LAKSON MONEY MARKET FUND

Quarterly Report (September 30, 2022)

LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

CONTENTS

Fund's Information

Management Company	Lakson Investments Limited Head Office Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan. Phone: (9221) 3840.0000 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. Jamil Ahmed Mughal Mr. Amin Mohammed Lakhani Mr. Jacques John Visser Ms. Roxanne Davies
Chief Financial Officer & Company Secretary of the Management Company	Mr. Junaid Arshad
Audit Committee	Mr. Jacques John Visser - Chairman Mr. Amin Mohammed Lakhani Mr. Iqbal Ali Lakhani Mr. Jamil Ahmed Mughal
Human Resource and Remuneration Committee	Mr. Babar Ali Lakhani Mr. Iqbal Ali Lakhani
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	Yousuf Adil Chartered Accountants Cavish Court, A-35 Shahrah-e-Faisal, K.C.H.S.U Block 7 & 8 Bangalore Town, Karachi, Pakistan.
Bankers to the Fund	Allied Bank Limited Askari Bank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited National Bank of Pakistan Sindh Bank Limited United Bank Limited

Legal Adviser	Fazleghani Advocates F-72/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 Elixir Securities (Pvt.) Limited Ismail Iqbal Securities (No Fee Sharing) BMA Capital Management Limited (No Fee Sharing) Metro Capital Pvt. Limited Pearl Securities Pvt. Limited Rabia Fida Topline Securities (Pvt.) Limited Vector Capital (Pvt.) Limited Pyramid Financial Consultants
Rating by PACRA	AA+(f) : Fund Stability Rating AM2+ : Asset Manager Rating

Review Report of the Directors of the Management Company for the quarter ended September 30, 2022

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Money Markets Fund ("LMMF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended September 30, 2022.

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.

Principal activities

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

Fund performance

The LMMF generated return of 14.78% in 1QFY23 compared to Benchmark (70% average 3M T-Bills yield + 30% average 3M TDR rate of minimum AA rated banks) return of 14.14%. The LMMF outperformed the benchmark by 0.64%. Asset allocation was concentrated in T-bill at 96.9%, Commercial paper at 2.7% and Cash at 0.1%. The weighted average maturity (WAM) of the LMMF portfolio stands at 20 days and fund size as of 30th September 2022 is PKR 16,269mn.

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.

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company during the period declared the interim payouts of PKR 2.8582 per unit (2.8582%) of face value of PKR 100/- amounting to PKR 308.736 million distribution in cash during the period ended September 30, 2022.

Economic Review

The fiscal year 2023 started on a challenging note as macroeconomic concerns remain heightened with Pakistan rupee depreciating by 11.5% QoQ to close at 228.5 against the greenback. This was despite the successful staff level agreement with the IMF, which paved the way for disbursement of around USD 1.2 billion, however increased political noise post Punjab by-elections, devastation of land and crops from flooding and highest ever oil import bill dampened investor sentiment and put pressure on the interbank currency market. Resultantly our FX reserves dropped to USD 8.8 billion, enough for just 6 weeks of imports.

The recent floods have caused considerable damage to the infrastructure along with loss of life and injuries. Latest estimates suggest damages of more than $30 billion; this is more than 10% of Pakistan's GDP. Damage to cotton and rice crops in particular will negatively impact our trade deficit, while the loss of perishable crops has led to higher food inflation.

CPI based inflation jumped to 27.3% in August, the highest monthly reading since May 1975 before settling in at 23.2% at the end of the quarter. The decrease in inflation was primarily driven by a reduction in electricity prices due to an administrative intervention, while both core and food inflation picked up further. Looking ahead, the supply-shock to food prices from the floods is expected to put additional pressure on headline inflation in the coming months. We expect FY23 inflation to average at 26.3%, with inflation peaking in the next couple of months.

On the external front, during the first quarter of FY23, imports have declined by 12.7% YoY to $16.3 billion while exports have grown by 1.8% to $7 billion. Resultantly the current account deficit shrank for the second consecutive month in August to only $0.7 billion almost half the level in July. It is however important to consider that this improvement in the CAD has been artificially driven by squeezing imports through extreme care in issuance of LCs and negotiations. Moreover, oil imports were lower due to build up of inventory in the previous quarter. We foresee import curbs to continue till December, till such time imports will be low and the feel good factor will be stretched for a few months. Whenever this opens, we expect pent up demand to wash away all the gains on the current account balance and as such we expect CAD balance for FY23 to come in at USD 14bn. A decline in oil prices on account of global recessionary concerns may however, provide respite and will materially change our estimates.

On the fiscal end, during the first quarter, FBR tax collection rose to Rs 1.635 trillion, surpassing the target by Rs 27 billion. Looking forward, with continued curbs placed on imports and the devastation caused by the floods, fiscal consolidation will be challenging for the government and addition foreign inflows will be needed to prevent any fiscal slippages..

Fixed Income Market Review

In 1QFY23, the State Bank of Pakistan kept the benchmark policy rate unchanged at 15.0%. The current stance was taken in lieu of a continued deceleration in economic activity as well as a decline in headline inflation and current account deficit. During the quarter, Kibor rates inched up by c.60bps QoQ to 15.77%, 15.91% and 16.21% for 3M, 6M and 12M rates. T-bill yields also increased by c.1% QoQ with 3M/6M/12M rates clocking in at 15.97%/15.95%/15.98%. On the flip side, PIB yields saw a decrease for the 3 Year and 10 Year tenor.

Future Outlook

The SBP has raised its Policy Rate to 13.75% in 2HFY22 and raised it by a further 125 bps in July. The Policy Rate currently stands at 15.0%. This has been a response to rising inflation (which has reached 25%) and the worsening current account deficit.

Pakistan finally received Board approval from the IMF for its 7th and 8th review of the Extended Fund Facility. IMF program continuity and implementation of structural measures & performance criteria remains an ongoing issue due to heightened political uncertainty. General elections are expected to be held in June 2023 however the opposition continues to hold nationwide rallies and demand for early elections.

Floods have devastated large parts of Baluchistan & Sindh and displaced 30 million people. Initial estimates of the losses have risen threefold from USD 10 BN to USD 30 BN as the scale of devastation has become apparent in recent weeks. The floods have damaged vast areas of agricultural land and damaged harvests of cotton, fruits, onions, tomatoes and other crops.

Going forward, the outlook is contingent on the direction of politics, the timing of elections and maintaining the IMF program through this turbulent time. Pakistan's Eurobonds continue to trade at distressed yields. Commodity prices remain high; while the Bloomberg Commodity index has dropped 20% recently, it remains 50% above its pre-pandemic level. Continued high commodity prices can derail any expected stabilization in the external account.

Globally, monetary tightening has kicked off. The US Federal Reserve is set to raise the Federal Funds Rate by 75 basis points to a range of 3% - 3.25%. These are the highest rates in 2 decades as inflation is at a 4-decade high. Domestic political instability has risen globally, due to high inflation. Geopolitical tensions have risen as China, US & Russia carve out their own spheres of influence. Historically, globalization has been counted upon as a force for deflation, however the tides have turned in favor of de-globalization, resource nationalization and populist regimes. The outlook for the global economy depends greatly on how these forces interact and the pace of global inflation and monetary tightening.

Acknowledgement
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 Pakistan 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

Director **Chief Executive Officer**

Dated: October 31, 2022

لیکسن منی مارکیٹ فنڈ
30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے لیے
مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن منی مارکیٹ فنڈ ("LMMF" یا فنڈ) کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کیلئے 30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

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

نمایاں سرگرمیاں

فنڈ ایک اوپن اینڈ منی مارکیٹ فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ فنڈ گورنمنٹ سیکیورٹیز، سرٹیفکیٹس آف انویسٹمنٹ، Clean Placements، ٹرم ڈپازٹ ریسیٹس اور دیگر مختصر مدتی انسٹرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی 3 ماہ سے کم رکھی جاتی ہے۔ LMMF صرف ان سیکیورٹیز میں سرمایہ کاری کرتا ہے جنہیں پاکستان میں کسی ریٹنگ ایجنسی نے کم از کم "AA" ریٹنگ دے رکھی ہو اور جن کی میچورٹی 6 ماہ سے کم ہو۔ کریڈٹ رسک کم کرنے کے لیے سرمایہ کاری سے پہلے مقابل پارٹی کا کریڈٹ کے حوالے سے باریک بینی سے تجزیہ کیا جاتا ہے۔ پورٹ فولیو کی مختصر میچورٹی یونٹ ہولڈرز کو شرح سود کے اتار چڑھاؤ کے خلاف تحفظ دیتی ہے، جب کہ فنڈ کی لیکویڈیٹی میں اضافہ کرتی ہے۔ LMMF کو ریڈیمپشن کی تکمیل کے لیے خالص اثاثوں کے 15% تک قرض لینے کی اجازت ہے، تاہم LMMF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی

LMMF نے بینچ مارک منافع (سہ ماہی T بلز کے اوسط منافع جات کا 70% + کم از کم AA ریٹڈ بینکس کے اوسط سہ ماہی TDR ریٹ کا 30%) 14.14% کے مقابلے میں مالی سال 2023 کی پہلی سہ ماہی میں 14.78% منافع کمایا۔ فنڈ نے بینچ مارک کے مقابلے میں 0.64% بہتر کارکردگی کا مظاہرہ کیا۔ اثاثوں کی تفویض 96.9% ٹی۔ بلز میں، 2.7 فیصد کمرشل پیپر میں اور 0.1% کیش میں مرکوز رہی۔ LMMF پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی (WAM)، 20 دن ہے اور 30 ستمبر 2022 کے مطابق فنڈ سائز 16,269 ملین روپے ہے۔

فی شیئر آمدنی (EPU)

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

قابل عمل نہیں ہے۔

آمدنی کی تقسیم

چیف ایگزیکٹیو آفیسر نے منیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے اختیار کے تحت 30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے لیے فی یونٹ 2.8582 روپے (100 روپے کی فیس ویلیو کا 2.8582%)، کی عبوری کیش ادائیگی کا اعلان کیا ہے جس کی مالیت 308.736 ملین روپے بنتی ہے۔

معاشی جائزہ

مالی سال 2023 کا آغاز مشکل صورتحال سے ہوا کیونکہ میکرو اکنامک معاملات بدستور تشویشناک تھے، ڈالر کے مقابلے میں روپے کی شرح مبادلہ سہ ماہی بہ سہ ماہی 11.5% کمی کے ساتھ 228.5 پر بند ہوئی تھی۔ آئی ایم ایف کے ساتھ اسٹاف لیول معاہدہ، جس کے نتیجے میں 1.2 ارب ڈالر ملنے کی راہ ہموار ہوئی، کامیابی سے طے پا جانے کے باوجود ایسا ہوا۔ پنجاب میں ضمنی انتخابات کے بعد سیاسی شورشرابہ میں اضافے، سیلاب سے اراضی اور فصلوں کی تباہی اور اب تک کے سب سے زیادہ آئل امپورٹ بل سے سرمایہ کاری کی حوصلہ شکنی ہوئی اور انٹر بینک کرنسی مارکیٹ پر دباؤ آیا۔ اس کے نتیجے میں ہمارے زرمبادلہ ذخائر 8.8 ارب ڈالر کے رہ گئے، جو محض 6 ہفتوں کی درآمدات کیلئے کافی تھے۔

حالیہ سیلاب سے جہاں اموات ہوئیں اور لوگ زخمی ہوئے، وہاں بنیادی ڈھانچے کو بھی کافی نقصان پہنچا۔ تازہ ترین تخمینوں میں نقصانات کا اندازہ 30 ارب ڈالر سے زائد لگایا گیا ہے جو کہ پاکستان کی جی ڈی پی کے 10% سے زیادہ ہے۔ بالخصوص کپاس اور چاول کی فصلوں کو پہنچنے والا نقصان ہمارے تجارتی خسارے پر منفی اثر ڈالے گا جبکہ سبزیوں اور پھلوں کی پیداوار متاثر ہونے کے باعث اشیائے خوراک کی قیمتیں بڑھ گئیں۔

سی پی آئی بیسڈ افراط زر کی شرح اگست میں بڑھ کر 27.3% تک جا پہنچی، جو مئی 1975 کے بعد کسی ایک مہینے میں ریکارڈ کی جانے والی سب سے اونچی شرح تھی، سہ ماہی کے اختتام پر یہ شرح 23.2 پر آ گئی۔ افراط زر کی شرح نیچے آنے کی وجہ بنیادی طور پر انتظامی مداخلت کے نتیجے میں بجلی کے نرخوں میں ہونے والی کمی تھی جبکہ کور اور فوڈ افراط زر میں مزید اضافہ ہوا۔ سیلاب کے باعث رسد متاثر ہونے سے اشیائے خوراک کی قیمتیں بڑھنے کے نتیجے میں آنے والے مہینوں میں ہیڈ لائن افراط زر پر اضافی دباؤ کا خدشہ ہے۔ ہم مالی سال 2023 میں افراط زر کی اوسط شرح 26.3% رہنے کی توقع کرتے ہیں، آنے والے مہینوں میں افراط زر کی شرح سب سے زیادہ رہنے کا امکان ہے۔

بیرونی محاذ پر، مالی سال 2023 کی پہلی سہ ماہی کے دوران، درآمدات سال بہ سال 12.7% کمی کے ساتھ 16.3 ارب ڈالر رہیں جبکہ برآمدات 1.8% اضافے کے ساتھ 7 ارب ڈالر ہو گئیں۔ نتیجے کے طور پر کرنٹ اکاؤنٹ خسارہ اگست میں مسلسل دوسرے ماہ کمی کے ساتھ محض 0.7 ارب ڈالر رہ گیا، جولائی کے مقابلے میں تقریباً نصف۔ تاہم یہ بات مدنظر رکھنا بھی اہم ہے کہ کرنٹ اکاؤنٹ خسارے میں یہ بہتری مذاکرات اور ایل سی کے اجراء میں انتہائی احتیاط برتنے کے نتیجے میں درآمدات کم کر کے مصنوعی طور پر لائی گئی تھی۔ مزید برآں گزشتہ سہ ماہی کے دوران ذخائر بڑھ جانے کی وجہ سے تیل کی درآمدات کم رہیں۔ ہم پیش گوئی کر سکتے ہیں کہ درآمدات پر پابندیاں دسمبر تک جاری رہیں گی، اس وقت تک درآمدات کم رہیں گی اور طمانیت کا احساس اگلے چند مہینوں تک برقرار رہے گا۔ جب یہ ختم ہوگا تو خدشہ ہے کہ طلب میں اضافہ کرنٹ اکاؤنٹ بیلنس کے حوالے سے تمام کامیابیاں بہا لے جائے گا اور یوں امکان ہے کہ مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ بیلنس 14 ارب ڈالر تک جا پہنچے گا۔ تاہم عالمی کساد بازاری سے متعلق خدشات کے باعث تیل کی قیمتوں میں کمی سے کچھ فائدہ ہو سکتا ہے اور ہمارے تخمینوں میں واقعتاً تبدیلی آ سکتی ہے۔

مالیاتی نقطہ نگاہ سے، پہلی سہ ماہی کے دوران، ایف بی آر کے جمع کردہ محصولات 1.635 ٹریلین روپے تک پہنچ گئے، جو ہدف سے 27 ارب روپے زائد

تھے۔ آگے چل کر درآمدات پر مسلسل پابندیوں اور سیلاب سے ہونے والی تباہی کے تناظر میں حکومت کے لیے مالیاتی استحکام کا حصول مشکل ہوگا اور کسی بھی قسم کے مالی مسائل سے بچنے کے لیے بیرون ملک سے اضافی وسائل درکار ہوں گے۔

فکسڈ انکم مارکیٹ کا جائزہ

مالی سال 2023 کی پہلی سہ ماہی میں، اسٹیٹ بینک آف پاکستان نے شرح سود کسی تبدیلی کے بغیر 15% پر برقرار رکھی۔ یہ اقدام معاشی سرگرمی میں مسلسل سست روی کے ساتھ ساتھ ہیڈ لائن افراط زر میں کمی اور کرنٹ اکاؤنٹ خسارے کے پیش نظر کیا گیا۔ سہ ماہی کے دوران، 3 ماہ، 6 ماہ اور 12 ماہ کی میعاد کے لیے Kibor کی سہ ماہی بہ سہ ماہی شرح c.60bps بڑھ کر بالترتیب 15.77%، 15.91% اور 16.21% ہوگئی۔ T-bill منافع جات میں بھی سہ ماہی بہ سہ ماہی c.1% اضافہ ہوا اور 3 ماہ، 6 ماہ اور 12 ماہ کی میعاد کے لیے شرح بالترتیب 15.97%، 15.95% اور 15.98% ہوگئی۔ اس کے برعکس، 3 سالہ اور 10 سالہ میعاد کے لیے PIB کے منافع جات میں کمی واقع ہوئی۔

مستقبل کی توقعات

اسٹیٹ بینک نے مالی سال 2022 کی دوسری ششماہی میں اپنا پالیسی ریٹ بڑھا کر 13.75% کر دیا اور جولائی میں اس میں مزید 125bps کا اضافہ کر دیا۔ اس وقت پالیسی ریٹ 15.0% ہے۔ یہ افراط زر کی بڑھتی ہوئی شرح (جو 25% تک جا پہنچی ہے) اور کرنٹ اکاؤنٹ خسارے کی بگڑتی ہوئی صورتحال کا جواب تھا۔

پاکستان نے بالآخر توسیعی فنڈ فیسیلیٹی کے 7 ویں اور 8 ویں جائزے کے لیے آئی ایم ایف بورڈ کی منظوری حاصل کر لی۔ سیاسی بے یقینی میں اضافے کی وجہ سے آئی ایم ایف پروگرام کا تسلسل اور اسٹرکچرل اقدامات و معیار کارکردگی کا نفاذ بدستور مسئلہ بنے ہوئے ہیں۔ عام انتخابات کا انعقاد جون 2023 میں متوقع ہے، تاہم حزب اختلاف کے ملک گیر جلسے جاری ہیں اور وہ قبل از وقت انتخابات کا مطالبہ کر رہی ہے۔

سیلاب نے بلوچستان اور سندھ کے وسیع حصے میں تباہی مچائی اور اس کی وجہ سے تین کروڑ افراد نقل مکانی پر مجبور ہو گئے۔ حالیہ ہفتوں کے دوران تباہی کی وسعت سامنے آنے کے بعد نقصانات کے ابتدائی تخمینے تین گنا بڑھ کر 10 ارب ڈالر سے 30 ارب ڈالر تک جا پہنچے۔ سیلاب سے زرعی اراضی کو بھی بڑے پیمانے پر نقصان پہنچا۔ کپاس، پھلوں، پیاز، ٹماٹر اور دیگر اجناس کی فصلیں متاثر ہوئی ہیں۔

آگے چل کر، مستقبل کی توقعات کا انحصار سیاست کی سمت، انتخابات کے وقت اور اس مشکل صورتحال میں آئی ایم ایف پروگرام کو جاری رکھنے پر ہوگا۔ پاکستان کے یورو بانڈز کے سودے بدستور کم منافع پر ہو رہے ہیں۔ اشیائے تجارت کی قیمتیں بدستور زیادہ ہیں؛ اگرچہ بلوم برگ کموڈیٹی انڈیکس میں حال ہی میں 20% کمی آئی ہے، پھر بھی یہ قبل از وباء سطح سے 50% اوپر ہے۔ اشیائے تجارت کی جاری مہنگائی بیرونی اکاؤنٹ میں استحکام کے کسی بھی امکان کو متاثر کر سکتی ہے۔

عالمی سطح پر مالیاتی امور میں سخت گیری کا آغاز ہو چکا ہے۔ امریکی فیڈرل ریزرو 75 بیسس پوائنٹس کے اضافے سے شرح سود کو 3.25%-3% تک کی رینج میں لے جانے والا ہے۔ یہ 2 دہائیوں میں سب سے زیادہ شرح ہے جبکہ افراط زر کی شرح 4 دہائیوں میں بلند ترین سطح پر ہے۔ افراط زر کی بلند شرح کے باعث دنیا بھر میں سیاسی عدم استحکام بڑھ گیا ہے۔ چین، روس اور امریکا اپنا اثر و نفوذ بڑھا رہے ہیں، جس کی وجہ سے جیو پولیٹیکل کشیدگی میں اضافہ ہو گیا ہے۔ تاریخی طور پر گلوبلائزیشن کو افراط زر میں کمی لانے والی قوت سمجھا جاتا رہا ہے؛ تاہم اب وقت ڈی۔گلوبلائزیشن، وسائل کو قومیائے جانے اور عوامی حکومتوں کے حق میں کروٹ لے چکا ہے۔ عالمی معیشت سے متعلق توقعات کا زیادہ تر انحصار ان قوتوں کے ایک دوسرے کے ساتھ تعامل، بین الاقوامی سطح

پر مہنگائی کی رفتار اور مالیاتی سخت گیری پر ہے۔

اظہار تشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی سینٹرل ڈپازیٹری کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی مینجمنٹ کا، ان کے مسلسل تعاون اور مدد پر شکرگزار ہے۔ مینجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مندانہ انتظام وانصرام کے لیے مینجمنٹ کمپنی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے ومنجانب بورڈ

چیف ایگزیکٹیو آفیسر	ڈائریکٹر

تاریخ: 31 اکتوبر 2022

Condensed Interim Statement of Assets and Liabilities
As at September 30, 2022

	Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
		(Rupees)	
ASSETS			
Bank balances	6	**15,706,754**	17,970,529,578
Investments	7	**16,330,066,873**	475,132,374
Markup accrued on bank balances		**43,558,172**	213,851,914
Advance tax		**7,822,244**	7,822,244
Receivable against sale of untis		-	2,435,120
Deposits, prepayments and other receivables		**210,869**	190,268
TOTAL ASSETS		**16,397,364,912**	18,669,961,498
LIABILITIES			
Payable to the Management Company	8	**41,357,552**	43,356,575
Remuneration payable to the Trustee		**820,313**	917,618
Annual fee payable to Securities and Exchange Commission of Pakistan		**733,342**	2,482,710
Payable against redemption of units		-	3,000,000
Accrued expenses and other liabilities	9	**85,696,596**	123,240,193
TOTAL LIABILITIES		**128,607,803**	172,997,096
NET ASSETS		**16,268,757,109**	18,496,964,402
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		**16,268,757,109**	18,496,964,402
CONTINGENCIES AND COMMITMENTS	10		
		(Number of units)	
Number of units in issue		**158,666,965**	182,337,620
		(Rupees)	
Net assets value per unit		**102.5340**	101.4435

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**

Condensed Interim Income Statement (Unaudited)
For the quarter ended September 30, 2022

	Note	2022	2021
		(Rupees)	
INCOME			
Realized (loss) / gain on sale of investments at fair value through profit and loss - net		**(326,465)**	(286,383)
Unrealised gain on appreciation of investments classified as financial asset at fair value through profit or loss' - net		**1,560,984**	-
		1,234,518	(286,383)
Markup on:			
- Bank balances calculated using effective interest method		**75,208,138**	184,067,655
- Government and other debt securities using effective interest method		**477,979,369**	75,654,491
		553,187,507	259,722,146
Reversal of SWWF		-	71,397,891
		554,422,025	330,833,654
EXPENSES			
Remuneration of the Management Company	8.1	**16,602,575**	12,465,326
Sindh Sales tax on remuneration to the Management Company	8.2	**2,158,337**	1,620,492
Remuneration of the Trustee		**2,278,937**	2,466,609
Annual fee to Securities and Exchange Commission of Pakistan		**733,367**	671,643
SECP supervisory fee		**644**	630
Auditors' remuneration		**208,753**	155,949
Fees and subscription		**111,136**	76,120
Legal and professional charges		**260,300**	283,313
Printing charges		**6,780**	-
Brokerage, settlement and bank charges		**541,624**	228,795
		22,902,453	17,968,878
Net income from operating activities		**531,519,572**	312,864,775
Net income for the period before taxation		**531,519,572**	312,864,775
Taxation	11	-	-
Net income for the period after taxation		**531,519,572**	312,864,775
Allocation of Net Income for the year			
Net income for the year after taxation		**531,519,572**	312,864,775
Income already paid on units redeemed		**(76,698,884)**	(10,328,605)
		454,820,688	302,536,171
Accounting income available for distribution			
Relating to capital gains		-	-
Excluding capital gains		**454,820,688**	302,536,171
Accounting income available for distribution		**454,820,688**	302,536,171

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended September 30, 2022

	2022	2021
	(Rupees)	
Net income for the period after taxation	**531,519,572**	312,864,775
Other comprehensive income for the period	-	-
Total comprehensive income for the period	**531,519,572**	312,864,775

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**

Condensed Interim Statement of Movement In Unit Holders' Fund (Unaudited)
For the quarter ended September 30, 2022

	2022			2021		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	--------------------	--------------------	--------(Rupees)--------	--------------------	--------------------	
Net assets at beginning of the period	18,351,100,752	145,863,650	18,496,964,402	12,266,819,972	58,628,557	12,325,448,529
Issuance of 116,382,331 units (2021: 31,673,888 units)						
-Capital Value	**11,783,466,712**	**-**	**11,783,466,712**	3,201,649,887	-	3,201,649,887
- Element of income / (loss)	**59,593,036**	**-**	**59,593,036**	1,538,249	-	1,538,249
	11,843,059,748	**-**	**11,843,059,748**	3,203,188,136	-	3,203,188,136
Redemption of 140,052,986 units (2021: 19,402,887 units)						
-Capital Value	**(14,207,465,104)**		**(14,207,465,104)**	(1,956,292,201)		(1,956,292,201)
-Element of (loss) / income	**(9,886,540)**	**(76,698,884)**	**(86,585,424)**	(579,142)	(10,328,605)	(10,907,747)
	(14,217,351,644)	**(76,698,884)**	**(14,294,050,528)**	(1,956,871,343)	(10,328,605)	(1,967,199,948)
Total comprehensive income for the period	**-**	**531,519,572**	**531,519,572**	-	312,864,775	312,864,775
Distribution during the period:	**-**	**(308,736,084)**	**(308,736,084)**	(8,136,464)	(223,399,358)	(231,535,822)
Net assets at end of the period	**15,976,808,855**	**291,948,254**	**16,268,757,109**	13,505,000,300	137,765,369	13,642,765,669
Undistributed income brought forward						
Realized gain		**145,863,650**			58,628,558	
Unrealised gain		**-**			-	
		145,863,650			58,628,558	
Accounting (loss) / income available for distribution						
Relating to capital (loss)		**-**			-	
Excluding capital gains		**454,820,688**			302,536,171	
		454,820,688			302,536,171	
Cash Distributions during the period		**(308,736,084)**			(223,399,358)	
Undistributed income carried forward		**291,948,252**			137,765,369	
Undistributed income carried forward comprises of:						
Realized gain		**290,387,269**			137,765,369	
Unrealised gain		**1,560,984**			-	
		291,948,252			137,765,369	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			**101.4435**			100.8248
Net assets value per unit at end of the period			**102.5340**			101.4203

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**

Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended September 30, 2022

	2022	2021
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	**531,519,572**	312,864,775
Adjustments for:		
Unrealised (appreciation) /diminution in the fair value of investments classified as held for trading - net	**(1,560,984)**	-
Markup on bank balances and investments	**(553,187,507)**	-
	(23,228,919)	312,864,775
(Increase) / Decrease in assets		
Investments	**(15,856,169,017)**	253,658,541
Markup / interest income received on bank balances and investments	**723,481,249**	(71,430,434)
Advance tax	**(0)**	(8,787)
Prepayments	**2,414,519**	(222,936)
	(15,130,273,249)	181,996,384
(Decrease) in liabilities		
Payable to the Management Company	**(1,999,023)**	973,459
Remuneration payable to the Trustee	**(97,305)**	120,906
Annual fee payable to Securities and Exchange Commission of Pakistan	**(1,749,368)**	671,643
Accrued expenses and other liabilities	**(37,748,096)**	1,764,053
	(41,593,792)	3,530,060
Net cash used in operating activities	**(15,195,095,960)**	498,391,219
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	**11,843,059,748**	3,195,051,672
Payment against redemption of units	**(14,294,050,528)**	(1,967,199,948)
Cash dividend paid	**(308,736,084)**	(223,399,358)
Net cash generated from / (used in) financing activities	**(2,759,726,864)**	1,004,452,365
Net Increase / (decrease) in cash and cash equivalents	**(17,954,822,824)**	1,502,843,584
Cash and cash equivalents at the beginning of the period	**17,970,529,578**	11,980,539,861
Cash and cash equivalents at the end of the period	**15,706,754**	13,483,383,445

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Notes to the Condensed Interim Financial Information (Unaudited)
For the quarter ended September 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

The Fund is categorised as "Money Market Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and the Fund primarily invests in Government securities, certificates of investment, certificates of deposits, term deposit receipts, commercial papers, reverse repo, etc. subject to the guidelines issued by SECP from time to time.

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

1.3 Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 26 August 2022 (2021: AM2+ as on 28 August 2020).On 09 September 2022, PACRA assigned AA+(f) rating to the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.2 This condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2022. However, selected explanatory notes are included to explain events and transactions that are significant.

2.3 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) and are unaudited.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2022.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

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

2.6 Significant Judgements and Estimates

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

The significant judgments made by 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 June 30, 2022.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022.

4 SIGNIFICANT JUDGEMENTS AND ESTIMATES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022.

5 FINANCIAL RISK MANAGEMENT

The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2022.

		Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
			(Rupees)	
6	**BANK BALANCES**			
	In profit and loss sharing accounts	6.1	**15,699,657**	17,970,522,480
	In current accounts		**7,098**	7,098
			-	-
			15,706,754	17,970,529,578

6.1 These represents profit and loss account maintained with banks carrying mark-up rates ranging from 12.75% to 18.25% (June 30, 2022: 5.00% to 17.00%) per annum.

7 INVESTMENTS

	Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
At fair value through profit or loss			
Government securities			
Market Treasury Bills	7.1	**15,885,988,633**	48,079,194
At amortized cost			
Commercial Paper	7.2	**444,078,240**	427,053,180
		16,330,066,873	475,132,374

7.1 Market Treasury Bills

Note	Date of Issue	Number of treasury bills: Number of holdings at beginning of the period	Acquired during the period	Disposed/ matured during the period	Number of holdings at the end of the period	Balance as at September 30, 2022: Carrying Value (Rupees)	Market value (Rupees)	Unrealized appreciation / (diminution) (Rupees)	Market value as percentage of net assets of the Fund	Market value as percentage of total investment
Government Securities										
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	02-Jun-22	-	132,060,500	132,060,500	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	28-Jul-22	-	175,850,000	15,950,000	159,900,000	15,864,501,159	15,866,029,530	1,528,371	97.52%	97.16%
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	28-Apr-22	-	117,890,000	117,890,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	30-Jun-22	-	154,600,000	154,600,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	16-Jun-22	-	52,000,000	52,000,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	21-Apr-22	-	81,000,000	81,000,000	-	-	-	-	-	-
6 Months Market Treasury Bill (Face value of Rs 100,000 each)	10-Mar-22	-	75,200,000	75,200,000	-					
6 Months Market Treasury Bill (Face value of Rs 100,000 each)	07-Apr-22	500,000	-	300,000	200,000	19,926,847	19,959,460	32,613	0.12%	0.12%
		September 30, 2022			**160,100,000**	**15,884,428,006**	**15,885,988,990**	**1,560,984**	**97.65%**	**97.28%**

7.2 Commercial Papers

Note	Number of Commercial Papers: Number of holdings at beginning of the period	Acquired during the period	Disposed/ matured during the period	Number of holdings at the end of the period	Balance as at September 30, 2022: Carrying Value (Rupees)	Market value (Rupees)	Unrealized appreciation / (diminution) (Rupees)	Market value as percentage of net assets of the Fund	Market value as percentage of total investment
Lucky Electric Power Company Limited Islamic CP III	4,500	-	-	4,500	444,078,240	-	2.72%	2.73%	8.88%
		September 30, 2022			**444,078,240**	**-**	**2.72%**	**2.73%**	**8.88%**

7.2.1 Face value of these commerical papers are Rs.1,000,000 per certificate.

		Note	September 30, 2022 (Unaudited)	June 30, 2021 (Audited)
			(Rupees)	
8	**PAYABLE TO THE MANAGEMENT COMPANY**			
	Remuneration payable to the Management Company	8.1	**5,065,261**	6,834,311
	Sales tax payable on remuneration to the Management Company	8.2	**5,314,381**	5,544,354
	Federal excise duty payable on remuneration to the Management Company	8.3	**30,977,910**	30,977,910
			41,357,552	43,356,575

8.1 As per regulation 61 of the NBFC and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 1% of average annual net assets of the fund, calculated on daily basis. During the year Management Company has charged fee at 0.43% of average annual net assets calculated on daily basis.

8.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Fedral Excies Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 8.3.

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016. During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 30.977 million (2021: 30.977 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at September 30, 2022 would have been higher by Re. 0.20 (June 30, 2022: Re.0.17) per unit.

	Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
		(Rupees)	
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		**208,753**	352,976
Brokerage payable		**746,115**	477,482
Rating fee payable		**104,880**	-
Withholding tax payable		**9,443**	33,640,340
Professional fee payable		**381,853**	534,377
Dividend payable		-	4,354,249
Others	9.1	**84,245,552**	83,880,769
		85,696,596	123,240,193

9.1 In the previous year bank credited an amount of Rs. 79.58 million. The Management Company is of the view after recomputing the profit due from the bank that excess profit was not due to the Fund. The matter was raised with the bank and is yet to finalised. Management Company, being prudent, has not recorded any income against the amount received and has recorded an accrued liability.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2022

11. TAXATION

11.1 The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. The Fund is also exempted from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial information.

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

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

The Management Company has filed an appeal before Commissioner Appeals (Inland Revenue) against the order which has been decided in favor of the Company whereby super tax demand has been deleted. The department has filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and no provision has been made for super tax in the financial statements for the period ended September 30, 2022.

The Fund has also received an order for Tax Year 2016 whereby demand amounting to Rs. 24 million has been created mainly on account that the Fund has made less than 90% distribution out of its distributable profit due to misinterpretation of the facts of the case. The Fund has filed an appeal against the said order to CIT (Appeals) and considers that the case will be decided in Fund's favor. Hence, no provision has been in the Financial statements for the period ended September 30, 2022.

During the year ended June 30, 2020, the Fund received show-cause notice under section 4B of the Income Tax Ordinance, 2001 for the recovery of super tax not paid with return of income in respect of the stated Fund for the Tax year 2019. The Deputy Commissioner considered that the Fund has failed to pay super tax on the profit of debt income earned during the tax year 2019, as the total profit of debt income of the Fund was Rs.916 million and raised a demand of Rs.18.321 million in this respect. The Fund filed an appeal against the said order to CIT (Appeals) which was decided against the fund. The fund had filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and considers that the case will be decided in Fund's favor. Hence, no provision has been in the Financial statements.

During the previous year, the Fund has received order u/s 122(1) in respect of Audit for Tax Year 2015 whereby element of loss and capital losses included in the prices of units issued less in units redeemed- net amounting to Rs. 404.8 million, dividend distribution at Rs. 129 million , sales tax and FED on management fee amounting to Rs. 11.5 and Rs. 10.6 million respectively have been added by Deputy Commissioner resulting in demand of Rs. 180.2 million. The Fund has filed an appeal against the said order with CIT (Appeals) which is pending adjudication. The Management Company considers that it has a good arguable case which will be decided in fund's favor. Hence, no provision has been in the Financial statements.

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee of the fund, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having holding more than 10% in the units of the Funds as September 30, 2022.

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

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

		Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
			(Rupees)	
12.1	**Details of balance with related parties / connected persons at the period ended**			
	Lakson Investments Limited - Management Company			
	Remuneration payable	8.1	5,065,261	6,834,311
	Sindh Sales Tax payable on Management Company's remuneration*	8.2	5,314,381	5,544,354
	Federal Excise Duty	8.3	30,977,910	30,977,910
	Central Depository Company of Pakistan Limited - Trustee of the Fund			
	Remuneration payable		653,307	739,417
	Sindh Sales Tax payable on Trustee remuneration*		167,006	178,201
	Security deposit		100,000	100,000

		Note	September 30, 2022	September 30, 2021
			(Unaudited) (Rupees)	
12.2	**Details of transaction with related parties / connected persons at the period ended**			
	Lakson Investments Limited - Management Company			
	Remuneration to the Management Company		**16,602,575**	12,465,326
	Sindh Sales Tax on Management Company's remuneration*		**2,158,337**	1,620,492
	Central Depository Company of Pakistan Limited - Trustee of the Fund			
	Remuneration for the period		**2,016,758**	1,794,501
	Sindh Sales Tax on Trustee remuneration*		**262,179**	233,285

12.3 Details of transaction and balances with directors, key management personnel, employees, associated company/ undertaking of the Mangement Company and connected person are as follows:

	Quarter ended September 30, 2022									
	------ Number of Units ------					------ Rupees ------				
	Number of Units as at July 01, 2022	Units issued during the period	Refund / Adjustment of units as element of income	Units redeemed during the period	Number of units as at September 30, 2022	Balance as at July 01, 2022	Units issued during the period	Units redeemed during the period	Gross Dividend during the period	Balance as at September 30, 2022
Lakson Investments Limited - Management Company	2,536,558	7,654,813	66,503	8,435,670	1,822,205	257,317,339	783,581,149	863,581,149		186,837,955
Directors, Chief Executive and their spouse and minors	29,106,868	16,964,666	15,629	3,761,669	42,325,494	2,952,702,592	1,731,832,103	383,901,300	76,142,844	4,339,802,208
Key management personnel, employees and connected persons of the Management Company	92,734	4,483	17	3,413	93,821	9,407,295	456,802	350,000	245,342	9,619,868
Holding company / associated companies / undertakings of the Management Company										
Accuray Surgical Limited Employees Contributory Provident Fund	60,998	5,392	-	246	66,143	6,187,819	546,899	25,000	172,352	6,781,913
Accuray Surgicals Limited	572,036	12,733	-	-	584,769	58,029,341	1,292,852	-	1,521,002	59,958,687
Alan Private Limited	2,829,465	112,373	225	-	2,942,063	287,030,808	11,432,292	-	7,567,402	301,661,521
Baluchistan Polyproducts Private Limited	3	0	-	-	3	281	6	-	7	291
Century Insurance Co. Ltd., GF	10,332	15,966	-	-	26,299	1,048,150	1,625,608	-	42,921	2,696,526
Century Insurance Company Limited	1,220,211	1,276,708	8,841	1,212,774	1,292,986	123,782,466	130,501,369	123,976,257	2,323,661	132,575,064
Century Insurance Company Limited Employees Contributory Provident Fund Trust	83,867	31,548	182	345	115,253	8,507,758	3,224,418	35,000	242,845	11,817,329
Century Paper & Board Mills Limited ECPFT	1,137,296	227,920	-	1,194,667	170,549	115,371,335	23,214,471	121,600,000	3,162,319	17,487,110
Century Paper & Board Mills Limited EGF	100,945	198,713	-	1,231	298,427	10,240,213	20,260,217	125,000	349,667	30,598,887
Colgate Palmolive Pakistan Limited	13,608,786	1,281,824	-	-	14,890,609	1,380,522,842	130,757,048	-	36,184,762	1,526,793,747
Colgate Palmolive Pakistan Limited ECPFT	1,181,201	212,107	-	1,164,268	229,040	119,825,154	21,600,019	118,500,000	3,280,022	23,484,355
Colgate Palmolive Pakistan Limited EGF	139,538	274,079	-	147,368	266,249	14,155,228	27,935,681	15,000,000	519,036	27,299,597
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	502,140	116,894	-	496,533	122,501	50,938,820	11,909,497	50,540,000	1,396,821	12,560,481
Express Publications Private Limited	39,954	889	-	-	40,843	4,053,044	90,299	-	106,234	4,187,799
Gam Corporation Private Limited Employees Contributory Provident Fund	260,414	26,271	-	280,344	6,341	26,417,348	2,664,828	28,535,000	743,228	650,187
Hasanali & Gulbanoo Lakhani Foundation	273,615	31,374	36	117,644	187,380	27,756,424	3,186,727	12,000,000	519,679	19,212,832
Hasanali Karabhai Foundation ECPF Trust	9,230	518	-	9,748	-	936,287	52,550	990,611	-	-
Lakson Investments Limited ECPFT	8,986	9,991	-	9,015	9,962	911,545	1,018,393	925,000	16,933	1,021,446
Lakson Power Limited	3,600	80	-	-	3,681	365,245	8,137	-	9,573	377,388
Merit Packaging Limited Employees Contributory Provident Fund Trust	4,748	21,193	95	26,036	-	481,661	2,159,674	2,663,774	16,087	-
Merit Packaging Limited Employees Gratuity Fund	-	53,798	316	-	54,114	-	5,493,584	-	74,569	5,548,559
Premier Fashions Private Limited	1,235,426	27,499	-	-	1,262,925	125,325,956	2,792,171	-	3,284,908	129,492,765
Siza Commodities Private Limited	1,832,294	40,787	-	-	1,873,081	185,874,366	4,141,405	-	4,871,937	192,054,534
Siza Foods Private Limited Employees Contributory Provident Fund Trust	113,168	68,795	-	-	181,963	11,480,131	7,010,998	-	338,233	18,657,370
Siza Private Limited	2,021,744	193,523	384	1,134,252	1,081,398	205,092,798	19,690,142	116,000,000	4,101,045	110,880,058
Siza Services Private Limited	5,088,771	1,051,249	3,310	323,603	5,819,727	516,222,694	107,350,850	33,000,000	13,401,084	596,719,886
Siza Services Private Limited Employees Countributory Provident Fund Trust	7,488	1,910	-	-	9,398	759,621	193,678	-	24,444	963,606
Sybrid (Private) Limited ECPFT	29,952	17,178	-	-	47,130	3,038,485	1,749,173	-	94,557	4,832,478
Sybrid Private Limited	721	27	-	-	748	73,139	2,769	-	1,917	76,712
Television Media Network Pvt Ltd	1,455	32	-	-	1,487	147,577	3,288	-	3,868	152,483
Orthopaedic & Medical Institute Private Limited	6,648,647	-	-	517,137	6,131,510	674,462,056	-	52,765,588	2,517,779	628,688,230
Cyber Internet Services Pvt Limited	3,955,824	1,070,125	-	-	5,025,949	401,292,663	108,940,509	-	10,518,246	515,330,648
Trustee / Custodian										
Central Depository Company of Pakistan Limited	-	2,487,391	10,696	-	2,498,087	-	253,508,567	-	4,123,364	256,138,813

	Quarter ended September 30, 2021								
	Number of Units					Rupees			
	Number of Units as at July 01, 2021	Units issued during the period	Refund / Adjustment of units as element of income	Units redeemed during the period	Number of units as at September 30, 2021	Balance as at July 01, 2021	Units issued during the period	Units redeemed during the period	Balance as at September 30, 2021
Lakson Investments Limited - Management Company	1,451,066	2,912,839	25,589	2,912,839	1,476,655	146,303,472	296,234,573	296,234,573	149,762,810
Directors, Chief Executive and their spouse and minors	23,537,051	551,432	-	2,012,684	22,075,798	2,373,118,460	55,675,604	204,053,109	2,238,934,091
Key management personnel, employees and connected persons of the Management Company	35,342	21,166	-	13,702	42,807	3,563,356	2,142,049	1,394,673	4,341,489
Holding company / associated companies / undertakings of the Management Company									
Accuray Surgical Limited Employees Contributory Provident Fund	-				-	-			-
Accuray Surgicals Limited	591,029	8,853	-	-	599,882	59,590,338	892,739	-	60,840,216
Alan Private Limited	2,374,411	35,568	-	-	2,409,979	239,399,488	3,586,507	-	244,420,777
Baluchistan Polyproducts Private Limited	1,025	160	-	1,185	-	103,318	16,204	119,925	-
Century Insurance Co. Ltd., GF	33,024	412	-	20,315	13,122	3,329,684	41,555	2,060,423	1,330,808
Century Insurance Company Limited	690,077	20,212	-	9,875	700,414	69,576,881	2,042,350	1,000,646	71,036,223
Century Insurance Company Limited Employees Contributory Provident Fund Trust	10,491	87,173	421	24,609	73,475	1,057,748	8,830,098	2,496,000	7,451,834
Colgate Palmolive Pakistan Limited	12,513,590	187,451	-		12,701,040	1,261,680,194	18,901,566	-	1,288,143,327
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	73,211	102,903	95	130,826	45,383	7,381,497	10,398,127	13,269,000	4,602,719
Express Publications Private Limited	716,792	8,283	-	198,117	526,958	72,270,369	835,367	20,000,000	53,444,255
Gam Corporation Private Limited Employees Contributory Provident Fund	906,912	30,631	43	87,296	850,289	91,439,184	3,092,573	8,854,000	86,236,609
Hasanali & Gulbanoo Lakhani Foundation	43,861	-	-	43,861	-	4,422,278	-	4,426,879	-
Hasanali Karabhai Foundation ECPF Trust	7,348	78	-	3,902	3,523	740,820	7,826	395,726	357,351
Lakson Investments Limited ECPFT	34,805	35,086	296		70,187	3,509,233	3,567,352	-	7,118,413
Lakson Power Limited	3,701	55	-	396	3,360	373,124	5,590	40,000	340,804
Merit Packaging Limited Employees Contributory Provident Fund Trust	-	29,543	218	29,761	-	-	3,000,000	3,009,274	-
Merit Packaging Limited Employees Gratuity Fund	-	24,898	94	24,992	-	-	2,519,317	2,533,987	-
Siza Commodities Private Limited	199,545	154,578	185	19,763	334,546	20,119,116	15,601,247	2,000,000	33,929,780
Siza Foods Private Limited Employees Contributory Provident Fund Trust	53,966	13,140	36	67,141	-	5,441,076	1,328,171	6,811,347	-
Siza Services Private Limited	516,788	5,661	-	301,003	221,446	52,105,093	570,964	30,544,644	22,459,169
Siza Services Private Limited Employees Countributory Provident Fund Trust	14,206	164	-	14,366	3	1,432,295	16,488	1,457,179	321
Sybrid (Private) Limited ECPFT	-	2,981	9	2,989	-	-	301,339	303,877	-
Sybrid Private Limited	4,288	469	-		4,757	432,349	47,437	-	482,502
Television Media Network Pvt Ltd	2,063,703	30,914	-		2,094,617	208,072,434	3,117,188	-	212,436,652
Trustee / Custodian									
Central Depository Company of Pakistan Limited	1,003,623	1,008,399	3,690	-	1,018,657	101,190,107	1,515,956	-	103,312,521
Connected person due to holding more than 10% units									
Fauji Fertilizer Company Limited	19,646,112	42,298,380	6,851	38,251,546	30,987,316	1,980,815,342	1,143,272,763	-	3,142,742,925

13 TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), Total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 0.62% as of September 30, 2022 (September 30, 2021: 0.54%) and this includes 0.09% (September 30, 2021: 0.08%) representing Government levies and SECP fee etc. As per NBFC Regulation the total expense ratio of the Money Market Scheme shall be caped up to 2% (excluding government levies).

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value based on:

- quoted prices in active markets for identical assets or liabilities; (Level 1)
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and (Level 2)
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs). (Level 3)

The following table shows the carrying amounts and fair values of financial assets including their levels in fair value hierarchy.

Investments of the Fund are categorised as follows:

	As at September 30, 2022			
	-------------------- Un-audited --------------------			
	Level 1	Level 2	Level 3	Total
	-------------------- Rupees --------------------			
Financial assets measured at fair value				
Investment in listed equity securities	-	-	-	-
Term finance certificates	-	-	-	-
Sukuk certificates	-	-	-	-
Government Securities	-	15,885,988,633		15,885,988,633
	-	15,885,988,633	-	15,885,988,633

	As at June 30, 2022			
	-------------------- Audited --------------------			
	Level 1	Level 2	Level 3	Total
	-------------------- Rupees --------------------			
Financial assets measured at fair value				
Investment in listed equity securities	-	-	-	-
Term finance certificates	-	-	-	-
Sukuk certificates	-	-	-	-
Government Securities	-	48,079,194		48,079,194
	-	48,079,194	-	48,079,194

15 GENERAL

15.1 The corresponding figures have been re-arranged wherever necesarry

15.2 Figures have been rounded off to the nearest ruppee

16 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on October 31, 2022

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

A Lakson Group Company

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