziz H. Ebrahim	5	✓	✓	✓	✓	✓	X
Mr. Mahomed J. Jaffer	6	✓	✓	✓	✓	✓	✓
Mr. Sher Afgan Malik	5	✓	✓	✓	✓	X	✓
Mr. Daniel Scott Smaller	6	✓	✓	✓	✓	✓	✓
Mr. Zahid Zakiuddin	3	X	✓	✓	✓	X	X
		5	8	8	7	5	5

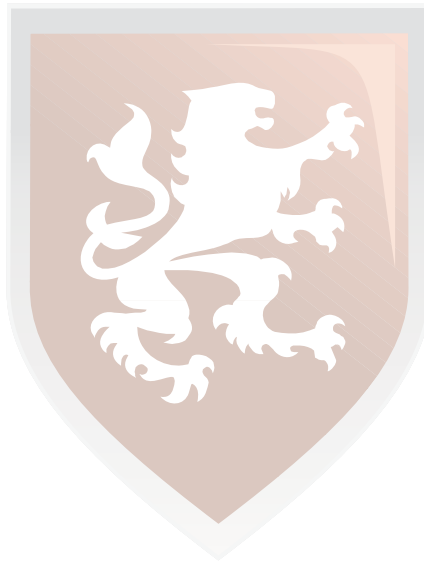
22.6 Rating of the Fund and the management company

PACRA Rating	Management Quality Rating	Stability Rating
Lakson Investments Limited (Management Company)	AM3+	-
Lakson Money Market Fund	-	*AA(f)

*The above rating has been obtained on 5 March 2014.

23. GENERAL

These financial statements were authorized for issue by Board of Directors of the Management Company on August 18, 2014.



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

 Chief Executive Officer

 Director

Performance Table

Performance Table	FY14	FY13	FY12	FY11	FY10	Performance Table	FY14	FY13	FY12	FY11	FY10
Net Assets - Beginning (PKR Mil.)	10,423	6,876	4,155	3,003	872	1st Interim Distribution	0.5783	0.8030	0.9112	2.4880	1.2875
Net Assets - Ending (PKR Mil.)	7,490	10,423	6,876	4,155	3,003	NAV before Distribution	100.5903	100.8040	100.9115	102.6190	101.3552
Net Asset value per share	100.1170	100.7055	100.8703	101.0097	102.7909	NAV after Distribution	100.0120	100.0010	100.0003	100.1310	100.0677
Selling Price for units	100.1170	100.7055	100.8703	101.0097	102.7909	Distribution Date	29-Jul-13	30-Jul-12	01-Aug-11	04-Oct-10	05-Jan-10
Repurchase Price for units	100.1170	100.7055	100.8703	101.0097	102.7909	2nd Interim Distribution	0.5565	0.8731	0.9391	2.8270	2.4333
Highest Offer Price (PKR)	101.1451	100.9823	101.1143	102.9162	102.7653	NAV before Distribution	100.5658	101.0086	100.9758	102.8271	102.7037
Lowest Offer Price (PKR)	100.0039	100.0202	100.0264	100.0325	100.0530	NAV after Distribution	100.0093	100.1355	100.0367	100.0001	100.2704
Highest Redemption Price (PKR)	101.1451	100.9823	101.1143	102.9162	102.7653	Distribution Date	28-Aug-13	31-Aug-12	29-Aug-12	31-Dec-10	02-Apr-10
Lowest Redemption Price (PKR)	100.0039	100.0202	100.0264	100.0325	100.0530	3rd Interim Distribution	0.5197	0.6993	0.9619	2.9383	
Beginning NAV - Ex-Div. (PKR)	100.0029	100.0001	100.0001	100.0000	100.0000	NAV before Distribution	100.5235	100.7865	100.9968	102.9438	
Interim Distributions (PKR)	6.875	7.7256	9.8150	10.1776	3.7208	NAV after Distribution	100.0038	100.0872	100.0349	100.0055	
Final Distribution (PKR)	0.6561	0.7026	0.8702	1.0096	2.7909	Distribution Date	25-Sep-13	26-Sep-12	28-Sep-11	30-Mar-11	
Ending NAV - Ex-Div. (PKR)	100.0001	100.0029	100.0001	100.0001	100.0000	4th Interim Distribution	0.5414	0.6676	0.9043	0.9598	
Return	7.90%	8.76%	11.19%	11.69%	10.79%	NAV before Distribution	100.5454	100.7865	101.1469	100.9829	
Net Income (PKR Mil.)	594	716	610	411	148	NAV after Distribution	100.0040	100.1358	100.2426	100.0231	
Total Distribution	659	702	592	451	67	Distribution Date	23-Oct-13	24-Oct-12	28-Oct-11	29-Apr-11	
Accumulated Capital Growth	8	73	59	42	81	5th Interim Distribution	0.6546	0.7960	0.9340	0.9645	
WAM (Days)	34	9	33	70	70	NAV before Distribution	100.6586	100.9081	101.0794	100.9646	
Average Annual return of the Fund						NAV after Distribution	100.0040	100.1121	100.1454	100.0001	
One Year	7.92%	8.76%	11.19%	11.69%	10.58%	Distribution Date	26-Nov-13	28-Nov-12	28-Nov-11	30-May-11	
Two Year	8.69%	10.47%	12.09%	11.74%	-	6th Interim Distribution	0.6039	0.6541	0.9352		
Three Year	10.17%	11.69%	12.35%	-	-	NAV before Distribution	100.6134	100.7060	100.9780		
Since inception (November 13, 2009)	11.07%	12.14%	12.35%	11.74%	10.58%	NAV after Distribution	100.0095	100.0519	100.0428		
						Distribution Date	25-Dec-13	27-Dec-12	30-Dec-11		
						7th Interim Distribution	0.7497	0.7428	0.9335		
						NAV before Distribution	100.7535	100.7769	100.9851		
						NAV after Distribution	100.0038	100.0341	100.0516		
						Distribution Date	28-Jan-14	29-Jan-13	31-Jan-12		
						8th Interim Distribution	0.6397	0.6291	0.7503		
						NAV before Distribution	100.6510	100.6292	100.7504		
						NAV after Distribution	100.0113	100.0001	100.0001		
						Distribution Date	25-Feb-14	28-Feb-13	27-Feb-12		
						9th Interim Distribution	0.6040	0.5453	0.8350		
						NAV before Distribution	100.6079	100.5454	100.8351		
						NAV after Distribution	100.0039	100.0001	100.0001		
						Distribution Date	25-Mar-14	27-Mar-13	29-Mar-12		
						10th Interim Distribution	0.6549	0.6886	0.7990		
						NAV before Distribution	100.6588	100.7227	100.7991		
						NAV after Distribution	100.0039	100.0341	100.0001		
						Distribution Date	23-Apr-14	29-Apr-13	27-Apr-12		
						11th Interim Distribution	0.7725	0.6267	0.9115		
						NAV before Distribution	100.7764	100.6268	100.9116		
						NAV after Distribution	100.0039	100.0001	100.0001		
						Distribution Date	27-May-14	29-May-13	30-May-12		
						12th Interim Distribution	0.6561	-	-	1.0096	2.7909
						Final Distribution	100.6562	0.7026	0.8702	1.0096	2.7909
						NAV before Distribution	100.0001	100.7055	100.8703	101.0097	102.7909
						NAV after Distribution	100.0001	100.0029	100.0001	100.0001	100.0000
						Distribution Date	24-Jun-14	08-Jul-13	05-Jul-12	04-Jul-11	06-Jul-10

Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.



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