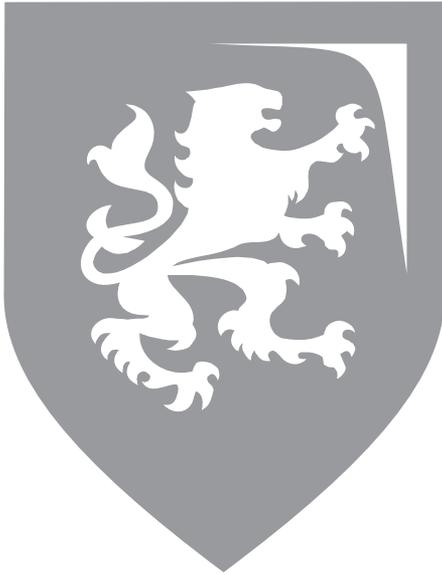


LAKSON INCOME FUND

Half Yearly Report (December 31, 2013)



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Fund's Information

Management Company

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

Board of Directors of the Management Company

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

Chief Financial Officer & Company Secretary of the Management Company

Mr. Amir Mobin

Audit Committee

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

Human Resource and Remuneration Committee

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

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S,
Main Shahra-e-Faisal,
Karachi, Pakistan.

Auditors

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
NIB Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Tameer Microfinance Bank Limited
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

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

Review Report of the Directors of the Management Company For the half year ended December 31, 2013

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Income Fund ("LIF") is pleased to submit its review report together with Condensed Interim Financial Statements for the half year ended December 31, 2013.

Fund Objective

The investment objective of the Scheme is to provide competitive total returns through investment in a diversified portfolio of fixed income securities. The Scheme shall invest in various fixed income securities with a mix of short term, medium term, and longer term maturities depending on the assessment by the Management Company of interest rate trends and prospective returns.

Fund Profile

LIF is an open end income fund which invests in Investment-grade Debt Securities, Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts, and other fixed income instruments. The overall duration of the portfolio is kept below 4 years while at least 25% of Net Assets are kept in the form of cash or Treasury Bills of maximum 90 days maturity. LIF is managed through a team-driven, top-down process utilizing active sector rotation, duration and yield curve management. Economic conditions are constantly monitored to forecast interest rate changes. The added value for LIF comes from identifying opportunities to shift investments between various maturities and between different instruments. LIF is allowed to borrow up to 15% of Net Assets to meet redemptions however LIF did not utilize this facility during the period under review.

Fund performance

The LIF yielded an annualized return of 7.15% in the first half year of FY14 compared to the Benchmark (average return of all income funds) return of 7.17% p.a. The LIF underperformed the average income fund by 2bps. As of December 31, 2013, the LIF portfolio is invested 14% in T-Bills, 30% in TDRs, 25% in TFCs, 6% in Sukuks, 10% in COIs and 15% in Bank Deposits while the weighted average maturity of the LIF portfolio stands at 754 days. The Standard Deviation, a measure of the volatility of the fund's performance, of monthly returns of the LIF since inception is just 2.16% compared to 3.66% for the Benchmark. The fund size of the LIF as of December 31, 2013 is PKR 986 million.

Income Distribution

The Chief Executive Officer of the management company under the authority of the Board of Directors has announced interim distributions of PKR 3.2491 per unit (3.2491% of face value of PKR 100/-) during the half year ended December 31, 2013 amounting to PKR 43.43 million (PKR 43.42 million of Bonus distribution and PKR 0.01 million of cash distribution).

Earning per Unit (EPU)

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

Economic Review

During the 1HFY14, government has taken steps to address the fiscal imbalances and structural issues in the energy sector. We expect that as the structural reforms take hold, bottlenecks will be removed, growth will accelerate, and vulnerabilities will recede. For the first time in history, Pakistan published its quarterly national accounts whereby GDP registered a growth of 5.0% during the first quarter of FY14. The GDP growth was supported by industrial and services sectors which grew by 5.2% and 5.7% respectively, while the agricultural sector lagged behind and posted a growth of 2.5%. The Large Scale Manufacturing ("LSM") sector was the largest contributor to the industrial sector with a growth of 8.4% in the 1QFY14. In the LSM sector Fertilizer and Paper & Board were the leaders with a growth of 44.6% and 19.6% respectively.

The 1QFY14 fiscal data shows that the government has managed to contain the fiscal deficit to 1.1% of GDP or PKR 287 billion. This is lower than the average deficit of 1.4% during the first quarter of the last four years. The 1QFY14 fiscal deficit was also considerably lower than its ceiling of PKR 419 billion set under the IMF program. Both the increase in total revenues and cut in expenditures have helped in keeping the deficit low. A positive development, however, is that tax revenues grew sharply by 19.0% in the 1QFY14 compared to 10.3% in the corresponding period of last year. This growth is still lower than the required growth of 27.8% to achieve the annual budget target. On the expenditure side, current expenditures were largely contained in the 1QFY14. They grew by only 5% compared to 28.1% growth in the corresponding period of last year.

A positive development has been the accelerated growth in private sector credit. Private sector has borrowed PKR 170 billion during July-November FY14, out of which Private Sector Businesses (PSBs) availed PKR 161 billion. This was the result of reasonable credit up take by businesses (textiles, energy, commerce and trade) as well as consumers. Encouragingly, a sizeable credit was availed for fixed investments, especially by energy, textile, cement, and sugar sectors.

The headline inflation, as measured by the Consumer Price Index ("CPI"), increased significantly during the 1HFY14, with year-on-year inflation increasing from a low of 5.1% in May 2013 to 10.9% in November 2013 before receding slightly to 9.2% in December 2013. Both food and non-food groups of the CPI basket contributed in the increase of headline inflation. The food inflation was largely contributed by price movements in perishable food items mainly due to disruptions in supply chain, while non-food inflation picked up on account of fiscal measures. In line with the accelerating inflation, the State Bank of Pakistan ("SBP") increased the discount rate by 100 bps during the 1HFY14 to 10.00%. The SBP cited increased inflationary pressures coupled with weak external flows as key reasons behind the hike in discount rate. Moreover, the SBP highlighted that inflation would remain at an elevated level (10.5% to 11.0%) for the full fiscal year.

The external account position remained vulnerable and deteriorated further in the 1HFY14. Weak financial inflows together with high debt repayments were the major source of stress on external accounts. The total net capital and financial account flows were higher than last year but fell short of expectations and remained lower than what is required to finance the external current account deficit. The current account deficit for the 1HFY14 stood at USD 1,589 million compared to a deficit of USD 83 million during the same period of the last year. Trade deficit increased by 22.4% to USD 9,735 million during the period as imports increased by 1.4% YoY while exports declined by 8.8% YoY. The remittances increased by 9.5% YoY to USD 7,790 million. The foreign exchange reserves of the country declined by USD 2,708 million during the 1HFY14 while the reserves held by the SBP declined by USD 2,531 million. As a result of weak external account position and declining reserves, Pak Rupee depreciated by 5.7% during the 1HFY14 against US Dollar.

Fixed Income Market Review

The monetary easing cycle which started in the 1QFY12 came to an end in the 1HFY14 when the State Bank of Pakistan ("SBP") increased the discount rate by 100bps to 10.0%. Inflation accelerated substantially in the 1HFY14 and averaged at 8.89% compared to 8.32% in the same period last year. Higher discount rate and the tighter liquidity in the money market pushed the yield curve higher. Yields on the 3, 6 and 12-month Treasury Bills ("T-Bills") increased by 118, 123 and 128 basis points respectively. Pakistan Investment Bonds ("PIBs") witnessed a higher increase in yields compared to T-Bills as the yields on 3, 5 and 10-year PIBs increased by 240, 233 and 182 basis points respectively. The money market witnessed a mixed trend in liquidity situation during the 1HFY14 whereby the SBP had to intervene frequently through Open Market Operations ("OMOs") to normalize the liquidity situation. The SBP injected an average of PKR 113 billion in 10 OMOs during the 1HFY14 while it mopped-up an average of PKR 74 billion in 30 OMOs during the same period.

The government targeted to raise PKR 3.7 trillion during the 1HFY14 through T-Bills auctions against maturities totaling PKR 3.5 trillion. However, the government could not meet its target and raised PKR 3.62 trillion as the investors awaited greater clarity on the trajectory of monetary policy in the context of the IMF program. Investor participation in the T-Bill auctions remained neutral with bid-

to-cover ratio for the period coming in at 1.04x. Bids for the 3-month T-Bills comprised 93% of total bids received indicating a strong preference for the short tenor instruments as the SBP increased the discount rate by 100bps during the 1HFY14. The government raised PKR 164 billion through PIB auctions against a target of PKR 300 billion and maturities of PKR 152 billion. Participation in PIB auctions remained weak during the July-October period but recovered significantly in November and December auctions, bringing cumulative bid-to-cover ratio to 1.00x.

Deposits of scheduled banks increased by 2.91% during the 1HFY14 to PKR 7,529 billion compared to 4.37% growth witnessed in the same period last year. Net Domestic Assets of the banking system increased by 8.16% during the period compared to 7.25% last year, driven by significant government borrowing from the SBP. During the 1HFY14, government had borrowed PKR 612 billion from the SBP compared to a net retirement of PKR 143 billion last year. Activity remained very low in the debt instruments and the prices of the TFCs declined as a result of increase in discount rate by the SBP. After a 100 bps increase in the discount rate by SBP during the 1HFY14, KIBOR, which is used as a benchmark for loans to the corporate sector, has increased by 95 bps on average.

Future Outlook

Economic activity has picked up in the country; however, it will take some time before the higher economic growth prospects pushes up aggregate demand. The increase in electricity tariffs has reduced subsidies, but further efforts are required to improve the energy sector's efficiency. With foreign exchange reserves remaining low, external vulnerabilities such as oil price shocks, capital flight, or decline in global economic activity continue to be a concern.

Acknowledgement

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan, the Trustee of the Fund-Central Depository Company of Pakistan Limited and the management of the Lahore Stock Exchange for their continued cooperation and support. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company for the growth and the prudent management of the Fund.

For and on Behalf of the Board

Dated: February 11, 2014

Babar Ali Lakhani
Chief Executive Officer



**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office
CDC House, 99-B, Block 'B'
S.M.C.H.S. Maan Shahr-e-Faisal
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Email: info@cdcpak.com



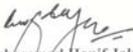
TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Lakson Income Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2013 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: February 19, 2014





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

Telephone + 92 (21) 3568 5847
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Internet www.kpmg.com.pk

Report on review of Condensed Interim Financial Information to the Unitholders'

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Lakson Income Fund** ("the Fund") as at 31 December 2013 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

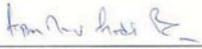
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matters

The figures for the three months ended 31 December 2013 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

Date: 11 February 2014

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Aryn Pirani

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

	December 31, 2013 (Unaudited)	June 30, 2013 (Audited)	
Assets	Note	(Rupees)	
Bank balances	5	447,990,426	779,908,557
Investments	6	543,815,056	798,292,471
Receivable against Margin Trading System		-	42,774,154
Profit receivable	7	7,532,826	16,881,434
Deposits and prepayments		591,067	450,000
Deferred formation cost		317,579	501,912
Total assets		<u>1,000,246,954</u>	<u>1,638,808,528</u>
Liabilities			
Remuneration payable to the Management Company	8	3,684,524	2,782,617
Remuneration payable to the Trustee		147,785	198,305
Annual fee payable to Securities and Exchange Commission of Pakistan		533,704	1,316,866
Accrued expenses and other liabilities	9	9,558,647	8,735,192
Total liabilities		<u>13,924,660</u>	<u>13,032,980</u>
Contingencies and commitments	10		
Net assets		<u>986,322,294</u>	<u>1,625,775,548</u>
Unit holders' fund (as per the statement attached)		<u>986,322,294</u>	<u>1,625,775,548</u>
		(Number)	
Number of units in issue		<u>9,814,567</u>	<u>16,072,470</u>
		(Rupees)	
Net assets value per unit		<u>100.4957</u>	<u>101.1528</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Income Statement (Unaudited)
For the half year ended December 31, 2013**

	Half year ended December 31,		Quarter ended December 31,	
	2013	2012	2013	2012
Note	------(Rupees)-----			
Income				
Profit on investments and bank balances	64,631,049	90,695,876	26,638,680	46,566,794
Income from Margin Trading System	4,039,298	2,433,615	311,277	2,433,615
(Loss) / gain on sale of investment - held for trading - net	(176,435)	2,662,193	(109,347)	1,765,486
Unrealised (diminution) / appreciation in the fair value of investments - held for trading - net	6.1,6.2 & 6.3 (2,039,872)	1,476,791	1,380,445	(1,365,491)
	66,454,040	97,268,475	28,221,055	49,400,404
Expenses				
Remuneration to the Management Company	10,674,090	12,267,354	4,151,003	6,759,082
Sindh Sales tax on remuneration of the Management Company	1,981,111	1,962,777	770,426	1,081,453
Federal Excise duty on remuneration of the Management Company	8.1 1,707,854	-	664,160	-
Remuneration to the Trustee	1,033,229	1,123,643	449,341	597,261
Annual fee to the Securities and Exchange Commission of Pakistan	533,704	613,368	207,550	337,954
Auditors' remuneration	124,234	127,320	67,333	73,128
Fees and subscription	120,165	120,987	60,083	55,453
Printing charges	20,027	30,246	4,904	15,123
Brokerage expenses	42,780	14,803	21,511	8,001
Amortisation of deferred formation cost	184,335	184,335	92,168	92,168
Provision for workers' welfare fund	9.1 905,190	1,660,067	407,395	811,764
Bank and settlement charges	550,941	419,077	135,837	353,384
	17,877,660	18,523,977	7,031,711	10,184,771
Net income from operating activities	48,576,380	78,744,498	21,189,344	39,215,633
Element of (loss) / income and capital (losses) / gains in prices of units sold less those in units redeemed - net	(4,222,045)	2,598,775	(1,226,946)	560,778
Net income for the period before taxation	44,354,335	81,343,273	19,962,398	39,776,411
Taxation	12 -	-	-	-
Net income for the period after taxation	44,354,335	81,343,273	19,962,398	39,776,411

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the half year ended December 31, 2013**

	Half year ended December 31, 2013	2012	Quarter ended December 31, 2013	2012
	------(Rupees)-----			
Net income for the period	44,354,335	81,343,273	19,962,398	39,776,411
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>44,354,335</u>	<u>81,343,273</u>	<u>19,962,398</u>	<u>39,776,411</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Distribution Statement (Unaudited)
For the half year ended December 31, 2013**

	Half year ended December 31,		Quarter ended December 31,	
	2013	2012	2013	2012
Note	------(Rupees)-----			
Undistributed income at beginning of the period - realised	15,358,601	13,787,808	7,397,187	8,705,185
Undistributed income at beginning of the period - unrealised	3,169,961	5,049,453	(3,420,317)	2,842,282
Undistributed income at beginning of the period	18,528,562	18,837,261	3,976,870	11,547,467
Final distribution at rate of Re 0.9078 (2012: Re 0.9391) per unit approved on 8 July 2013 (2012: 4 July 2012)	(1,777)	(1,839)	-	-
- Cash distribution	(14,588,811)	(13,096,535)	-	-
- Issue of bonus units	(14,590,588)	(13,098,374)	-	-
Total comprehensive income for the period	44,354,335	81,343,273	19,962,398	39,776,411
Interim distributions during the period	(6,361)	(9,394)	(3,494)	(4,615)
- Cash distribution	(43,420,311)	(77,542,603)	(19,070,137)	(41,789,100)
- Issue of bonus units	927,663	3,791,276	888,767	(2,017,304)
	4,865,637	9,530,163	4,865,637	9,530,163
Undistributed income at end of the period - realised	6,905,509	8,053,372	6,905,509	8,053,372
(Accumulated loss) / undistributed income at end of the period - unrealised	(2,039,872)	1,476,791	(2,039,872)	1,476,791
Undistributed income at end of the period	4,865,637	9,530,163	4,865,637	9,530,163

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited) For the half year ended December 31, 2013

	Half year ended December 31,		Quarter ended December 31,	
	2013	2012	2013	2012
Note	----- (Rupees) -----			
Net assets at beginning of the period	1,625,775,548	1,413,616,685	1,191,273,634	1,719,005,986
Amount received on issue of 4,094,016 (2012: 4,406,016) units and 8,948 (2012: 1,665,407) units for the six and three months period respectively	411,670,000	444,126,052	900,000	168,169,999
Amount paid on redemption of 10,930,360 (2012: 1,352,892) units and 2,257,350 (2012: 1,252,765) units for the six and three months period respectively	(1,099,691,496)	(136,601,254)	(227,037,190)	(126,512,254)
	(688,021,496)	307,524,798	(226,137,190)	41,657,745
Element of loss / (income) and capital losses / (gains) in prices of units sold less those in units redeemed - net	4,222,045	(2,598,774)	1,226,946	(560,778)
Final distribution at rate of Re 0.9078 (2012: Re 0.9391) approved on 8 July 2013 (2012: 4 July 2012)				
- Cash distribution	(1,777)	(1,839)	-	-
- Issue of bonus units	(14,588,811)	(13,096,535)	-	-
	(14,590,588)	(13,098,374)	-	-
Issue of 145,532 (2012: 130,429) bonus units as final distribution	14,588,811	13,096,535	-	-
Total comprehensive income for the period (profit for the period)	44,354,335	81,343,273	19,962,398	39,776,411
Interim distributions during the period				
- Cash distribution	(6,361)	(9,394)	(3,494)	(4,615)
- Issue of bonus units	(43,420,311)	(77,542,603)	(19,070,137)	(41,789,100)
Net income for the period less distribution	927,663	3,791,276	888,767	(2,017,304)
Issue of 432,909 (2012: 772,099) bonus units and 190,001 (2012: 416,219) bonus units for the six and three months period respectively	43,420,311	77,542,603	19,070,137	41,789,100
Net assets as at end of the period	986,322,294	1,799,874,749	986,322,294	1,799,874,749
Net assets value per unit at beginning of the period	101.1528	101.3505	100.3349	100.6762
Net assets value per unit at end of the period	100.4957	100.5323	100.4957	100.5323

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

Condensed Interim Cash Flow Statement (Unaudited)
For the half year ended December 31, 2013

	Half year ended December 31,		Quarter ended December 31,	
	2013	2012	2013	2012
	------(Rupees)-----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	44,354,335	81,343,273	19,962,398	39,776,411
Adjustments for:				
Profit on investments and bank balances	(64,631,049)	(90,695,876)	(26,638,680)	(46,566,794)
Amortisation of formation cost	184,335	184,335	92,168	92,168
Unrealised diminution / (appreciation) in the fair value of investments -held for trading- net	2,039,872	(1,476,791)	(1,380,445)	1,365,491
Element of loss / (income) and capital losses / (gains) in prices of units sold less those in units redeemed - net	4,222,045	(2,598,774)	1,226,946	(560,778)
	(13,830,462)	(13,243,833)	(6,737,613)	(5,893,503)
Decrease / (increase) in assets				
Investments	252,437,541	(139,173,453)	487,444,794	126,668,089
Receivable against Margin Trading System	42,774,154	(115,029,867)	42,824,444	(115,029,867)
Profit received on investments and bank balances	73,979,657	84,649,348	28,064,130	40,104,522
Deposits and prepayments	(141,067)	(547,842)	(161,149)	(517,924)
	369,050,285	(170,101,814)	558,172,219	51,224,820
Increase / (decrease) in liabilities				
Remuneration payable to the Management Company	901,907	683,793	127,455	522,129
Remuneration payable to the Trustee	(50,520)	35,794	(29,210)	27,706
Annual fee payable to Securities and Exchange Commission of Pakistan	(783,162)	(308,981)	207,550	337,954
Accrued expenses and other liabilities	823,455	1,664,844	247,783	661,386
	891,680	2,075,450	553,578	1,549,175
Net cash generated from / (used in) operating activities	356,111,503	(181,270,197)	551,988,184	46,880,492
CASH FLOWS FROM FINANCING ACTIVITIES				
Received on issuance of units	411,670,000	444,126,052	900,000	168,169,999
Paid against redemption of units	(1,099,691,496)	(136,601,254)	(227,037,190)	(126,512,254)
Cash dividend paid	(8,138)	(11,233)	(3,494)	(6,154)
Net cash (used in) / generated from financing activities	(688,029,634)	307,513,565	(226,140,684)	41,651,591
Net (decrease) / increase in cash and cash equivalents during the period	(331,918,131)	126,243,368	325,847,500	88,532,083
Cash and cash equivalents at beginning of the period	779,908,557	302,015,205	122,142,926	339,726,490
Cash and cash equivalents at end of the period	447,990,426	428,258,573	447,990,426	428,258,573

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Notes to and forming part of the Condensed Interim
Financial Statements (Unaudited)
For the half year ended December 31, 2013**

1. LEGAL STATUS AND NATURE OF BUSINESS

The Lakson Income Fund (the "Fund") was established under the Trust Deed executed on 18 August 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 "Income Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and it primarily invests in Government Securities, Certificates of Investment, Certificates of Deposits, Term Deposit Receipts, Commercial Papers, Reverse Repo, Preference Shares, Spread Transactions and Corporate Debt Securities etc. subject to the guidelines issued by SECP from time to time.

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

The Pakistan Credit Agency Limited (PACRA) has maintained A+ (f) (Fund stability rating) to the Fund and 'AM3+' (Management Company quality rating) to the Management Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information for the six months period ended has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

This condensed interim financial information does not include all the information required for a complete set of annual financial statements and should read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2013. However, selected explanatory notes are included to explain events and transactions that are significant.

This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations). However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause (xix) of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

2.2. Judgments and estimates

The preparation of condensed interim financial information requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the Management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2013.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2013.

5. BANK BALANCES	Note	December 31, 2013 (Unaudited) (Rupees)	June 30, 2013 (Audited)
- Local Currency			
In profit and loss sharing accounts	5.1	147,990,426	304,908,557
Term deposit receipts	5.2	300,000,000	475,000,000
		<u>447,990,426</u>	<u>779,908,557</u>

5.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 6.50% to 10.25% (30 June 2013: 6% to 9.25%) per annum.

5.2 These represent term deposit receipts with banks carrying mark-up rate ranging from 9.70% to 10.40% (30 June 2013: 9.90%) per annum maturing from 10 January 2014 to 31 January 2014.

6. INVESTMENTS

Held for trading

Government securities	6.1	132,184,976	335,004,286
Term Finance Certificate - listed	6.2	66,400,468	105,958,044
Term Finance Certificate - unlisted	6.3	184,354,612	207,330,141
Sukuk certificates - unlisted	6.4	60,875,000	-
Available for sale - Sukuk certificates	6.6	-	150,000,000
Certificate of investment - unsecured	6.7	100,000,000	-
		<u>543,815,056</u>	<u>798,292,471</u>

6.1 Held for Trading Investments - Government Securities

Government Securities	Note	Number of holdings at beginning of the period	Acquired during the period	Sold / matured during the period	Number of holdings at end of the period	Carrying value as at December 31, 2013	Market value as at December 31, 2013	Unrealized (diminution) / appreciation	Market value as percentage of net assets of the Fund	Market value as percentage of total investment	
						------(Rupees)-----			-----Percentage (%)-----		
- Treasury Bills - 3 months (face value of Rs. 100,000 each)	6.1.1	1,000	21,200	20,870	1,330	132,246,554	132,184,976	(61,578)	13.40	24.31	
- Treasury Bills - 6 months (face value of Rs. 100,000 each)	-	-	4,000	4,000	-	-	-	-	-	-	
- Treasury Bills - 12 months (face value of Rs. 100,000 each)	-	2,370	17,967	20,337	-	-	-	-	-	-	
						31 December 2013	132,246,554	132,184,976	(61,578)	13.40	24.31
						30 June 2013	334,921,290	335,004,286	82,996	20.61	41.96

6.1.1 These represent 3 months Treasury bills of Government carry effective mark-up ranging from 9.45% to 9.60% (30 June 2013: 9.07%) maturing on 23 January 2014. The face value of Treasury bills held as at 31 December 2013 amounted to Rs.133 million. As at 31 December 2013, an unamortised discount amounted to Rs. 0.753 million (30 June 2013: Rs. 0.593 million). Treasury bills amounting Rs. 50 million are pledged against Marginal Trading System with National Clearing Company of Pakistan.

6.2 Held for trading investments - Term Finance Certificates (listed debt securities)

Name of Security	Note	Number of holdings at beginning of the period	Acquired during the period	Sold / matured during the period	Number of holdings at end of the period	Carrying value as at December 31, 2013	Market value as at December 31, 2013	Unrealized appreciation	Market value as percentage of net assets of the Fund	Market value as percentage of total investment	Face value as percentage of size of the issue	
						------(Rupees)-----			-----Percentage (%)-----			
Commercial Banks												
NIB Bank Limited (face value of Rs. 5,000 each)	-	3,000	-	3,000	-	-	-	-	-	-	-	
Bank Alfalah Limited - V (face value of Rs. 5,000 each)	6.2.1	13,000	-	-	13,000	66,005,355	66,400,468	395,113	6.73	12.21	1.30	
Telecommunication												
Pakistan Mobile Communication Limited - privately placed (face value of Rs.5,000 each)	-	5,000	-	5,000	-	-	-	-	-	-	-	
						31 December 2013	66,005,355	66,400,468	395,113	6.73	12.21	1.30
						30 June 2013	105,210,763	105,958,044	747,281	6.52	13.27	2.13

6.2.1 These represent listed term finance certificates and carry a rate of mark-up equal to the base rate of 6 months Karachi Interbank Offer Rate (KIBOR) per annum plus margin of 1.25% receivable semi-annually in arrears with no floor or cap and will mature in February 2021. The principal repayment for all the units shall be Rs. 13,000 per six months, except in case of the last six monthly instalment, where it shall be Rs. 64.805 million. These term finance certificates are unsecured. The rating of the instrument is AA-.

6.3 Held for trading investments - Term Finance Certificates (un-listed debt securities)

Name of Security	Note	Number of holdings at beginning of the period	Acquired during the period	Sold / matured during the period	Number of holdings at the end of the period	Carrying value as at December 31, 2013	Market value as at December 31, 2013	Unrealized (diminution) / appreciation	Market value as percentage of net assets of the Fund	Market value as percentage of total investment	Face value as percentage of size of the issue	
						------(Rupees)-----			-----Percentage (%)-----			
Commercial Banks												
Bank Al-Habib Limited - IV (face value of Rs. 5,000 each)	6.3.1	4,000	-	-	4,000	22,546,565	21,516,882	(1,029,684)	2.18	3.96	0.67	
Askari Bank Limited - IV (face value of Rs. 1,000,000 each)	6.3.2	68	-	-	68	72,369,352	71,245,446	(1,123,906)	7.22	13.10	6.80	
Standard Chartered Bank Limited - IV (face value of Rs. 5,000 each)	6.3.3	5,000	-	-	5,000	24,837,500	25,093,750	256,250	2.54	4.61	1.00	
Technology and Communication												
Pakistan Mobile Communication Limited - privately placed (face value of Rs.100,000 each)	6.3.4	650	-	-	650	53,096,875	52,465,452	(631,423)	5.32	9.65	3.25	
Financial Services												
Orix Leasing Pakistan Limited - III privately placed (face value of Rs.100,000 each)	6.3.5	700	-	-	700	13,877,727	14,033,082	155,355	1.42	2.58	2.33	
						31 December 2013	186,728,019	184,354,612	(2,373,407)	19	34	14.05
						30 June 2013	204,990,457	207,330,141	2,339,684	12.76	25.97	14.05%

- 6.3.1 These represent unlisted term finance certificates carrying mark-up rate of 15.00% for the first five years and 15.50% for the remaining period receivable semi-annually in arrears with no floor or cap and will mature in June 2021. The principal repayment for all the units shall be Rs. 4,000 per six months, except in case of the last two six monthly instalments, in which case it shall be Rs. 9.964 million each. These term finance certificates are unsecured. The rating of the instrument is AA.
- 6.3.2 These represent unlisted term finance certificates carrying mark-up rate equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum (plus margin of 1.75% for the first five periods and 2.20% for the remaining period) receivable semi-annually in arrears with no floor or cap and will mature in December 2021. The principal shall be redeemed by 0.32% of the issue amount in the first 96 months and the balance shall be redeemed in four equal semi annual instalments. These term finance certificates are unsecured. The rating of the instrument is AA-.
- 6.3.3 These represent unlisted term finance certificates carrying mark-up rate equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 0.75% receivable quarterly in arrears with no floor or cap and will mature in June 2022. The principal shall be redeemed in last two equal semi annual instalments. These term finance certificates are unsecured. The rating of the instrument is AAA.
- 6.3.4 These represent unlisted term finance certificates carrying mark-up rate equal to the base rate of 3 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 2.00% (earlier 3 months Karachi Inter Bank Offered Rate (KIBOR) per annum plus margin of 2.65%) receivable quarterly in arrears with no floor or cap and will mature in April 2016. The principal amount shall be redeemable at 10%, 20%, 30% and 40% in the first, second, third and fourth years of the issue respectively. These term finance certificates are secured against first pari passu floating charge over all present and future movable fixed assets of the company excluding land, building and vehicles with 25% margin and all present and future receivable of the company including cash balances. The rating of the instrument is AA-.
- 6.3.5 These represent unlisted term finance certificates carrying mark-up rate equal to the base rate of 3 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 2.15% receivable quarterly in arrears with no floor or cap and will mature in June 2014. The principal amount is redeemable at Rs. 10,000 per instalment on a quarterly basis from the third quarter of the issue. These term finance certificates are secured against first exclusive charge over the specific leased assets and associated leased rentals receivable of the company with 25% margin. The rating of the instrument is AA+.

6.4 Held for trading investments - Sukuk Certificates (un-listed debt securities)

Name of Security	Number of holdings at beginning of the period	Acquired during the period	Sold / disposed during the period	AS at December 31, 2013	Carrying value as at December 31, 2013	Market value as at December 31, 2013	Unrealized appreciation / diminution	Market value as percentage of net assets of the Fund	Market value as percentage of total investment	Face value as percentage of size of the issue	
	Note				----- (Rupees) -----			----- Percentage (%) -----			
WAPDA 3rd Sukuk Company Limited - Sukuk Certificate	6.4.1	-	12,175	-	12,175	60,875,000	60,875,000	-	6.17	11.19	0.61
				31 December 2013	60,875,000	60,875,000	-	6.18	11.19	0.61	

- 6.4.1 This represents privately placed sukuk certificates having face value of Rs. 5,000 each and carry mark-up rate equal to the base rate of 6 months of Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 1.75% receivable semi annually in arrears with no floor or cap and will be maturing in October 2021. The principal amount is redeemable in 14 equal instalments. This certificates are secured against first demand guarantee of the President of Pakistan and first charge by way of hypothecation over specific assets of WAPDA 3rd Sukuk company limited and WAPDA and lien over debt payment. Upto the period end, trade rates of the above certificates were not being quoted by MUFAP. However subsequent to the period end, trade rates were being quoted by MUFAP and at 31 January 2014, based on MUFAP rates the value of the above certificate was Rs. 61.970 million. The rating of the instrument is AAA. These certificates have not been transferred in the CDC account and expected to be shortly so transferred.

6.5 The term "listed" indicated in note 6.2 refer to listing on the stock exchange. However their rates are quoted by MUFAP.

6.6 Available for sale - Sukuk Certificates

	Number of holdings at beginning of the period	Acquired during the period	Sold / disposed during the period	AS at December 31, 2013	Carrying value as at December 31, 2013	Market value as at December 31, 2013	Unrealized appreciation / diminution	Market value as percentage of net assets of the Fund	Market value as percentage of total investment	Face value as percentage of size of the issue
	(Rupees)						Percentage (%)			
Hub Power Co. Limited - Sukuk	30,000	-	30,000	-	-	-	-	-	-	-
	31 December 2013									

6.7 Certificate of Investment - unsecured

This represents Certificate of Investment of Saudi Pak Industrial & Agricultural Investment Company Limited carrying mark-up rate of 10.17% (30 June 2013: Nil) per annum maturing on 22 January 2014.

7. PROFIT RECEIVABLE	Note	December 31,	June 30,
		2013	2013
Considered good		(Unaudited)	(Audited)
		(Rupees)	
Profit / interest receivable on:			
- Profit and loss sharing bank balances		105,855	661,075
- Term deposits with banks		1,594,411	4,841,507
- Term finance certificates		3,996,718	5,145,104
- Certificate of Investment		445,808	-
- Sukuk certificates		1,390,034	6,024,246
- Margin trading system		-	209,502
		<u>7,532,826</u>	<u>16,881,434</u>

8. REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the Management Company		1,336,273	2,266,614
Sindh Sales Tax on Management remuneration		508,203	383,809
Federal Excise Duty on Management remuneration	8.1	1,840,048	132,194
		<u>3,684,524</u>	<u>2,782,617</u>

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

On 4 September 2013, a constitutional Petition has been filed in Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustee, challenging the levy of FED. In this respect the Honourable SHC has issued a stay order against recovery proceedings. The hearing of the petition is in progress.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2013, aggregating to Rs. 1.840 million (30 June 2013: Rs. 0.132 million.)

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2013 (Unaudited)	2013 (Audited)
		(Rupees)	
Auditors' remuneration		118,354	162,750
Payable to workers' welfare fund	9.1	9,390,559	8,485,368
Brokerage payable		8,183	5,285
CDC Fee Payable		1,000	9,000
National Clearing Company of Pakistan fee payable		15,000	28,506
Other liabilities		25,551	44,283
		<u>9,558,647</u>	<u>8,735,192</u>

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

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) vide its letter dated 06 October 2010 to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. However, the FBR vide its letter dated 04 January 2011 has cancelled its earlier letter dated 06 October 2010 ab initio and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

During the year ended 30 June 2012, the Honorable 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 during the year ended June 30, 2013 a larger bench of the Honorable High Court of Sindh has passed an order declaring that the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. The Legal counsel appointed by Mutual Fund Association of Pakistan is of the opinion that the constitution petitions filed by the Mutual Funds to challenge Workers Welfare Fund have not been affected by the judgment passed by the larger bench of Sindh High Court and the stay granted to Mutual Funds in separate constitutional petitions remains intact.

In view of above stated facts and considering the vagaries of litigation, the Management Company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 9.391 million upto 31 December 2013. If the same had not been so recorded, the net assets value per unit of the scheme would have been higher by Rs. 0.96.

10. CONTINGENCIES AND COMMITMENTS

The fund had no contingency or commitment at the period end.

11. INTERIM DISTRIBUTIONS DURING THE PERIOD

Date of distributions	----- For the period ended December 31, 2013 -----			
	Distribution per unit	No. of Bonus Units Issued	Bonus (Rupees)	Cash
29 July 2013	0.6211	115,456	11,571,846	1,216
28 August 2013	0.4346	79,257	7,942,797	850
25 September 2013	0.4090	48,195	4,835,531	801
23 October 2013	0.5296	60,051	6,025,930	1,037
26 November 2013	0.6000	63,131	6,336,628	1,175
25 December 2013	0.6548	66,819	6,707,579	1,282
	<u>3.2491</u>	<u>432,909</u>	<u>43,420,311</u>	<u>6,361</u>

Date of distributions	----- For the period ended December 31, 2012 -----			
	Distribution per unit	No. of Bonus Units Issued	Bonus ----- (Rupees) -----	Cash
30 July 2012	0.8020	112,601	11,313,798	1,570
30 August 2012	0.8529	120,619	12,128,780	1,670
26 September 2012	0.7863	122,660	12,310,925	1,539
24 October 2012	0.7687	134,368	13,503,314	1,505
28 November 2012	0.8767	155,777	15,627,913	1,716
27 December 2012	0.7121	126,074	12,657,873	1,394
	<u>4.7987</u>	<u>772,099</u>	<u>77,542,603</u>	<u>9,394</u>

12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The Fund has not recorded any tax liability in respect of the income relating to current period as the management intends to distribute at least 90% of the income earned by the year ending 30 June 2014 as reduced by capital gains (whether realised or unrealised) to the unit holders.

13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons/ related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company and also include entities having holding 10% or more in the units of the Fund as at 31 December 2013. It also includes staff retirement funds of the above related parties / connected persons.

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

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

13.1 Balance as at period / year end	December 31, 2013 (Unaudited) (Rupees)	June 30, 2013 (Audited)
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable (including the Sindh sales tax and federal excise duty amounting to Rs. 2.348 million (30 June 2013: Rs. 0.516 million))	<u>3,684,524</u>	<u>2,782,617</u>
Units held as at the period / year ended 886,492 (June 2013: 850,614) units	<u>89,088,723</u>	<u>86,042,025</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	<u>147,785</u>	<u>198,305</u>
Security deposit	<u>100,000</u>	<u>100,000</u>
Directors, Chief Executive, their Spouses and Minor Children		
Units held as at the period / year end 19,294 (2013: 18,514) units	<u>1,938,966</u>	<u>1,873,697</u>

	December 31, 2013 (Unaudited)	June 30, 2013 (Audited)
	(Rupees)	
Associated Companies / Undertaking of the Management Company		
Siza (Private) Limited		
Units held as at the period / year ended 383,331 (June 2013: 2,707,285) units	<u>38,523,156</u>	<u>273,849,497</u>
Century Insurance Company Limited		
Units held as at the period / year ended 2,354,959 (June 2013: 3,363,106) units	<u>236,663,489</u>	<u>340,187,581</u>
Other - connected person due to holding more than 10% outstanding units		
Bank deposits	<u>20,475,963</u>	<u>29,915,462</u>
Profit receivable on bank deposits	<u>72,561</u>	<u>161,218</u>
Units held as at the period / year ended 4,167,526 (June 2013: 3,947,929) units	<u>418,818,859</u>	<u>199,200,771</u>
	Half year ended December 31, 2013	2012
	(Unaudited) (Rupees)	
13.2 Transactions during the period		
Lakson Investments Limited - Management Company of the Fund		
Bonus: 35,878 (2012: 45,512) units	<u>3,598,644</u>	<u>4,570,795</u>
Directors, Chief Executive, their Spouses and Minor Children		
Issue: Nil (2012: 5,431) units	<u>-</u>	<u>545,875</u>
Bonus: 780 (2012: 807) units	<u>78,310</u>	<u>81,033</u>
Key management personnel and Employees of the Management Company		
Bonus: Nil (2012: 141) units	<u>-</u>	<u>14,141</u>
Redemption: Nil (2012: 1,336) units	<u>-</u>	<u>135,000</u>
Associated Companies / Undertaking of the Management Company		
Siza (Private) Limited		
Issue: Nil (2012: 794,036) units	<u>-</u>	<u>80,110,878</u>
Bonus: 62,203 (2012: 434,256) units	<u>6,236,716</u>	<u>43,612,113</u>
Redemption: 2,386,157 (2012: nil) units	<u>240,000,000</u>	<u>-</u>

	Half year ended December 31,	
	2013	2012
	(Unaudited) (Rupees)	
Clover (Pakistan) Limited - Employees' Contributory Provident Fund		
Bonus: Nil (2012: 1,146) units	-	115,143
Colgate Palmolive (Pakistan) Limited - Employees' Contributory Provident Fund		
Bonus: Nil (2012: 10,318) units	-	1,036,293
Colgate Palmolive (Pakistan) Limited - Employees' Gratuity Fund		
Bonus: Nil (2012: 5,732) units	-	575,719
Accuracy Surgical Limited - Employees' Contributory Provident Fund		
Bonus: Nil (2012: 764) units	-	76,762
Cyber Internet Services (Private) Limited - Employees' Contributory Provident Fund		
Bonus: Nil (2012:8,024) units	-	805,850
GAM Corporation (Private) Limited - Employees' Contributory Provident Fund		
Bonus: Nil (2012: 2,292) units	-	230,193
Princeton Travels (Private) Limited - Employees' Contributory Provident Fund		
Bonus: Nil (2012: 917) units	-	92,115
Siza Foods (Pvt) Limited - Employees' Contributory Provident Fund		
Bonus: Nil (2012: 4,968) units	-	498,956
Century Insurance Company Limited		
Issue: Nil (2012: 624,445) units	-	63,000,000
Bonus: 122,493 (2012: 105,028) units	12,284,985	10,547,545
Redemption: 1,130,640 (2012: 50,913) units	113,881,879	5,147,478
Century Insurance Company Limited - Employees' Contributory Provident Fund		
Bonus: nil (2012: 1,146) units	-	115,143
Others - Connected Person due to holding more than 10% in the units of the Fund)		
Profit on profit on loss sharing accounts	856,826	-
Bank charges	31,590	-
Issue: 1,471,048 (2012: nil) units	148,000,000	-
Bonus: 180,032 (2012: nil) units	18,056,896	-
Redemption: 1,431,483 (2012: nil) units	144,000,201	-

Half year ended December 31,		Quarter ended December 31,	
2013	2012	2012	2011
------(Unaudited)-----			
------(Rupees)-----			

13.3 Other transactions during the period

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

Remuneration for the period	<u>10,674,090</u>	<u>12,267,354</u>	<u>4,151,003</u>	<u>6,759,082</u>
Sindh sales tax on remuneration of Management Company	<u>1,981,111</u>	<u>1,962,776</u>	<u>770,426</u>	<u>1,081,453</u>
Federal Excise Duty on Remuneration of Management Company	<u>1,707,854</u>	<u>-</u>	<u>664,160</u>	<u>-</u>

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

Remuneration for the period	<u>1,033,229</u>	<u>1,123,643</u>	<u>449,341</u>	<u>597,261</u>
Settlement charges	<u>68,356</u>	<u>13,686</u>	<u>7,463</u>	<u>12,186</u>

14. GENERAL

14.1 This condensed interim financial information is unaudited and have been reviewed by the auditors. Furthermore, the figures for the quarter ended 31 December 2013 in this condensed interim financial information wherever appeared have not been reviewed by the auditors.

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

15. DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorised for issue on February 11, 2014 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Director



A Lakson Group Company

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