LAKSON INCOME FUND
Annual Report 2023

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

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Vision

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

Mission

To deliver superior performance as measured by market share parameters, high-quality service and a portfolio of innovative yet tailored products across a range of investment disciplines and distribution channels.
To provide a fulfilling, stimulating and supportive environment for our employees that fosters their personal growth and facilitates our productivity as a team.

Fund's Information

Management Company	Lakson Investments Limited Head Office Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan. Phone: (9221) 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
Chief Financial Officer & Company Secretary of the Management Company	Mr. Junaid Arshad
Audit Committee	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	AlBaraka Bank Pakistan limited Allied Bank Limited Askari Bank Limited Bank Al-Falah Limited Faysal Bank Limited FINCA Microfinance Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited National Bank of Pakistan MCB Bank Limited Silk Bank Limited Sindh Bank Limited Soneri Bank Limited Telenor Microfinance Bank Limited United Bank Limited U Microfinance Bank Limited NRSP Microfinance Bank Limited Mobilink Microfinance 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 Capital Management Limited Elixir Securities (Pvt.) Limited Ismail Iqbal Securities Metro Capital Pvt. Limited Pearl Securities Pvt. Limited Rabia Fida Topline Securities (Pvt.) Limited Vector Capital (Pvt.) Limited Pyramid Financial Consultants
Rating by PACRA	A+(f) : Fund Stability Rating AM2+ : Asset Manager Rating

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2023

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Income Fund ('LIF' or 'Fund') is pleased to submit its report together with Audited Financial Statements for the year ended June 30, 2023.

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.

Principal activities
The Fund is an open-end income fund and is listed on Pakistan Stock Exchange Limited. LIF 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 9.15% in the FY23 against the benchmark return of 17.96% p.a. The LIF underperformed by -8.81%. As of June 30, 2023, the LIF portfolio was invested 4.3% in cash, 55.7% in TFCs/Sukuks, 33.3% in T-bills and 6.7% in others while the weighted average maturity of the LIF portfolio stood at 2108 days. The fund size of the LIF as of June 30, 2023 is PKR 576 million.

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

Income Distribution
The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payout of PKR 8.8585 per unit (8.8585% of face value of PKR 100/-) amounting to PKR 26.3655 million in cash during the year ended June 30, 2023.

Principal Risk and Uncertainties
The economic instability, rising current account deficit, declining FX reserves, higher than expected inflation, PKR devaluation, lower than expected financial aid by both unilateral/bilateral donor agencies, further monetary tightening and worsening of external relations remains a risk for all business sectors in Pakistan.

Asset Manager and Fund Rating
The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company and the Fund Stability Rating of LIF at "AM2+" at "A+(f)" respectively.

Additional Matters:

1. The detail of Directors of the Management Company is disclosed in this Annual Report.
2. The financial statements prepared by the Management Company present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in unit holders' fund.
3. Proper books of accounts of the Fund have been maintained.
4. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

5. Relevant International Financial Reporting Standards, as applicable in Pakistan, provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 ('NBFC Regulations), directives issued by the Securities & Exchange Commission of Pakistan and requirements of the constitutive documents of the Fund have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.

6. The system of internal control is adequate and sound in design and has been effectively implemented and monitored.

7. There are no significant doubts upon the Fund's ability to continue as a going concern.

8. Key financial data has been summarized in this Annual Report.

9. Outstanding statutory payments on account of taxes, duties, levies and charges have been fully disclosed in these financial statements.

10. The statement as to the value of investments of provident fund is not applicable in the case of the Fund as such expenses are borne by the Management Company.

11. The pattern of unit holding as at June 30, 2023 is given in this Annual Report.

12. A performance table / key financial data is annexed to this annual report.

External Auditor
The existing auditors M/s. Yousuf Adil., Chartered Accountants being eligible, have given their consent for reappointment as auditors for the year ending June 30, 2024. The Board of Directors, on the recommendations of the Audit Committee, has reappointed M/s. M/s. Yousuf Adil., Chartered Accountants for the year ending June 30, 2024.

Economy Review
The June'23 quarter brought about a significant positive stride, marked by the attainment of a staff-level agreement between the International Monetary Fund (IMF) and Pakistan. This accord entails the provision of a substantial USD 3 billion as part of a stand-by arrangement (SBA) spanning nine months. This highly welcomed development is poised to act as a catalyst, enabling Pakistan to unlock critical funding from both bilateral and multilateral sources. The infusion of these funds will play a pivotal role in the augmentation of foreign exchange reserves, effectively contributing to the process of reconstruction. This milestone achievement effectively averts the looming specter of near-term default, as vividly underscored by the remarkable resurgence of Pakistan International Eurobonds. The government, in its pursuit of stabilizing the economic landscape, has undertaken a series of astute measures. These include recalibrating fuel and energy prices, instituting judicious tax policies, securing commitments from amicable nations, and implementing prudent adjustments exchange rate and interest rates.

On the 26th of June 2023, during an urgent Monetary Policy Committee (MPC) meeting, the State Bank of Pakistan (SBP) implemented a further 1% increase in the Policy Rate, propelling it to a historic pinnacle of 22%. This decision was a calculated response aimed at firmly anchoring inflation and concurrently driving real interest rates into positive terrain.

Throughout the June quarter, foreign exchange reserves exhibited a relatively stagnant trend, settling at USD 9.1 billion. Nonetheless, the reduction in these reserves was mitigated to some extent by inflows stemming from China.

The persistently elevated inflationary environment persisted during the fourth quarter of the fiscal year 2023, culminating in an average inflation rate of 34.56% for the quarter. This elevated inflation was underpinned by an interplay of factors, including the ongoing devaluation of PKR, ascending energy costs, the imposition of new taxes amounting to PKR 170 billion, disruptions in supply chains due to import limitations, and the cascading second-round effects stemming from these determinants. We foresee the average inflation rate for fiscal year 2024 will exhibit a gradual descent, potentially converging towards the range of 21-22%. Further optimism is directed towards June 2024, wherein the inflation rate might inch down to approximately 14-15%, contingent upon the absence of unforeseen variables.

During the fourth quarter of the fiscal year 2023 (4QFY23), imports underwent a significant 9.3% QoQ contraction, aggregating to a sum of USD 11.5 billion. Resultantly, exports experienced a marginal 1.7% QoQ dip, settling at USD 6.6 billion. This dynamic interplay precipitated an 18% reduction in the trade deficit on a QoQ basis, leading to its contraction to USD 4.8 billion. As a result, the country's current account balance showed a surplus of USD 632 million. This achievement is indicative of the

efficacy of administrative measures enacted to curb the import bill, compounded by the prevailing sluggishness in economic demand.

On the fiscal front, FMR tax collection observed a 11.7% decline in tax collection, amounting to PKR 1.5 trillion, during the June quarter. This figure notably fell short of the quarterly target by a margin exceeding PKR 60 billion. The forthcoming months, however, hold promise for an improvement in tax collection, attributed to the relaxation of import restrictions. Yet, considering the persistent underwhelming economic demand, the FBR may encounter challenges in meeting the ambitious annual tax collection target of over PKR 9 trillion for the FY24.

Fixed income markets review
During 4QFY23, the State Bank of Pakistan raised the policy rate by 1% to an all-time high of 22% to push the real interest rate in positive territory on a forward-looking basis and anchor inflation expectations. By June end, cut-off yields for 3months, 6months and 12months reached 22%, 21.97% and 22%, respectively. Similarly, PIB yield was also adjusted upwards as 3-year bond yield reached 19.35%. To sustain market stability, the central bank infused ample liquidity into the system through robust Open Market Operations (OMO). This infusion of liquidity created an opportunity for market participants to support the cash-strapped government.

Future Outlook
The trajectory of the market is contingent upon several pivotal factors. Firstly, the positive trajectory of the external account, bolstered by the IMF's Stand-By Arrangement (SBA), is poised to exert a favorable influence. Secondly, the potential for a reduction in CPI, attributed to the impact of elevated base effects driving down inflation, might pave the way for monetary easing. Such a move would serve as a catalyst for fortifying economic growth. Thirdly, the nation's political climate and stability remain influential determinants in nurturing investor trust. At present, the market boasts an appealing Price-to-Earnings (P/E) ratio of 3.9x, underscoring promising growth prospects. With such compelling dynamics, investors are presented with an immensely attractive opportunity to capitalize on the market's promising upward trajectory in the foreseeable future.

The revival of the IMF program stands poised to usher in enhanced accessibility to funds from international lenders, subsequently furnishing crucial external financing support. These inflows will culminate in the augmentation of foreign exchange reserves, thereby mitigating external pressures and paving the way for sustained economic equilibrium.

The caretaker government should find it easier to comply with the requirements of the ongoing SBA program, especially if it is adequately staffed with technocrats. In this regard, recent legislation has empowered the coming caretaker government to take decisions on existing bilateral & multilateral agreements. That said, Pakistan needs to quickly negotiate a successor IMF program when the SBA facility ends in March 2024. We believe that a timely and peaceful election is important for carrying out structural reforms, remaining in the IMF program, and restoring investor confidence in the economy.

Acknowledgment
The Board is thankful to its valued investors, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, the Trustee of the Fund - Central Depository Company of Pakistan Limited and the management of the 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

Chief Executive Officer **Director**

Dated: September 04, 2023

لیکسن انکم فنڈ
30 جون 2023 کو ختم ہونے والے سال کے لیے
مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

لیکسن انکم فنڈ ("LIF" یا فنڈ) کی مینجمنٹ کمپنی لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے 30 جون 2023 کو ختم ہونے والے سال کے لیے اپنی رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

اس اسکیم کی انویسٹمنٹ کا مقصد فکسڈ انکم سیکیورٹیز کے متنوع پورٹ فولیو میں انویسٹمنٹ کے ذریعے مسابقتی مجموعی منافع جات فراہم کرنا ہے۔ یہ اسکیم مینجمنٹ کمپنی کی طرف سے انٹرسٹ ریٹ ٹرینڈز اور ممکنہ منافع جات کے حوالے سے مینجمنٹ کمپنی کی تشخیص کے لحاظ سے مختصر مدتی، وسط مدتی اور طویل مدتی میچورٹیز کے امتزاج کے ساتھ مختلف فکسڈ انکم سیکیورٹیز میں سرمایہ کاری کرے گی۔

فنڈ کا تعارف

LIF ایک اوپن اینڈ انکم فنڈ ہے، جو پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے اور انویسٹمنٹ گریڈ ڈیٹ سیکیورٹیز، گورنمنٹ سیکیورٹیز، سرٹیفکیٹس آف انویسٹمنٹس، Clean Placements، ٹرم ڈپازٹز ریسیٹس اور دیگر فکسڈ انکم انسٹرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کا مجموعی دورانیہ 4 سال سے کم رکھا جاتا ہے اور خالص اثاثوں کا کم از کم 25% کیش یا زیادہ سے زیادہ 90 دن کی میچورٹی والے ٹریژری بلز کی شکل میں رکھا جاتا ہے۔ LIF کا نظم ونسق ٹیم کے بل پر پیش قدمی کرنے والی، اوپر سے نیچے تک شعبوں کے تواتر سے استعمال کو روبہ عمل لانے والی، دورانیے اور پیداوار میں توازن پر یقین رکھنے والی مینجمنٹ چلاتی ہے۔ انٹرسٹ ریٹ میں تبدیلیوں کی پیش گوئی کے لیے معاشی صورتِ حال کی مسلسل نگرانی کی جاتی ہے۔ LIF کی قدر و قیمت میں اصل اضافہ مختلف میچورٹیز اور مختلف انسٹرومنٹس کے درمیان انویسٹمنٹس کے تبادلے کے مواقع کی شناخت سے آتا ہے۔ LIF کو ریڈیمپشنز کی تکمیل کے لیے خالص اثاثوں کے 15% تک قرض لینے کی اجازت ہے، تاہم LIF نے اس سہولت کو زیرِ جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی

LIF نے سالانہ بینچ مارک منافع 17.96% کے مقابلے میں مالی سال 2023 میں 9.15% سالانہ منافع حاصل کیا۔ LIF نے 8.81%- کم تر کارکردگی کا مظاہرہ کیا۔ 30 جون 2023 کے مطابق LIF پورٹ فولیو کے 4.3% کی کیش میں، 55.7% کی صکوک/TFCs میں، 33.3% کی ٹی بلز میں اور 6.7% کی دیگر میں سرمایہ کاری کی گئی، جبکہ LIF پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی 2,108 دن ہے۔ 30 جون 2023 کے مطابق LIF کا فنڈ حجم 576 ملین روپے ہے۔

فی شیئر آمدنی (EPU)

فی شیئر آمدنی (EPU) ظاہر نہیں کی گئی 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 ایگزیکٹو آفیسر نے منیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے اختیار کے تحت 30 جون 2023 کو ختم ہونے والے سال کے لیے فی یونٹ 8.8585 روپے (100 روپے کی فیس ویلیو کا 8.8585%) کی عبوری کیش ادائیگی کا اعلان کیا ہے جس کی مالیت 26.3655 ملین روپے بنتی ہے۔

اہم خطرات وخدشات

اقتصادی عدم استحکام، بڑھتا ہوا کرنٹ اکاؤنٹ خسارہ، زرِمبادلہ کے کم ہوتے ذخائر، توقع سے زیادہ افراطِ زر، روپے کی قدر میں کمی، یک طرفہ اور دوطرفہ قرض فراہم کنندہ ایجنسیز کی طرف سے توقع سے کم مالی امداد، مزید مالیاتی سختی اور بگڑتے ہوئے خارجہ تعلقات پاکستان میں تمام کاروباری شعبوں کے لیے خطرہ بنے ہوئے ہیں۔

ایسیٹ منیجر اینڈ فنڈ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے منیجمنٹ کمپنی کی ایسیٹ منیجر ریٹنگ اور LIF کی فنڈ اسٹیبلیٹی ریٹنگ بالترتیب AM2+ اور "A+(f)" پر برقرار رکھی ہے۔

اضافی معاملات

1- منیجمنٹ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔

2- منیجمنٹ کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوز اور یونٹ ہولڈرز کے فنڈ میں نقل وحرکت کی منصفانہ عکاسی کرتے ہیں۔

3- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے گئے ہیں۔

4- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے اور شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔

5- ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 کے تقاضوں، نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینٹیٹیز ریگولیشنز، 2008 (NBFC ریگولیشنز)، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ڈائریکٹیوز اور فنڈ کی دستوری دستاویزات کے تقاضوں کی پیروی کی گئی ہے اور ان سے کسی بھی انحراف کی مناسب انداز میں نشان دہی کی گئی ہے۔

6- انٹرنل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔

7- فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک وشبہات نہیں ہیں۔

8- اہم مالیاتی ڈیٹا کا خلاصہ اس سالانہ رپورٹ میں شامل ہے۔

9- ٹیکسز، ڈیوٹیز، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کردی گئی ہیں۔

10-پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت سے متعلق گوشوارہ فنڈ پر قابلِ اطلاق نہیں ہے جیسا کہ ایسے اخراجات مینجمنٹ کمپنی کی طرف سے برداشت کیے جاتے ہیں۔

11-30 جون 2023 کے مطابق یونٹ ہولڈنگ کا پیٹرن اس سالانہ رپورٹ میں دیا گیا ہے۔

12- کارکردگی کی جدول/ اہم مالیاتی ڈیٹا اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

بیرونی آڈیٹر

موجودہ آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر 30 جون 2024 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے اپنی رضامندی ظاہر کی ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لیے میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کر دی ہے۔

معاشی جائزہ

جون 2023 کی سہ ماہی میں ایک اہم مثبت پیش رفت ہوئی، بین الاقوامی مالیاتی فنڈ (IMF) اور پاکستان کے درمیان اسٹاف لیول معاہدہ طے پا گیا۔ اس معاہدے میں 9 مہینوں پر محیط اسٹینڈ بائی انتظام (SBA) کے ایک حصے کے طور پر 3 بلین امریکی ڈالرز کی فراہمی شامل ہے۔ اس معاہدے میں 9 ماہ پر محیط اسٹینڈ بائی بندوبست (SBA) کے ایک حصے کے طور پر 3 بلین امریکی ڈالر کی خطیر رقم فراہم کرنا شامل ہے۔ یہ انتہائی خوش آئند پیش رفت ایک محرک کے طور پر کام کرے گی، جس سے پاکستان کو دوطرفہ اور کثیر الجہتی، دونوں ذرائع سے اہم فنڈنگ حاصل کرنے میں مدد ملے گی۔ ان فنڈز کا استعمال غیر ملکی زرمبادلہ کے ذخائر کو بڑھانے میں اہم کردار ادا کرے گا اور تعمیر نو کے عمل میں مؤثر طریقے سے اپنا حصہ ڈالے گا۔ اس سنگ میل کے حصول نے مستقبل قریب میں ڈیفالٹ کے بڑھتے ہوئے خطرے کو مؤثر طریقے سے ٹال دیا ہے، جیسا کہ پاکستان انٹرنیشنل یورو بانڈز کی نمایاں بحالی سے واضح طور پر ظاہر ہوتا ہے۔ حکومت نے معاشی منظر نامے کو مستحکم کرنے کی کوشش میں متعدد دانشمندانہ اقدامات کئے ہیں، جن میں ایندھن اور توانائی کی قیمتوں میں ردوبدل، منصفانہ ٹیکس پالیسیوں کا نفاذ، دوست ممالک سے یقین دہانیوں کا حصول، شرح تبادلہ اور شرح سود میں منطقی ایڈجسٹمنٹس شامل ہیں۔

26 جون 2023 کو مانیٹری پالیسی کمیٹی (MPC) کے ہنگامی اجلاس کے دوران اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ میں مزید ایک فیصد اضافہ کر دیا، جس سے یہ 22 فیصد کی تاریخی بلند ترین سطح پر پہنچ گیا۔ یہ فیصلہ ایک سوچا سمجھا ردعمل تھا، جس کا مقصد افراطِ زر کو بڑھنے سے روکنا اور حقیقی شرح سود کو مثبت سمت میں لے جانا تھا۔

جون کی پوری سہ ماہی کے دوران زرمبادلہ کے ذخائر میں نسبتاً جمود کا رجحان رہا، جو 9.1 بلین ڈالر پر مستحکم رہے۔ بہر حال، زرمبادلہ کے ذخائر میں کمی کو چین کی جانب سے سرمائے کے بہاؤ کی مدد سے کسی حد تک کم کیا گیا۔

مالی سال 2023ء کی چوتھی سہ ماہی کے دوران افراطِ زر میں مسلسل اضافے کا ماحول برقرار رہا، جس کے نتیجے میں سہ ماہی کے دوران افراطِ زر کی اوسط شرح 34.56 فیصد رہی۔ بڑھتی ہوئی افراطِ زر کی وجوہات میں روپے کی قدر میں مسلسل کمی، توانائی کی بڑھتی ہوئی قیمتیں، 170 بلین روپے کے نئے ٹیکسوں کا نفاذ، درآمدی پابندیوں کی وجہ سے سپلائی چین میں خلل اور ان عوامل سے پیدا ہونے والے دوسرے مرحلے کے اثرات شامل ہیں۔ ہمیں توقع ہے کہ مالی سال 2024 میں افراطِ زر کی اوسط شرح میں بتدریج کمی آئے گی، جو ممکنہ طور پر 21-22 فیصد کی حدود میں رہے گی۔ مزید توقعات جون 2024 سے وابستہ ہیں، جب افراطِ زر کی شرح گر کر تقریباً 14-15 تک آسکتی ہے، تاہم اس کا انحصار غیر متوقع تغیرات کی عدم موجودگی پر ہوگا۔

مالی سال 2023ء کی چوتھی سہ ماہی کے دوران درآمدات میں 9.3 فیصد کی نمایاں کمی واقع ہوئی جو مجموعی طور پر 11.5 ارب ڈالر رہیں۔ اس کے نتیجے میں برآمدات میں 1.7 فیصد کی معمولی کمی واقع ہوئی اور یہ 6.6 ارب ڈالر رہیں۔ اس کے نتیجے میں تجارتی خسارے میں سہ ماہی بنیاد پر 18 فیصد کمی واقع ہوئی جس کے سبب یہ سکڑ کر 4.8 ارب ڈالر رہ گیا۔ اس کے نتیجے میں ملک کے کرنٹ اکاؤنٹ بیلنس میں 632 ملین ڈالر کا سرپلس ظاہر ہوا۔ یہ کامیابی درآمدی بل میں کمی لانے کے لئے نافذ کردہ انتظامی اقدامات کی افادیت کی نشاندہی کرتی ہے، جو معاشی طلب میں موجودہ سست روی کی وجوہات میں شامل ہیں۔
مالی محاذ پر جون کی سہ ماہی کے دوران FMR ٹیکس وصولی میں 11.7 فیصد کی دیکھی گئی جو 1.5 ٹریلین روپے بنتی ہے۔ یہ اعداد و شمار سہ ماہی ہدف سے نمایاں طور پر 60 ارب روپے کم ہیں۔ تاہم آنے والے مہینوں میں ٹیکس وصولی میں بہتری کا وعدہ کیا گیا ہے، جس کی وجہ درآمدی پابندیوں میں نرمی ہے۔
اس کے باوجود مسلسل کم ہوتی ہوئی معاشی طلب کو مدنظر رکھتے ہوئے FBR کو مالی سال 2024 کے لیے 9 ٹریلین روپے سے زائد کے سالانہ ٹیکس وصولی کے ہدف کو پورا کرنے میں مشکلات کا سامنا کرنا پڑ سکتا ہے۔

فکسڈ انکم مارکیٹ کا جائزہ

مالی سال 2023 کی چوتھی سہ ماہی کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو ایک فیصد بڑھا کر 22 فیصد کی تاریخ کی بلندترین سطح پر پہنچا دیا تا کہ حقیقی شرح سود کو مثبت سمت میں آگے بڑھایا جا سکے اور افراط زر کے خدشات کو کم کیا جا سکے۔ جون کے اختتام تک 3 ماہ، 6 ماہ اور 12 ماہ کی میعاد کے لیے Kibor کی شرح بالترتیب 22 فیصد، 21.97 فیصد اور 22 فیصد تک پہنچ گئی، اسی طرح PIB کا منافع بھی اوپر کی طرف ایڈجسٹ کیا گیا اور 3 سالہ بانڈ کے منافع جات 19.35 فیصد تک پہنچ گئے۔ مارکیٹ کے استحکام کو برقرار رکھنے کے لئے مرکزی بینک نے اوپن مارکیٹ آپریشنز (اوایم او) کے ذریعے نظام میں وافر لیکوڈیٹی شامل کی۔ لیکوڈیٹی کی اس سرمایہ کاری نے مارکیٹ کے شرکاء کے لئے نقد رقم کی کمی سے دوچار حکومت کی مدد کرنے کا موقع فراہم کیا۔

مستقبل کا منظر نامہ

مارکیٹ کا راستہ کئی اہم عوامل پر انحصار کرتا ہے۔ اول یہ کہ آئی ایم ایف کے اسٹینڈ بائی انتظامات (SBA) کی مدد سے ایکسٹرنل اکاؤنٹ کا مثبت رخ سازگار انداز میں اثر انداز ہونے کے لیے تیار ہے۔ دوم یہ کہ CPI میں کمی کا امکان ہے، جس کی وجہ افراط زر میں کمی لانے والے بلند Base Effects ہیں، جو مالیاتی نرمی کی راہ ہموار کر سکتے ہیں۔ اس طرح کا اقدام معاشی ترقی کو مستحکم بنانے کے لئے محرک کے طور پر کام کرے گا۔ سوم یہ کہ ملک کا سیاسی ماحول اور استحکام سرمایہ کاروں کے اعتماد کو پروان چڑھانے میں اہم کردار ادا کرتے ہیں۔ فی الحال مارکیٹ میں قیمت سے آمدنی (P/E) کا تناسب 3.9 گنا ہے، جو امید افزا ترقی کے امکانات کی نشاندہی کرتا ہے، اس طرح کی زبردست حرکیات (ڈائنامکس) کے ساتھ سرمایہ کاروں کے لیے مستقبل قریب میں مارکیٹ کے ترقی کے راستے پر گامزن ہو جانے سے فائدہ اٹھانے کے لئے انتہائی پرکشش مواقع موجود ہیں۔
آئی ایم ایف پروگرام کی بحالی سے بین الاقوامی قرض دہندگان کے فنڈز تک رسائی میں اضافہ ہوگا، جس کے نتیجے میں اہم بیرونی مالی معاونت مل جائے گی۔ یہ بہاؤ غیر ملکی زرمبادلہ کے ذخائر میں اضافے کے نتیجے میں آئے گا، جس سے بیرونی دباؤ کم ہوگا اور پائیدار معاشی توازن کی راہ ہموار ہوگی۔
نگران حکومت کے لیے جاری SBA پروگرام کے تقاضوں پر عمل کرنا آسان ہوگا، خاص طور پر اگر اس کو ٹیکنوکریٹس کی مناسب خدمات حاصل ہوں۔ اس سلسلے میں حالیہ قانون سازی نے نگراں حکومت کو موجودہ دوطرفہ اور کثیر الجہتی معاہدوں پر فیصلے کرنے کا اختیار دے دیا ہے۔ اس کے باوجود مارچ 2024 میں SBA کی سہولت ختم ہونے پر پاکستان کو آئی ایم ایف کے اگلے پروگرام کے لیے فوری مذاکرات کرنے کی ضرورت ہے۔ ہم سمجھتے ہیں کہ انفرااسٹرکچرل

اصلاحات، آئی ایم ایف پروگرام کے ساتھ منسلک رہنے اور معیشت میں سرمایہ کاروں کے اعتماد کی بحالی کے لیے بروقت اور پرامن انتخابات کا انعقاد ضروری 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 کا، ان کے مسلسل تعاون اور حمایت پر شکر گزار ہے۔ منیجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مندانہ انتظام و انصرام کے لیے منیجمنٹ کمپنی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و منجانب بورڈ

چیف ایگزیکٹو آفیسر | ڈائریکٹر

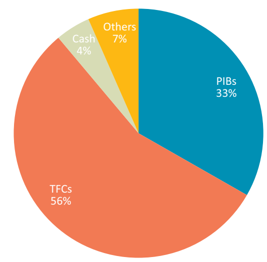
تاریخ: 04 ستمبر 2023

REPORT OF THE FUND MANAGER
FOR THE YEAR ENDED JUNE 30, 2023

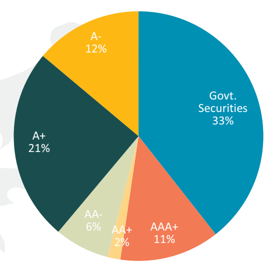
Fund Facts

Fund Type	Open-End
Category	Income Fund
Net Assets (PKR Mil.)	576
NAV (30.06.2023)	101.9766
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	Yousuf Adil Saleem & Co.
Management Fee	Upto 1.5% (Current 0.61%)
Front End Load	1.50%
Back End Load	None
Launch Date	November 13, 2009
Benchmark	Average daily rate of 6M KIBOR (Ask)
Dealing Days	Mon - Fri
Cut-Off Time	04:00 PM (Mon-Fri)
Fund Rating	'A+ (f)' by PACRA (06.Mar.2023)
Asset Manager Rating	AM2+ by PACRA (26.Aug.2022)
Risk Profile	Medium Risk

Asset Allocation



Credit Split



Simple Annualized	LIF	Benchmark
FY23 - YTD	9.15%	17.96%
June-23	16.09%	22.08%
2 Months	13.99%	22.09%
3 Months	14.41%	21.76%
6 Months	13.51%	19.66%
12 Months	9.15%	17.73%
CY23- YTD	13.51%	20.27%
3 Years	8.81%	12.35%
5 Years	9.54%	12.88%
Since Inception	16.99%	16.54%

Investment Committee

Babar Ali Lakhani	Chief Executive Officer
Kashif Mustafa	Executive Direcotr & COO
Mustafa O. Pasha, CFA	Chief Investment Officer
Hassan Bin Nasir	
Moazzam Akhtar	
Aisha Mohammad	
Mirza Danial Baig	

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.

Investment Strategy

The LIF focused on the constructing a liquid, diverse and high credit quality portfolio in accordance with its Investment Objective. Exposure of the LIF in T-Bills, TDRs, TFCs and other money market placements was managed based on the relative yield analysis of these instruments and the yield curve management. The LIF maintained an average exposure of 6.7% in risk free T-Bills and 4.3% in cash to maintain liquidity. Average exposure towards TFCs and Sukuks was 33.3%. As of June 30, 2023, the LIF portfolio was invested 4.3% in cash, 55.7% in TFCs/Sukuks, 33.3% in T-bills and 6.7% in others while the weighted average maturity of the LIF portfolio stood at 2108 days.

Economic Review

The June'23 quarter brought about a significant positive stride, marked by the attainment of a staff-level agreement between the International Monetary Fund (IMF) and Pakistan. This accord entails the provision of a substantial USD 3 billion as part of a stand-by arrangement (SBA) spanning nine months. This highly welcomed development is poised to act as a catalyst, enabling Pakistan to unlock critical funding from both bilateral and multilateral sources. The infusion of these funds will play a pivotal role in the augmentation of foreign exchange reserves, effectively contributing to the process of reconstruction. This milestone achievement effectively averts the looming specter of near-term default, as vividly underscored by the remarkable resurgence of Pakistan International Eurobonds. The government, in its pursuit of stabilizing the economic landscape, has undertaken a series of astute measures. These include recalibrating fuel and energy prices, instituting judicious tax policies, securing commitments from amicable nations, and implementing prudent adjustments exchange rate and interest rates.

On the 26th of June 2023, during an urgent Monetary Policy Committee (MPC) meeting, the State Bank of Pakistan (SBP) implemented a further 1% increase in the Policy Rate, propelling it to a historic pinnacle of 22%. This decision was a calculated response aimed at firmly anchoring inflation and concurrently driving real interest rates into positive terrain.
Throughout the June quarter, foreign exchange reserves exhibited a relatively stagnant trend, settling at USD 9.1 billion. Nonetheless, the reduction in these reserves was mitigated to some extent by inflows stemming from China.

The persistently elevated inflationary environment persisted during the fourth quarter of the fiscal year 2023, culminating in an average inflation rate of 34.56% for the quarter. This elevated inflation was underpinned by an interplay of factors, including the ongoing devaluation of PKR, ascending energy costs, the imposition of new taxes amounting to PKR 170 billion, disruptions in supply chains due to import limitations, and the cascading second-round effects stemming from these determinants. We foresee the average inflation rate for fiscal year 2024 will exhibit a gradual descent, potentially converging towards the range of 21-22%. Further optimism is directed towards June 2024, wherein the inflation rate might inch down to approximately 14-15%, contingent upon the absence of unforeseen variables.

During the fourth quarter of the fiscal year 2023 (4QFY23), imports underwent a significant 9.3% QoQ contraction, aggregating to a sum of USD 11.5 billion. Resultantly, exports experienced a marginal 1.7% QoQ dip, settling at USD 6.6 billion. This dynamic interplay precipitated an 18% reduction in the trade deficit on a QoQ basis, leading to its contraction to USD 4.8 billion. As a result, the country's current account balance showed a surplus of USD 632 million. This achievement is indicative of the efficacy of administrative measures enacted to curb the import bill, compounded by the prevailing sluggishness in economic demand.

On the fiscal front, FMR tax collection observed a 11.7% decline in tax collection, amounting to PKR 1.5 trillion, during the June quarter. This figure notably fell short of the quarterly target by a margin exceeding PKR 60 billion. The forthcoming months, however, hold promise for an improvement in tax collection, attributed to the relaxation of import restrictions. Yet, considering the persistent underwhelming economic demand, the FBR may encounter challenges in meeting the ambitious annual tax collection target of over PKR 9 trillion for the FY24.

Fund Profile

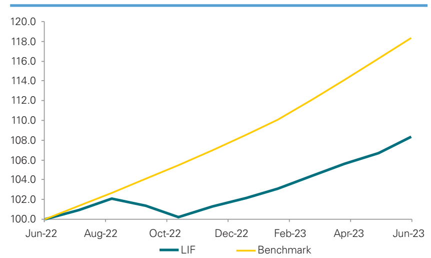
The Fund is an open-end income fund and is listed on Pakistan Stock Exchange Limited. LIF invests in Investment-grade Debt Securities, Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts, and other fixed income instruments. The overall duration of the portfolio 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 9.15% in the FY23 against the benchmark return of 17.96% p.a. The LIF underperformed by -8.81%. As of June 30, 2023, the LIF portfolio was invested 4.3% in cash, 55.7% in TFCs/Sukuks, 33.3% in T-bills and 6.7% in others while the weighted average maturity of the LIF portfolio stood at 2108 days. The fund size of the LIF as of June 30, 2023 is PKR 576 million.

Performance Table	FY23	FY22
Net Assets - Beginning (PKR Mil.)	2,618	5,100
Net Assets - Ending (PKR Mil.)	576	2,618
Highest Offer Price (PKR)	112.1301	111.4865
Lowest Offer Price (PKR)	102.9514	102.6911
Highest Redemption Price (PKR)	110.2557	109.8389
Lowest Redemption Price (PKR)	101.4299	101.1735
Beginning NAV - Ex-Div. (PKR)	101.3972	101.1275
Interim Distributions (PKR)	8.8585	8.7114
Final Distribution (PKR)	-	-
Ending NAV - Ex-Div. (PKR)	101.3972	101.3972
Return	9.15%	8.90%
Net Income (PKR Mil.)	105.20	339.43

LIF vs. Benchmark



Distributions	FY23	FY22
	PKR per Unit	
Interim Distributions (PKR)	8.8585	8.7114
Final Distribution	-	-
NAV before Distribution	101.3972	109.8389
NAV after Distribution	101.3972	101.1275
Distribution Date	19-Jun-23	27-Jun-2022

Fixed Income Market Review

During 4QFY23, the State Bank of Pakistan raised the policy rate by 1% to an all-time high of 22% to push the real interest rate in positive territory on a forward-looking basis and anchor inflation expectations. By June end, cut-off yields for 3months, 6months and 12months reached 22%, 21.97% and 22%, respectively. Similarly, PIB yield was also adjusted upwards as 3-year bond yield reached 19.35%. To sustain market stability, the central bank infused ample liquidity into the system through robust Open Market Operations (OMO). This infusion of liquidity created an opportunity for market participants to support the cash-strapped government.

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payout of PKR 8.8585 per unit (8.8585% of face value of PKR 100/-) amounting to PKR 26.3655 million in cash during the year ended June 30, 2023.

Future Outlook

The trajectory of the market is contingent upon several pivotal factors. Firstly, the positive trajectory of the external account, bolstered by the IMF's Stand-By Arrangement (SBA), is poised to exert a favorable influence. Secondly, the potential for a reduction in CPI, attributed to the impact of elevated base effects driving down inflation, might pave the way for monetary easing. Such a move would serve as a catalyst for fortifying economic growth. Thirdly, the nation's political climate and stability remain influential determinants in nurturing investor trust. At present, the market boasts an appealing Price-to-Earnings (P/E) ratio of 3.9x, underscoring promising growth prospects. With such compelling dynamics, investors are presented with an immensely attractive opportunity to capitalize on the market's promising upward trajectory in the foreseeable future.

The revival of the IMF program stands poised to usher in enhanced accessibility to funds from international lenders, subsequently furnishing crucial external financing support. These inflows will culminate in the augmentation of foreign exchange reserves, thereby mitigating external pressures and paving the way for sustained economic equilibrium.

The caretaker government should find it easier to comply with the requirements of the ongoing SBA program, especially if it is adequately staffed with technocrats. In this regard, recent legislation has empowered the coming caretaker government to take decisions on existing bilateral & multilateral agreements. That said, Pakistan needs to quickly negotiate a successor IMF program when the SBA facility ends in March 2024. We believe that a timely and peaceful election is important for carrying out structural reforms, remaining in the IMF program, and restoring investor confidence in the economy.

Circumstances Materially Affecting Interests of Unit Holders

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company and the Fund Stability Rating of LIF at "AM2+" at "A+(f)" respectively.

Other Disclosures

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

There was no unit split undertaken during the year.

As of June 30, 2023, the LIF does not employ any leverage.

Breakdown of Unit Holding by Size

Units Range	No. of Clients	Units Held
Holding upto 100	15	205
101 - 500	4	993
501 - 1,000	4	2,416
1,001 - 5,000	9	19,991
5,001 - 10,000	5	28,496
10,001 - 50,000	14	425,580
50,001 - 100,000	1	63,131
100,001 - 500,000	8	2,455,318
500,001 - 1,000,000	1	551,559
1,000,001 - 5,000,000	1	2,103,170
5,000,001 - above	-	-
	62	**5,650,860**

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Lakson 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 year ended June 30, 2023 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;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) 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.

For the purpose of information, we would like to draw unit holders' attention towards the fact that the exposure of the Fund in Term Finance Certificates (TFCs) of different Banks along with total exposure in Banking Sector were non-compliant at different intervals during the year with respect to the requirement of point 3 and 7 of Schedule XIX of the NBFC Regulations. The breach of exposure limit in TFCs of different banks and banking sector were in between 0.38% to 32.76% and 0.25% to 64.84% of the net assets respectively.

Moreover, the minimum requirement of maintaining 25% cash and near cash instrument as per Circular 7 of 2009 was also breached from January 2023 to June 2023.

On the request of the Management Company, the Commission extended the time period for regularization of the reported non compliances which were subsequently regularized by the Management Company. The said non compliances has already been reported to the Commission.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 28, 2023

CENTRAL DEPOSITORY COMPANY

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
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INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of Lakson Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Lakson Income Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and Management Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key audit matter	How our audit addresses the key audit matter
1.	**Valuation and existence of investments** As disclosed in note 6 to the financial statements, investments held at fair value through profit or loss (FVTPL) amounted to Rs. 537.13 million. As disclosed in note 6.1 market treasury bills amounted to Rs. 200.87 million and as disclosed in note 6.3 term finance certificate amounted to Rs. 336.26 million which represent significant item on the statement of assets and liabilities of the Fund. We have identified the existence and valuation as significant areas during our audit of investment due to which we have considered this as a key audit matter.	We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedure included the following: • We obtained an understanding of fund's process over acquisition, disposals and periodic valuation of investment portfolio and evaluated those areas for the purpose of our audit. • We performed substantive audit procedures on year-end balance of portfolio including inspection of custodian's statement and Investor Portfolio Services (IPS) account statement. Also evaluated the valuations on the

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Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

S. No.	Key audit matter	How our audit addresses the key audit matter
		basis of prices/rates determined by Mutual Funds Association of Pakistan (MUFAP) and tested carrying values of those debt securities which are amortized over a period of time. • We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the investment portfolio and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. • We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have not been provided with the other information yet and therefore, we have nothing to report in this regard.

Responsibilities of Management Company and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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YOUSUF ADIL

Yousuf Adil
Chartered Accountants

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.

- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Arif Nazeer.

Yousuf Adil

Chartered Accountants

Place: Karachi
Date: September 13, 2023
UDIN: AR2023100991BoFd7uTz

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

Statement of Assets and Liabilities
As at 30 June 2023

	Note	2023	2022
		(Rupees)	
Assets			
Bank balances	5	**39,589,225**	698,062,481
Investments	6	**537,133,989**	1,882,696,942
Profit / mark-up receivable	7	**8,546,993**	61,398,680
Advances, deposits and other receivables	8	**18,304,734**	26,490,862
Total assets		**603,574,941**	2,668,648,965
Liabilities			
Payable to the Management Company	9	**18,870,811**	21,454,226
Payable to the Trustee	10	**39,725**	224,169
Payable to Securities and Exchange Commission of Pakistan	11	**219,604**	799,510
Accrued expenses and other liabilities	12	**8,188,977**	27,824,423
Total liabilities		**27,319,117**	50,302,328
Net assets		**576,255,824**	2,618,346,637
Unit Holders' Fund (as per Statement of Movement In Unit Holders' Fund)		**576,255,824**	2,618,346,637
Contigencies and commitments	14		
		-------(Number of units)-----	
Number of units in issue	15	**5,650,860**	25,822,658
		----------- (Rupees) ------------	
Net assets value per unit		**101.9766**	101.3972

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Income Statement
For the year ended 30 June 2023

	Note	2023	2022
		(Rupees)	
Income			
Profit / mark-up income		**167,807,652**	369,422,851
Income from margin trading system		**633,573**	1,878,021
Dividend income on equity securities		-	10,649,050
Realised loss on sale of investments classified as at fair value through profit or loss -net		**(12,347,925)**	(3,568,558)
Unrealised (diminution) / appreciation on revaluation of investments classified as at fair value through profit or loss -net		**(1,680,199)**	8,056,060
Provision against non-performing debt securities		**(31,966,400)**	(6,893,254)
		122,446,701	379,544,170
Expenses			
Remuneration to the Management Company		**11,490,686**	47,907,693
Sindh Sales tax on remuneration to the Management Company		**1,491,403**	6,289,363
Remuneration to the Trustee	10	**933,063**	3,388,029
Annual fee to the Securities and Exchange Commission of Pakistan	11	**219,629**	799,535
Securties and Exchange Commision of Pakistan supervisory fee		**2,500**	2,500
Brokerage, custody, settlement and bank charges		**902,433**	5,623,067
Auditors' remuneration		**548,860**	433,053
Fees and subscription		**1,368,073**	325,743
Legal and professional charges		**288,071**	991,847
Printing charges		**6,780**	-
Total expenses		**17,251,498**	65,760,830
Net income from operating activities		**105,195,203**	313,783,340
Reversal of provision for Sindh Workers' Welfare Fund		-	25,648,166
Net income for the year before taxation		**105,195,203**	339,431,506
Taxation	17	-	-
Net income for the year after taxation		**105,195,203**	339,431,506
Allocation of net income for the year after taxation			
Net income for the year after taxation		**105,195,203**	339,434,706
Income already paid on units redeemed		**(76,552,444)**	(223,785,166)
		28,642,759	115,649,539
Accounting income available for distribution			
- Relating to capital gains - net		-	-
- Excluding capital gains		**28,642,759**	115,649,539
Accounting income available for distribution		**28,642,759**	115,649,539
Earnings per unit	4.14		

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

For Lakson Investments Limited
(Management Company)

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

Statement of Comprehensive Income
For the year ended 30 June 2023

	2023	2022
	(Rupees)	
Net income for the year	**105,195,203**	339,431,506
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**105,195,203**	339,431,506

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Statement Of Movement in Unit Holders' Fund
For the year ended June 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	-----------------------------(Rupees)-----------------------------					
Net assets at beginning of the year	**2,575,601,975**	**42,744,662**	**2,618,346,637**	5,064,663,876	35,610,953	5,100,274,829
Issuance of units 40,733,362 (2022: 92,224,832 units)						
- Capital value	**4,130,248,829**		**4,130,248,829**	9,226,605,718		9,226,605,718
- Element of income	**63,205,970**	**-**	**63,205,970**	567,125,393	-	567,125,393
Total proceeds on Issuance of units	**4,193,454,799**	**-**	**4,193,454,799**	9,793,731,110	-	9,793,731,110
Redemption of 60,905160 units (2022: 116,836,277 units)						
- Capital value	**(6,175,612,662)**		**(6,175,612,662)**	(11,815,360,572)		(11,815,360,572)
- Element of loss	**(42,581,333)**	**(76,552,444)**	**(119,133,777)**	(467,432,440)	(223,785,166)	(691,217,606)
Total payments on redemption of units	**(6,218,193,995)**	**(76,552,444)**	**(6,294,746,439)**	(12,282,793,012)	(223,785,166)	(12,506,578,178)
Distribution during the period:						
- Interim Distribution June 21, 2023						
@ Rs. 8.8585 per unit (2022: Rs 8.7114 per unit)	**(19,628,819)**	**(26,365,557)**	**(45,994,376)**	-	(108,515,830)	(108,515,830)
Total comprehensive income for the year	**-**	**105,195,203**	**105,195,203**	-	339,434,706	339,434,706
Net assets as at end of the year	**531,233,960**	**45,021,864**	**576,255,824**	2,575,601,975	42,744,662	2,618,346,637
Undistributed income brought forward						
- Realised gain		**41,578,656**			30,241,737	
- Unrealised gain		**1,166,006**			5,369,216	
		42,744,662			35,610,953	
Accounting income available for distribution						
- Relating to capital gains		**-**			-	
- Excluding capital gains		**28,642,759**			115,649,539	
Net income for the year after taxation		**28,642,759**			115,649,539	
- Interim Distribution June 21, 2023						
at 8.8585 per unit (2022: Rs 8.71114 per unit)		**(26,365,557)**			(108,515,830)	
Undistributed income carried forward		**45,021,863**			42,744,662	
Represented by:						
- Realised income at the end of the year		**46,702,062**			41,578,656	
- Unrealised income at the end of the year		**(1,680,199)**			1,166,006	
Undistributed income at end of the year		**45,021,863**			42,744,662	
Net assets value per unit at beginning		**101.3972**			101.1275	
Net assets value per unit at end		**101.9766**			101.3972	

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023	2022
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		**105,195,203**	339,434,706
Adjustments for non-cash charges and other items:			
Mark-up income on investment		**(167,807,652)**	(369,422,851)
Income from Margin Trading System		**(633,573)**	(1,878,021)
Realised loss on sale of investments classified as at fair value through profit or loss -net		**12,347,925**	3,568,558
Unrealised diminution / (appreciation) on revaluation of investments classified as financial asset at fair value through profit or loss'-net		**1,680,199**	(1,166,006)
Reversal of provision for Sindh Workers' Welfare Fund-		**(25,648,166)**	
Provision against non-performing debt securities		**31,966,400**	6,893,254
		(17,251,498)	(48,218,526)
Decrease in assets			
Investments		**1,509,832,505**	139,672,637
Advances, deposits and other receivables		**8,186,128**	170,303,259
		1,518,018,633	309,975,896
Increase / (decrease) in liabilities			
Payable to the Management Company		**(2,583,417)**	(2,893,565)
Payable to the Trustee		**(184,444)**	(126,887)
Payable to Securities and Exchange Commission of Pakistan		**(579,906)**	69,926
Accrued expenses and other liabilities		**(19,996,381)**	811,465
		(23,344,148)	(2,139,061)
Profit received on bank balances and investments		**220,659,339**	341,222,123
Receipts under margin trading system		**633,573**	85,064,104
Net cash generated from operating activities		**1,698,715,899**	685,904,536
CASH FLOWS FROM FINANCING ACTIVITIES			
Received from issue of units		**4,193,454,799**	9,793,731,110
Paid on redemption of units		**(6,294,746,439)**	(12,506,578,178)
Dividend paid		**(45,633,441)**	(108,515,830)
Net cash generated used in financing activities		**(2,146,925,081)**	(2,821,362,898)
Net decrease in cash and cash equivalents		**(448,209,182)**	(2,135,458,362)
Cash and cash equivalent at the beginning of the year		**698,062,481**	2,962,897,726
Cash and cash equivalent at the end of the year		**249,853,301**	827,439,366
Cash and cash equivalents			
Bank balances	5	**39,589,225**	698,062,481
Investments maturing within 3 months	6	**210,264,076**	129,376,884
		249,853,301	827,439,365

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Notes to the Financial Statements
For the year ended 30 June 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Lakson Income Fund (the "Fund") was established under the Trust Deed executed on August 18, 2009 between 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, while the headoffice of the Fund is in the Lakson Square Building No.2, Karachi.

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 "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.

1.3 The Pakistan Credit Rating Agency Limited (PACRA) has maintained A+(f) (Fund Stability Rating) to the Fund on March 6, 2023 based on the stability reviews for the year ended 30 June 2023 (2022: A+(f) on 09 March 2022) and has also maintained asset manager rating of the Company to AM2+ (stable outlook), on 26 August 2022 (2022: AM2+ as on 27 August 2021).

1.4 The Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act "Sindh Trust Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Trusts including Collective Investment Scheme, private funds etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. Accordingly, on January 31, 2022 the above mentioned Trust Deed has been registered under the Sindh Trust Act.

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 and requirement of the Trust Deed 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 and requirement of the Trust Deed have been followed.

2.1.1 The SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular No. 33 of 2012 for impairment of debt securities.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain investments are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the fund's functional and presentation currency. All amount have been rounded off to the nearest of rupees, unless otherwise indicated.

2.4 Critical accounting estimates and judgments

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the subsequent year relates to;

a) classification of financial assets (Note 4.1.1.1);

b) impairment of financial assets (Note 4.1.1.3);

c) provisions (Note 4.11); and

d) taxation (note 4.10).

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

3.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund’s statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

4.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

4.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (OCI), interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

4.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKISRV rates) which are based on the remaining tenor of the securities.

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

4.1.1.3 Impairment of financial assets

Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

As disclosed in note 2.1.2 of these financial statements, the Fund follows the requirements of Circular No. 33 of 2012 (the "circular") for impairment of debt securities. Under the circular, provision for non-performing debt securities is made on the basis of time based criteria as prescribed under the circular. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed under circular no. 13 of 2009 dated May 04, 2009 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.1.1.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or

- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset.

4.1.2 Financial liabilities

4.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fair value through profit or loss.

4.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

4.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of balance in profit and loss and current accounts maintained with banks. Cash equivalents are short term (ranging from one month to three months) highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.3 Trade date accounting

All regular way purchases and sales of investments are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Fund. Regular way purchases or sales of investment require delivery of securities within two days after transaction date as required by Pakistan Stock Exchange Limited Regulations.

4.4 Receivable against Margin Trading System (MTS)

Securities purchased under Margin Trading System are entered into contracted rates for specified rates for specified period of time. Amount paid under these agreements are recognised as receivable in respect of MTS. Cash releases are adjusted against the receivable as reduction in the amount of receivable. The maximum maturity of a MTS contract is 60 days out of which 25% exposure will be automatically released at expiry of every 15th day from the date of contract.

4.5 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.7 Net assets value per unit

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

4.8 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which transactions take place.

- Unrealised appreciation / (dimunition) arising on revaluation of investments classified as financial assets at fair value through profit or loss are included in the Income Statement in the period in which they arise.

- Profit on bank deposits, term deposit receipts, mark-up / return on investments in debt securities, income from government securities and income from margin trading system are recognised on a time proportion basis using the effective yield method.

4.9 Element of income / loss and capital gains / losses in prices of units sold less those in units redeemed

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on the issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per the guidelines provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price. Income already paid on redemption of units during the year are taken separately in the statement of movement in unitholders' fund.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in Statement of Movement in Unitholders' Fund.

4.10 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.11 Provisions

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

4.12 Dividend distribution

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted for the effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.13 Other assets

Other assets comprose of deposits and other receivables, receivable against Margin Trading System which are stated at cost less impairment losses, if any.

4.14 Earnings per unit (EPU)

Earnings Per Unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

		Note	**June 30, 2023**	June 30, 2022
			(Rupees)	
5.	**BANK BALANCES**			
	In profit and loss sharing accounts	5.1	**39,581,751**	698,055,008
	In current accounts		**7,474**	7,473
			39,589,225	698,062,481

5.1 These represent profit and loss account maintained with banks carrying profit rates ranging from 11.25% to 19.5% (June 30, 2022: 10.75% to 16.26%) per annum.

			June 30, 2023	June 30, 2022
6	**INVESTMENTS**	**Note**	**(Rupees)**	
	Financial assets classified at fair value through profit or loss			
	Government securities			
	- Market Treasury Bills	6.1	**200,873,402**	256,935,650
	- Pakistan Investment Bonds	6.2	-	614,480,000
	Term finance certificates - Unlisted	6.3	**336,260,587**	881,904,408
			537,133,989	1,753,320,058
	Financial assets classified at amortized cost			
	Commercial papers	6.4	-	129,376,884
			537,133,989	1,882,696,942

6.1 Government Securities - Market Treasury Bills

At fair value through profit or loss	Date of Issue	As at July 01, 2022	Acquired during the year	Disposed / matured during the year	As at June 30, 2023	As at July 01, 2022	Acquired during the year	Disposed / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as a percentage of net assets of Fund	Market value as a percentage of total investments
		------------Number of Units ------------				--------------Face Value--------------				--------------(Rupees)--------------			-------(Rupees)-------	
Treasury Bills - 03 months	21-Apr-22	-	250,000	250,000	-	-	25,000,000	25,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	21-Apr-22	-	670,000	670,000	-	-	67,000,000	67,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	28-Apr-22	-	320,000	320,000	-	-	32,000,000	32,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	2-Jun-22	-	1,820,000	1,820,000	-	-	182,000,000	182,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	30-Jun-22	-	1,664,000	1,664,000	-	-	166,400,000	166,400,000	-	-	-	-	-	-
Treasury Bills - 03 months	28-Jul-22	-	4,930,000	4,930,000	-	-	493,000,000	493,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	11-Aug-22	-	2,030,000	2,030,000	-	-	203,000,000	203,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	20-Oct-22	-	1,100,000	1,100,000	-	-	110,000,000	110,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	3-Nov-22	-	1,450,000	1,450,000	-	-	145,000,000	145,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	4-Jan-23	-	760,000	760,000	-	-	76,000,000	76,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	12-Jan-23	-	500,000	500,000	-	-	50,000,000	50,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	6-Apr-23	-	1,755,000	1,755,000	-	-	175,500,000	175,500,000	-	-	-	-	-	-
Treasury Bills - 03 months	20-Apr-23	-	600,000	-	600,000	-	60,000,000	-	60,000,000	59,587,834	59,563,920	(23,914)	10.34	11.09
Treasury Bills - 03 months	22-Jun-23	-	1,485,000	-	1,485,000	-	148,500,000	-	148,500,000	141,542,250	141,309,482	(232,768)	24.52	26.31
Treasury Bills - 06 months	24-Mar-22	-	130,000	130,000	-	-	13,000,000	13,000,000	-	-	-	-	-	-
Treasury Bills - 06 months	14-Jul-22	-	330,000	330,000	-	-	33,000,000	33,000,000	-	-	-	-	-	-
Treasury Bills - 01 year	28-Apr-22	2,900,000	-	2,900,000	-	290,000,000	-	290,000,000	-	-	-	-	-	-
Total as at 30 June 2023		**2,900,000**	**19,794,000**	**20,609,000**	**2,085,000**	**290,000,000**	**1,979,400,000**	**2,060,900,000**	**208,500,000**	**201,130,084**	**200,873,402**	**(256,682)**	**34.86**	**37.40**
Total Cost as at June 30, 2023										228,086,905				
Total as at 30 June 2022										259,534,852	256,935,650	(2,599,202)	9.83	13.65
Total Cost as at June 30, 2022										259,435,617				

6.1.1 All treasury bills have face value of Rs. 100,000 and the effective yield for closing treasury bills are 21.95 - 22%.

6.2 Pakistan Investment Bond

At fair value through profit or loss	Date of Issue	Date of maturity	Total Face Value (maturity value)	Term	Mark-up rate (%)	As at July 01, 2022	Acquired during the year	Disposed / matured during the year	As at June 30, 2023	Carrying value as of the year ended June 30, 2023 before revaluation	Market value as of the year ended June 30, 2023 after revaluation	Unrealized (diminution)/ appreciation	Market value as a percentage of net assets of Fund	Market value as a percentage of total investments
						------------Number of Units ------------				--------------(Rupees)--------------			-------(Rupees)-------	
3 years Pakistan Investment Bond	22-Oct-20	22-Oct-23	65,000,000	3 years	7.62	650	-	650	-	-	-	-	-	-
10 years Pakistan Investment Bond	22-Aug-19	22-Aug-29	350,000,000	10 years	7.89	3,500	-	3,500	-	-	-	-	-	-
10 years Pakistan Investment Bond	25-Jul-19	25-Jul-29	200,000,000	10 years	7.94	2,000	-	2,000	-	-	-	-	-	-
Total as at June 30, 2023										-	-	-	-	-
Total as at June 30, 2022										617,418,017	614,480,000	(2,938,017)	23.47	32.64

6.3 Term Finance Certificates - Un-listed

Performing	Date of Issue	Date of maturity	Rate (%)	Note	As at July 01, 2022	Acquired during the year	Disposed during the year	As at June 30, 2023	Carrying value	Market value	Unrealized (diminution) /appreciation	Market value as a percentage of net assets of Fund	Market value as a percentage of total investments	Face value as percentage of size of the issue
					Number of certificates				--------------(Rupees)--------------			-------(Rupees)-------		
Commercial Bank														
Bank Al Habib Limited Tier-II TFCs 10 years (face value of Rs. 5000 each)	06-Dec-18	06-Dec-28	23.15%		58,000	-	45,400	12,600	65,654,719	63,169,590	(2,485,130)	10.96	11.76	1.58
Samba Bank Limited TFC (face value of Rs. 100,000 each)	01-Mar-21	01-Mar-31	21.41%		2,900	-	2,540	360	36,051,393	35,971,200	(80,193)	6.24	6.70	0.72
Jahangir Siddiqui Bank Limited (face value of Rs. 100,000 each)	28-Dec-21	28-Dec-28	24.97%		1,250	-	-	1,250	127,474,115	125,761,123	(1,712,992)	21.82	23.41	5.00
NRSP Micro Finance Bank (face value of Rs. 100,000 each)	09-Jul-21	09-Jul-28	25.03%	6.3.2	700	-	-	700	70,000,000	70,000,000	-	12.15	13.03	9.09
Investment Company														
Jahangir Siddiqui Company Limited PPTFC (face value of Rs. 5,000 each)	12-Jul-17	12-Jul-23	18.50%		15,000	-	-	15,000	10,194,237	9,390,674	(803,563)	1.63	1.75	5.00
Total as at 30 June, 2023									**309,374,465**	**304,292,587**	**(5,081,878)**	**52.92**	**56.77**	**21.43**
Total as at 30 June 2022									804,352,687	817,962,008	13,609,321	33.68	46.84	15.42

Non-performing	Date of Issue	Date of maturity	Rate (%)	Note	As at July 01, 2022	Acquired during the year	Disposed / matured during the year	As at June 30, 2023	Carrying value as at July 01, 2022	Impairment as at June 30, 2023	Carrying value as at June 30, 2023	Market value as a percentage of net assets of Fund	Market value as a percentage of total investments	Face value as percentage of size of the issue
					Number of certificates				--------------(Rupees)--------------			-------(Rupees)-------		
Silk Bank Limited PPTFC - 08 years (face value of Rs. 5,000 each)	10-Aug-17	12-Aug-25	9.41	6.3.1	16,000	-	-	16,000	63,934,400	(31,966,400)	31,968,000	-	-	4.00
Total as at 30 June, 2023									**63,934,400**	**(31,966,400)**	**31,968,000**	**-**	**-**	**4.00**
Total as at 30 June 2022									70,827,654	(6,893,254)	63,934,400	-	-	4.00

6.3.1 This represents unlisted term finance certificates issued by Silk Bank Limited. Total size of the issue is Rs. 2,000 million and the term of the TFCs is eight years commencing from the date of issue of TFCs which was August 2017 and ending on August 2025. Profit on the instrument is receivable on semi-annually basis in arrears on the outstanding balance and the first such profit payment is due at the expiry of 6 months from the issue date and subsequently every six months thereafter. Profit rate on this term finance certificate is six months average KIBOR + 1.85% per annum. The instrument is structured to redeem 0.14% of the issue amount during the first 7 years and remaining 99.86% in the last two semi annual instalments of 49.93% each. The instrument is unsecured and subordinated to all other indebtedness of the Bank. The latest available rating of the instrument is BBB+ rated on December 23, 2021, after that there is no credit rating available as the TFC is non-performing.

During the year ended June 30, 2022 the issuer defaulted the coupon payment which was due on February 10, 2022, as a result the investment was classified as non-performing asset on February 25, 2022 and the markup income / coupon was suspended accordingly. As per the requirements of Circular No. 33 of 2012 issued by the SECP on October 24, 2012, the profit accrued uptil February 10, 2022 was reversed and an unrealised loss of Rs. 15.98 million, which is 20% of outstanding principal amount of Rs. 79.93 million was recorded as an unrealised loss in year ended June 30, 2022. During the year a further provision of Rs. 31.97 million was recorded, which is 40% of principal amount.

6.3.1.1 The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 date July 07, 2010 prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for category assigned to such schemes or with the investment requirement of their consecutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria a laid down in the circular. Lakson Asset Management Limited (the Management Company) classified Lakson Income Fund (the Fund) as an 'Income Scheme' in accordance with the said circular. As at June 30, 2023, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade. The following are the details of non-compliant investments held by the Fund:

Name of non-compliant investment	Note	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Investment as percentage of Net Assets	Investment as percentage of Gross Assets
Silk Bank Limited PPTFC - 08 years (face value of Rs. 5,000 each)	6.3.1	Term Finance Certificate	70,827,654	(38,859,654)	31,968,000	5.55%	5.30%

6.3.2 During the period it was classified as non-performing as of October 10, 2022 due to an overdue payment. As per the requirements of Circular No. 33 of 2012 issued by the SECP on October 24, 2012, the profit accrued until October 09, 2022 was reversed however, no provision for outstanding principal was recorded. The overdue profit amount was later received on 22 Nov 2022 and subsequently on Jan 09, 2023. The instrument was later automatically classified as " Performing" after the timely receipt of profit due on April 09, 2023, as stated in Circular No. 33 of 2012 by SECP.

6.3.3 Significant terms and conditions of term finance certificates outstanding as at June 30, 2023 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Maturity date	Rating
Commercial Bank			
Bank Al Habib Limited	6 months KIBOR + 1%	December 06, 2028	AAA
Samba Bank Limited	6 months KIBOR + 1.35%	March 01, 2031	AA-
Jahangir Siddiqui Bank Limited	6 months KIBOR + 1.4%	December 28, 2028	A+
NRSP Micro Finance Bank	3 months KIBOR + 3%	July 09, 2028	A-
Silk Bank Limited	6 months KIBOR + 1.85%	August 12, 2025	B
Investment Company			
Jahangir Siddiqui Company Limited	6 months KIBOR + 1.4%	July 12, 2023	AA+

6.3.2.1 The rating of the term finance certificates have been obtained from Pakistan Credit Rating Agency (PACRA).Markup on above term finance certificate is receivable on semi annually basis in arrears, except NRSP Micro Finance Bank which is receivable on quarterly basis in arrears with no floor or cap.

6.4 Commercial Papers

	Note	Date of Issue	Date of Maturity	Term	Mark-up rate	As at July 01, 2022	Acquired during the year	Disposed / matured during the year	As at June 30, 2023	Carrying Value as at 30 June 2023	Carrying value as % of net assets	Carrying value as % of net assets
						(Number of Commercial Papers)				(Rupees)	--------- (Rupees) ---------	
Mughal Iron and Steel Industries Limited	6.4.1	21-Jul-21	21-Jul-22	1 Year	9.44%	130	-	130	-	-	-	-
Total as at 30 June 2023										-	-	-
Total as at 30 June 2022										129,376,884	4.94	6.87

6.4.1 This represented investment in commercial paper of Mughal CP (1 Year) having coupon rate 9.4%% and was matured on 21 July 2022. The paper was unsecured. Face value and cost of commercial paper was Rs.130,000,000.

7. PROFIT / MARK-UP RECEIVABLE	Note	**June 30, 2023**	June 30, 2022
		(Rupees)	
Profit / return receivable on:			
Profit and loss sharing accounts		**549,647**	11,817,198
Term finance certificates		**7,997,346**	23,255,037
Commercial papers		-	26,326,445
		8,546,993	61,398,680

8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	Note	June 30, 2023	June 30, 2022
Security deposits:			
-Central Depository Company of Pakistan Limited		**100,000**	100,000
-National Clearing Company of Pakistan Limited	8.1	**2,750,000**	2,750,000
Cash margins:			
-National Clearing Company of Pakistan Limited	8.2	-	10,000,000
Advance tax	8.3	**13,626,153**	13,625,583
Receivable against redemption of investments		**48,278**	15,279
Other receivables		**1,780,303**	-
		18,304,734	26,490,862

8.1 This represents deposit with NCCPL in respect of the trading of listed securities.

8.2 During the year ended June 30, 2023, margin with National Clearing Company of Pakistan Limited (NCCPL) was received back although during the year ended June 30, 2022 margin deposit was maintained with NCCPL against MTS losses by the Fund in addition to Treasury Bills pledged as security.

8.3 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, withholding tax on profit on bank balances paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide its Circular "C.No.1 (43) DG (WHT) / 2008 - Vol.II - 66417 - R dated May 12, 2015" which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholdee.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on bank balances have been shown as advance tax under assets as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9. REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY

	Note	June 30, 2023	June 30, 2022
		(Rupees)	
Payable to the Management Company	9.1	**288,009**	2,553,971
Sindh Sales Tax on remuneration to Management Company	9.2	**37,442**	352,610
Federal Excise Duty on remuneration to Management Company	9.3	**18,545,360**	18,545,360
Sales load payable to Management Company		-	2,285
		18,870,811	21,454,226

9.1 As per Regulation 61 of the NBFC and Notified Entities Regulations, 2018, 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 offereing document, the Management Company can charge management fee up to 2% of the average annual net assets of the fund, calculated on daily basis. The remuneration is payable to the Management Company monthly in arrears.

With effect from January 07, 2022, the minimum fee of 0.25% had been removed through supplement to the offering document dated December 20, 2021 and the management can now charge 1.5% of the average annual net assets.The Management Company has charged management fee at the rate of 1.05% of the net assets.

9.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022: 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 9.3.

9.3 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 June 30, 2017, 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, being prudent the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 18.54 million (2022: 18.54 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 June 30, 2023 would have been higher by Rs. 3.28 (June 30, 2022: Rs.0.72) per unit.

10. REMUNERATION PAYABLE TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of Trust Deed. Effective from 01 July 2019 the Trustee has revised the trustee fee which is 0.075% per annum of the net assets.

The remuneration is paid to the trustee in arrears on monthly basis.

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

This represents annual fee payable to SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.02% per annum of the average daily net assets of the fund in accordance with the regulation 62 of the NBFC Regulation, 2008.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	**June 30, 2023**	June 30, 2022
		(Rupees)	
Auditors' remuneration		**418,177**	311,079
Brokerage payable		**72,154**	25,310
Payable to National Clearing Company of Pakistan Limited		**275,015**	869,290
Dividend payable		**360,935**	-
Withholding tax payable		**1,592,719**	16,753,305
PACRA rating fee payable		**544,047**	-
Others	12.1	**4,925,930**	9,865,438
		8,188,977	27,824,423

12.1 This amount includes excess profit credited by the a bank. During the year ended June 30, 2022, bank credited an amount of Rs. 4.27 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.

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 1.58% as of June 30, 2023 (June 30, 2022: 0.77%) and this includes 0.16% (June 30, 2022: 0.04%) representing Sindh Sales tax and SECP fee. As per NBFC Regulation the total expense ratio of the Income Scheme shall be caped up to 2.5% (excluding government levies).

14. CONTINGENCIES AND COMMITMENTS

14.1 Contigencies

The Fund had no contingency at the period end except as those mentioned elsewhere in this financial statements.

		June 30, 2023	June 30, 2022
15.	NUMBER OF UNITS IN ISSUE	(Number)	
	Total outstanding as of 1 July	**25,822,658**	50,434,103
	Issued during the year	**40,733,362**	92,224,832
	Redeemed during the year	**(60,905,160)**	(116,836,277)
	Total units in issue as of 30 June	**5,650,860**	25,822,658

		June 30, 2023	June 30, 2022
16.	AUDITORS' REMUNERATION	(Rupees)	
	Annual audit fee	**382,976**	314,253
	Fee for the review of half yearly financial statements	**119,680**	108,800
	Out of pocket and sales tax expenses	**46,204**	10,000
		548,860	433,053

17. TAXATION

The Fund is exempt from taxation under Clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. 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 Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statement.

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee and the custodian ,SIZA services Private Limited being holding company of the management company, SIZA Services Private Limited being holding company of the Management Company, associated companies of the Management Company, key management personnel and other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at June 30, 2023.

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 as approved by the Board.

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

18.1 Details of balances with related parties / connected persons at the year end

	June 30, 2023	June 30, 2022
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable to Management Company	**288,009**	2,553,971
Sindh Sales Tax on remuneration of Management Company *	**37,442**	352,610
Federal Excise Duty on Management Company's remuneration	**18,545,360**	18,545,360
Sales load payable to the Management Company	**-**	2,285
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	**39,725**	224,169
Security deposit	**100,000**	100,000

18.2 Details of transactions with related parties / connected persons during the year

	June 30, 2023	June 30, 2022
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration to the Management Company	**11,490,686**	47,907,693
Sindh sales tax on remuneration of Management Company *	**1,491,403**	6,289,363
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the year	**933,063**	3,388,029
Settlement charges for the year	**22,818**	-

* Sales tax is paid / payable to the management company / Trustee for onwards payment to the Government.

18.3 Details of transactions and balances with directors, key management personnel, employees, associated company/ undertakings of the Management Company and connected person are as follows:

	Year ended June 30, 2023								
	Number of Units				Rupees				
	Number of Units as at July 01, 2022	Units issued during the year	Units redeemed during the year	Number of units as at June 30, 2023	Dividend Paid during the year	Balance as at July 01, 2022	Issuance during the year	Redemptions during the year	Balance at the year end 30 on June 2023
Lakson Investments Limited - Management Company	4,731,345	4,562,987	6,857,575	2,436,757	479,745,098	2,750,804	463,623,471	721,285,288	248,492,201
Directors, Chief Executive and their spouse and minors	11,264,336	189,023	10,809,204	644,155	1,142,172,080	4,612,127	19,418,874	1,121,914,219	65,688,718
Key management personnel, employees and connected persons of the Management Company	-	-	-	-	-	-	-	-	
Associated companies / undertakings of the Management Company									
Accuray Surgical Limited Employees Contributory Provident Fund	66,608	27,573	69,673	24,508	6,753,877	45,801	2,795,801	1,814,548	2,499,243
Alan Private Limited	28,819	2,140	-	30,959	2,922,117	255,296	217,001	-	3,157,056
Century Insurance Company Limited - Gratuity Fund	137,690	8,038	104,730	40,997	13,961,342	291,977	816,977	1,350,000	4,180,745
Century Insurance Company Limited	689,221	-	689,220	-	69,885,035	-	-	5,993,905	-
Century Insurance Company Limited Employees Contributory Provident Fund Trust	153,346	5,748	121,675	37,420	15,548,905	307,831	582,831	234,000	3,815,936
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	1,238,382	34,241	874,947	397,676	125,568,502	3,471,895	3,471,895	23,900,000	40,553,683
Century Paper & Board Mills Limited - Employees Gratuity Fund	1,227,782	31,772	884,246	375,308	124,493,681	3,221,636	3,221,636	21,450,000	38,272,681
Clover Pakistan Limited Employees Contributory Provident Fund Trust		-	-	-	-	-	-	-	-
Colgate Palmolive Pakistan Limited	-		-	-	-	-	-	-	-
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund Trust	459,109		253,617	362,675	46,552,417	1,903,703	15,978,703	-	36,984,344
Colgate Palmolive Pakistan Limited - Employees Gratuity Fund	679,862	34,793	301,290	413,366	68,936,136	3,353,592	3,528,592	-	42,153,652
Cyber Internet Services (Pvt.) Ltd. Employees Contributory Provident Fund Trust	766,913	28,562	589,961	205,514	77,762,801	1,746,059	2,896,059	11,620,000	20,957,574
GAM Corporation Private Limited Employees Contributory Provident Fund	551,315	-	551,315	-	55,901,782	-	-	21,155,581	-
Hasanali & Gulbanoo Lakhani Foundation	140,840	12,478	-	153,318	14,280,775	1,258,471	1,265,250	-	15,634,858
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust	27,072	5,704	27,230	5,546	2,745,016	-	578,321	857,321	565,538
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,631	344	-	5,975	570,960	49,878	34,914	-	609,337
Lakson Investments Limited Employees Contributory Provident Fund Trust	106,344	10,592	92,728	24,209	10,782,960	124,992	1,074,992	1,674,000	2,468,719
Lakson Power Limited		-	-	-	-	-	-	-	-
Merit Packaging Limited Employees Contributory Provident Fund Trust	82,313	38,745	82,313	38,745	8,346,273	23,898	3,928,898	1,085,164	3,951,056
Merit Packaging Limited Employees Gratuity Fund	25,513	24,816	25,513	24,816	2,586,904	12,930	2,517,930	772,083	2,530,618
Premier Fashions Private Limited	-	-	-	-	-	-	-	-	-
Princeton Travels Private Limited Employees Contributory Provident Fund Trust		-	-	-	-	-	-	-	-
Siza Commodities Private Limited	-	5,859	5,859	-	-	-	612,103	645,060	-
Siza Foods Private Limited Employees Contributory Provident Fund Trust	468,089	129,855	381,662	216,282	47,462,942	1,211,382	13,166,962	8,015,000	22,055,735
Siza Private Limited	3,248	241	3,489	-	329,301	28,769	24,454	355,104	-
Siza Services Private Limited	-	1,340	1,340	-	-	-	140,027	147,566	-
Siza Services Private Limited Employees Contributory Provident Fund Trust	94,830	15,966	92,401	18,394	9,615,458	59,120	1,619,120	3,100,000	1,875,784
Sybrid (Private) Limited Employees Contributory Provident Fund Trust	199,698	6,577	165,266	41,009	20,248,768	366,936	666,936	4,000,000	4,181,911
Sybrid Private Limited	682	51	-	733	69,170	6,043	5,137	-	74,732

	Year ended June 30, 2022								
	Number of Units				Rupees				
	Number of Units as at July 01, 2021	Units issued during the year	Units redeemed during the year	Number of units as at June 30, 2022	Dividend Paid during the year	Balance as at July 01, 2021	Issuance during the year	Redemptions during the year	Balance at the year end 30 on June 2022
Lakson Investments Limited - Management Company	7,875,320	4,878,450	8,022,425	4,731,345	796,411,423	-	478,504,223	478,504,223	479,745,098
Directors, Chief Executive and their spouse and minors	31,355,748	1,612,853	21,704,266	11,264,336	3,170,928,406	91,399,737	99,050,381	1,078,094,156	1,142,172,080
Key management personnel, employees and connected persons of the Management Company	-	-	-	-	-	-	-	-	
Associated companies / undertakings of the Management Company									
Accuray Surgical Limited Employees Contributory Provident Fund	79,613	141,690	154,695	66,608	8,051,064	-	14,288,079	14,621,442	6,753,877
Alan Private Limited	26,854	1,965	-	28,819	2,715,678	233,943	198,851	-	2,922,117
Century Insurance Company Limited - Gratuity Fund	127,516	319,611	309,437	137,690	12,895,374	-	33,574,604	33,631,784	13,961,342
Century Insurance Company Limited	109,155	2,051,741	1,471,675	689,221	11,038,572	-	163,645,706	114,220,342	69,885,035
Century Insurance Company Limited Employees Contributory Provident Fund Trust	166,337	349,939	362,929	153,346	16,821,245	-	36,925,909	39,677,909	15,548,905
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	1,521,895	2,779,272	3,062,784	1,238,382	153,905,437	-	284,287,486	303,379,143	125,568,502
Century Paper & Board Mills Limited - Employees Gratuity Fund	1,410,190	2,735,735	2,918,143	1,227,782	142,608,989	-	280,701,506	291,118,038	124,493,681
Colgate Palmolive Pakistan Limited	1,986,901	122,521	2,109,422	-	200,930,331	-	-	224,746,323	-
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund Trust	1,258,187	1,139,098	1,938,176	459,109	127,237,306	-	110,874,295	162,643,936	46,552,417
Colgate Palmolive Pakistan Limited - Employees Gratuity Fund	1,593,954	1,588,022	2,502,114	679,862	161,192,583	-	157,892,114	235,667,926	68,936,136
Cyber Internet Services (Pvt.) Ltd. Employees Contributory Provident Fund Trust	862,306	1,860,807	1,956,200	766,913	87,202,850	-	195,514,722	211,712,777	77,762,801
GAM Corporation Private Limited Employees Contributory Provident Fund	562,630	1,231,443	1,242,758	551,315	56,897,365	-	129,280,765	134,992,265	55,901,782
Hasanali & Gulbanoo Lakhani Foundation	613,600	168,741	641,501	140,840	62,051,834	1,140,539	1,006,268	51,795,399	14,280,775
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust	36,571	52,000	61,499	27,072	3,698,334	-	6,391,840	6,441,840	2,745,016
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	244	5,387	-	5,631	24,675	46,262	32,384	-	570,960
Lakson Investments Limited Employees Contributory Provident Fund Trust	97,744	214,032	205,432	106,344	9,884,606	-	22,517,324	22,498,324	10,782,960
Merit Packaging Limited Employees Contributory Provident Fund Trust	56,775	343,337	317,799	82,313	5,741,514	-	36,536,887	28,490,424	8,346,273
Merit Packaging Limited Employees Gratuity Fund	88,373	192,220	255,080	25,513	8,936,941	-	17,414,817	27,259,563	2,586,904
Premier Fashions Private Limited	-	987,791	987,791	-	-	-	102,500,000	102,828,539	-
Siza Commodities Private Limited	-	2,775,937	2,775,937	-	-	-	288,800,000	294,610,995	-
Siza Private Limited	-	1,746,578	1,743,330	3,248	-	-	181,228,449	182,206,757	329,301
Siza Services Private Limited	-	2,602,717	2,602,717	-	-	2,070	270,080,183	275,364,607	-
Siza Foods Private Limited Employees Contributory Provident Fund Trust	485,455	1,085,654	1,103,020	468,089	49,092,851	-	114,068,820	118,766,477	47,462,942
Siza Services Private Limited Employees Countributory Provident Fund Trust	99,437	220,504	225,111	94,830	10,055,815	-	23,168,611	24,393,611	9,615,458
Sybrid (Private) Limited Employees Contributory Provident Fund Trust	63,719	592,260	456,281	199,698	6,443,743	5,538	49,694,687	46,791,214	20,248,768
Sybrid Private Limited	115,673	47	115,037	682	11,697,721	-	4,707	-	69,170

18.4 Remuneration payable to the Management Company and the Trustee has been determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

18.5 Dividend distributed by the Fund is recognised at the amount/units declared to all the unit holders.

18.6 Purchase and redemption of the Fund's unit by related parties / connected persons are recorded at the applicable net asset value per unit. Dividend income is recorded at the amounts these are declared by the investee company. Other transactions are at agreed rates.

19. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- credit risk (refer note 19.1);
- liquidity risk (refer note 19.2);
- market risk (refer note 19.3);
- operational risk (refer note 19.4); and
- unit holders' fund risk (refer note 19.5).

Risk management framework

The Management Company's Board of Directors has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup based on limits established by the Management Company, Fund's Trust Deed and the rules, regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk exposure limits and set up controls and to monitor risks and adherence to exposure limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The internal audit functions assists the audit committee by undertaking regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

19.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, deposits and other receivables, receivable against Margin Trading System, term finance certificates, commercial papers and receivable against sale of marketable securities and security deposits.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimize the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is considered along with the financial background so as to minimize the risk of default.

- Analysing of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.

- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.

- Cash is held only with reputable banks with high quality external credit enhancements.

- Investment transactions are carried out with a large number of brokers, whose credit worthiness is considered so as to minimize the risk of default and transactions are settled or paid for only upon delivery.

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 was as follows:

		June 30, 2023		June 30, 2022	
		Balance as per the Statement of Assets and Liabilities	**Maximum exposure**	Balance as per the Statement of Assets and Liabilities	Maximum exposure
	Note	**----------- (Rupees) -----------**		----------- (Rupees) -----------	
Bank balances (including profit due)		**40,138,872**	**40,138,872**	709,879,679	709,879,679
Investments (including markup receivable)		**545,131,335**	**344,257,934**	1,932,278,424	1,060,862,774
Receivable from Margin Trading System		-	-	-	-
Deposits and other receivable		**4,678,581**	**4,678,581**	12,865,279	12,865,279
		589,948,788	**389,075,387**	2,655,023,382	1,783,607,732

Difference in the balance as per the statement of assets and liabilities and maximum exposure in investments is due to the fact that investment in government securities of Rs. 200.87 million which are not considered to carry credit risk.

Bank balances

The Fund held cash and cash equivalents at reporting date with banks had following credit ratings:

Rating	**June 30, 2022**	June 30, 2021	**June 30, 2022**	June 30, 2021
	---------- (Rupees) ----------		---------- (%) ----------	
AAA	315,157	689,558,978	0.79	97.14
AA+	39,379,459	1,009,633	98.11	0.14
AA	248,031	-	0.62	-
AA-	36,074	2,653,017	0.09	0.37
A+	88,625	79,999	0.22	0.01
A	59,058	76,497	0.15	0.01
A-	12,467	16,501,555	0.03	2.32
BBB+	12,078	-	0.03	-
Total balance including profit due	40,138,872	709,879,679	100	100

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund’s total credit exposure.

Details of Fund's concentration of credit risk of financial instruments by industrial distribution are as follows:

	June 30, 2023		June 30, 2022	
	(Rupees)	**(%)**	(Rupees)	(%)
Commercial banks (including profit due)	**40,089,441**	**10.30**	709,720,489	39.79
Micro Finance Bank	**49,431**	**0.01**	159,190	0.01
Power generation and distribution - commercial papers	**-**	**-**	129,376,884	7.25
Commercial banks - Term Finance Certificates	**326,869,913**	**84.01**	854,835,171	47.93
Investment Company - Term Finance Certificates	**9,390,674**	**2.41**	27,069,237	1.52
Profit receivable on - Term Finance Certificates	**7,997,346**	**2.06**	23,255,037	1.30
Profit receivable on - commercial papers	**-**	**-**	26,326,445	1.48
National Clearing Company of Pakistan Limited- Deposit and cash margin	**2,750,000**	**0.71**	12,750,000	0.71
Central Depository Company of Pakistan Limited - Deposit	**100,000**	**0.03**	100,000	0.01
Others	**1,828,582**	**0.47**	15,279	-
	389,075,387	**100**	1,783,607,732	100

Past due and impaired assets and collaterals held

None of the financial assets of the Fund are past due or impaired as at June 30, 2023 other than investments mentioned in note 6.3.1.

Settlement risk

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

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

19.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity risk is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to risk of cash outflow on redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption rate per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. Other than placing funds in profit and loss accounts maintained with the banks, the Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, in accordance with 58(1) (k) of NBFC Regulation, 2008, the Fund is entitled to borrow, with prior approval of trustee, for meeting redemptions. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment with in 90 days of such borrowings. No such borrowings were made during the year.

In order to manage the Fund's overall liquidity, the Fund is also allowed in accordance with regulation 57(10) of NBFC Regulations, 2008, to withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, during the period no such option was exercised or considered necessary.

Units of Fund are redeemable on demand, however, the Fund does not anticipate significant redemptions of units.

Maturity analysis for financial liabilities

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	2023	
	Contractual cash flows	
	Carrying amount	Less than 3 month
Non-derivative financial liabilities (excluding unit holders' fund)	----------- (Rupees) -----------	
Payable to the Management Company *	**18,870,811**	**325,451**
Remuneration payable to the Trustee *	**39,725**	**39,725**
Accrued expenses and other liabilities *	**1,965,323**	**1,965,323**
	20,875,859	**2,330,499**

	2022	
	Contractual cash flows	
	Carrying amount	Less than 3 month
Non-derivative financial liabilities (excluding unit holders' fund)	----------- (Rupees) -----------	
Payable to the Management Company *	21,454,226	2,553,971
Remuneration payable to the Trustee *	224,169	224,169
Accrued expenses and other liabilities *	6,801,118	6,801,118
Payable against purchase of investments	-	-
	28,479,513	9,579,257

*excluding provision for workers' welfare fund and Annual fee payable to the Securities and Exchange Commission of Pakistan.

Above financial liabilities do not carry any mark-up.

19.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The aggregate risk resulting from financial instruments equals their fair values. The Fund, in general, is exposed to currency risk, interest rate risk and equity price risk.

19.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all transactions are carried out in Pakistan Rupees.

19.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

Exposure to interest rate risk

The interest rate profile of the Fund's interest-bearing financial instruments is as follows:

Variable-rate instrument	**June 30, 2023**	June 30, 2022
	(Rupees)	
Bank balances	**39,581,751**	698,055,008
Term finance certificates	**336,260,587**	881,904,408
	375,842,338	1,579,959,416

Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased unit holder fund and income statement by Rs. 3.76 million (2022: Rs. 15.79 million). The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Above bank balances are repriced by the bank after changes in the State Bank of Pakistan's policy rate and do not have any contractual maturity.

None of the other assets and Fund's liabilities are exposed to interest rate risk.

Fixed rate instruments	**June 30, 2023**	June 30, 2022
	(Rupees)	
Pakistan Investment Bonds	-	614,480,000
Market treasury bills	**200,873,402**	256,935,650
Commercial papers	-	129,376,884
Term deposit receipts	-	-
	200,873,402	1,000,792,534

There are no fixed rate instruments exposed to interest rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of the future movements in interest rates.

Yield/profit sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

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

			June 30, 2023			
		Interest rate %	Exposed to interest rate risk		Not exposed to interest rate risk	Total
			No later than one month	Between two months to 1 year		
Financial assets			Rupees			
Investments						
- Term finance certificates	6.3	12.38 - 24.97	**-**	**336,260,587**	**-**	**336,260,587**
- Government securities	6.2 & 6.3	12.85 - 22	**-**	**-**	**200,873,402**	**200,873,402**
- Commercial papers	6.4	9.57	**-**	**-**	**-**	**-**
Bank Balances	5.1	11.25 - 19.5	**39,581,751**	**-**	**7,474**	**39,589,225**
Deposits and other receivable	8		**-**	**-**	**4,678,581**	**4,678,581**
			39,581,751	**336,260,587**	**205,559,457**	**581,401,795**
Financial liabilities						
Payable to the Management Company			**-**	**-**	**288,009**	**288,009**
Remuneration payable to the Trustee			**-**	**-**	**39,725**	**39,725**
Accrued expenses and other liabilities			**-**	**-**	**1,965,323**	**1,965,323**
Total financial liabilities			**-**	**-**	**2,293,057**	**2,293,057**
On balance sheet gap			**39,581,751**	**336,260,587**	**203,266,400**	**579,108,738**
Cumulative interest rate gap *			**39,581,751**	**375,842,338**		

* There were no off balance sheet financial instruments for the Fund.

			June 30, 2022			
		Interest rate %	Exposed to interest rate risk		Not exposed to interest rate risk	Total
			No later than one month	Between two months to 1 year		
Financial assets			Rupees			
Investments						
- Term finance certificates	6.3	8.7 - 12.97	-	881,904,408	23,255,037	905,159,445
- Government securities	6.1	9 - 12.38	-	614,480,000	758,404	615,238,404
- Commercial papers	6.4	8 - 9.4	-	-	24,790,199	24,790,199
- Term deposit receipts	6.8		-	-	214,616,994	214,616,994
Bank Balances	5.1	5.5 - 16.26	698,055,008	-	7,473	698,062,481
Deposits and other receivable	9		-	-	12,865,279	12,865,279
			698,062,481	1,496,384,408	276,285,913	2,470,732,802
Financial liabilities						
Payable to the Management Company			-	-	2,553,971	2,553,971
Remuneration payable to the Trustee			-	-	224,169	224,169
Accrued expenses and other liabilities			-	-	6,801,118	6,801,118
Total financial liabilities			-	-	9,579,257	9,579,257
On balance sheet gap			698,062,481	1,496,384,408	266,706,656	2,461,153,545
Cumulative interest rate gap *			698,062,481	2,194,446,889		

* There were no off balance sheet financial instruments for the Fund.

19.3.3 Price risk

The Fund was exposed to equity price risk i.e. the risk of unfavourable changes in the fair value of equity securities as a result changes in the levels of Pakistan Stock Exchange Index and the value of individual shares, which arises from investments measured at fair value through profit or loss.

The management of the Fund monitors the proportion of equity securities in its investment portfolio based on market indices. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines and the requirements of NBFC regulations. The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Fund with overall limit of 30% or index weight whichever is higher subject to maximum of 35% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations).

The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary goal of the Fund's investment strategy is to maximise investment returns.

As at year end, the fund holds no equity instrument and as such is not exposed to any price risk.

19.4 Operational risk

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

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

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

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Unit holder's fund risk management

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

20. 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:

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: 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 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

		June 2023							
		Carrying amount				Fair Value			
On-balance sheet financial instruments		Fair value through profit and loss investments	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Note	---------- (Rupees) ----------							
Financial assets measured at fair value									
Government securities									
- Market treasury bills		200,873,402	-	-	200,873,402	-	200,873,402	-	200,873,402
Term finance certificates - Unlisted		336,260,587	-	-	336,260,587	304,292,587	-	31,968,000	336,260,587
		537,133,989	-	-	537,133,989	304,292,587	200,873,402	31,968,000	537,133,989
Financial assets not measured at fair value	**20.1**								
Commercial Paper	6	-	-	-	-	-	-	-	-
Bank balances	5	-	39,589,225	-	39,589,225	-	-	-	-
Profit / mark-up receivable	8	-	8,546,993	-	8,546,993	-	-	-	-
Deposits and other receivables	9	-	4,678,581	-	4,678,581	-	-	-	-
		-	52,814,799	-	52,814,799	-	-	-	-
Financial liabilities not measured at fair value	**20.1**								
Payable to the Management Company	9	-	-	288,009	288,009	-	-	-	-
Remuneration payable to the Trustee	10	-	-	39,725	39,725	-	-	-	-
Accrued expenses and other liabilities	12	-	-	1,965,323	1,965,323	-	-	-	-
		-	-	2,293,057	2,293,057	-	-	-	-

On-balance sheet financial instruments	Note	June 2022							
		Carrying amount				Fair Value			
		Fair value through profit and loss investments	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		---- (Rupees) ----							
Financial assets measured at fair value									
Government securities									
- Market treasury bills		256,935,650	-	-	256,935,650	-	256,935,650	-	256,935,650
- Pakistan Investment Bonds		614,480,000	-	-	614,480,000	614,480,000	-	-	614,480,000
Term finance certificates - Unlisted		881,904,408	-	-	881,904,408	817,970,009	-	63,934,400	881,904,408
		1,753,320,058	-	-	1,753,320,058	-	1,753,320,058	-	1,753,320,058
Financial assets not measured at fair value	20.1								
Commercial Paper	6	-	129,376,884	-	129,376,884	-	-	-	-
Bank balances	5	-	698,062,481	-	698,062,481	-	-	-	-
Profit / mark-up receivable	8	-	61,398,680	-	61,398,680	-	-	-	-
Deposits and other receivables	9	-	12,865,279	-	12,865,279	-	-	-	-
		-	901,695,851	-	901,695,851	-	-	-	-
Financial liabilities not measured at fair value	20.1								
Payable to the Management Company	9	-	-	2,553,971	2,553,971	-	-	-	-
Remuneration payable to the Trustee	10	-	-	224,169	224,169	-	-	-	-
Payable against purchase of investments		-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	12	-	-	6,801,118	6,801,118	-	-	-	-
		-	-	9,579,257	9,579,257	-	-	-	-

20.1 The Fund has not disclosed the fair value for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair values.

21. RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Redemption of units	Dividend	Total
	---- (Rupees) ----		
Opening balance as at 1 July 2022	-	-	-
Payable against redemption of units	6,294,746,439	-	6,294,746,439
Payable against dividend	-	(45,994,376)	(45,994,376)
	6,294,746,439	(45,994,376)	6,248,752,063
Amount paid on redemption of units	(6,294,746,439)	-	(6,294,746,439)
Dividend paid	-	(45,633,441)	(45,633,441)
	(6,294,746,439)	(45,633,441)	(6,340,379,880)
Closing balance as at 30 June 2023	-	360,935	(91,627,817)

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22.1 Unit holding pattern of the Fund

Category	June 30, 2023		
	No. of Investors	Investment amount	% of total net assets
		(Rupees)	
Individuals	**26**	**14,612,850**	**2.54**
Associated Companies and Directors	**30**	**312,211,918**	**54.18**
NBFC's (Management Company)	**2**	**248,492,201**	**43.12**
Retirement funds	**1**	**583,471**	**0.10**
Insurance	**2**	**349,940**	**0.06**
Others	**1**	**5,444**	**-**
Total	**62**	**576,255,824**	**100.00**

Category	No. of Investors	Investment amount	% of total net assets
	---- June 30, 2022 ----		
	---- (Rupees) ----		
Individuals	34	62,837,104	2.40
Associated Companies and Directors	32	1,867,497,204	71.32
NBFC's (Management Company)	3	479,745,098	18.32
Retirement funds	4	44,227,946	1.69
Insurance	1	4,784	-
Others	8	164,034,501	6.26
Total	82	2,618,346,637	100

22.2 List of top 10 brokers by percentage of commission paid

Broker Name	2023	2022
	Commission paid (Percentage)	
Optimus Capital Management Private Limited	**42.47**	-
JS Global Capital Limited	**38.47**	18.80
Next Capital Private Limited	**8.53**	9.84
Magenta Securities Private Limited	**7.16**	0.63
Continental Exchange Private Limited	**3.10**	5.64
Invest One Market Private Limited	**0.28**	-
Arif Habib Securities (Pvt) Limited	**-**	11.49
Topline Securities Private Limited	**-**	47.89
Alfalah Securities Private Limited	**-**	3.65
EFG Hermes Pakistan	**-**	1.87

22.3 Particulars of the Investment Committee and Fund manager

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

- Mr. Babar Ali Lakhani (Chairman Investment Committee)
- Mr. Kashif Mustafa - (Executive Director & COO)
- Mr. Mustafa O. Pasha - (Chief Investment Officer)
- Mr. Hassan Bin Nasir
- Mr. Moazzam Akhtar
- Mr. Danial Baig
- Ms. Aisha Mohammad

Mr. Babar Ali Lakhani - Chief Executive Officer

Mr. Lakhani has over twenty two years of investment and portfolio management experience in domestic and international equity and fixed income markets. Mr. Lakhani most recently served as the Chief Investment Officer of Century Insurance, a Public Limited Company listed on the Karachi and Lahore Stock Exchanges of Pakistan. He was an Investment Associate at High Street Advisors and a Research Analyst at Credit Suisse Equity Group (formerly Credit Suisse First Boston). Mr. Lakhani brings extensive investment experience, globally practiced portfolio management discipline, and a comprehensive understanding of the global asset management industry to Lakson Investments Limited.

Mr. Lakhani received his BA in Finance from Bentley College, and his MBA from Brandeis University.

Mr. Lakhani is a member of the Global Association of Risk Professionals (GARP), the Society of Financial Service Professionals and the Young Presidents' Organization (YPO). Mr. Lakhani is a member of the Alumni Trustee Committee of Brandeis University and is the school's representative in Pakistan.

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

Mr. Kashif Mustafa – Executive Director and COO

Mr. Mustafa has more than fourteen years of experience working in the financial markets of Pakistan local & international brokerage houses, and leading Asset Management Companies. Mr. Mustafa's experience includes; Financial Analysis, Equity Research, Investment Advisory and Business Development.

Mr. Mustafa O. Pasha, CFA – Chief Investment Officer

Mr. Pasha has over fourteen years of experience in the asset management and investment advisory industry. He did his Bachelors in Economics from McGill University (Montreal, Canada) in 2006 and obtained his CFA charter in 2012.

He was previously associated with BMA where he initially served as a fixed income analyst and later became the in house economist for the entire BMA group. Between 2009 - 2012 he supervised fixed income/money market investments across all mutual funds and institutional/HNW accounts advised by BMA. He is also managing Lakson Tactical Fund.

Mr. Hassan Bin Nasir- Fund Manager

Mr. Hassan Bin Nasir has over twelve years of experience and currently holds positions of Vice President Fixed Income in Lakson Investments Limited. He completed his Masters in Business Administration in Finance major from Bahria University, Pakistan. He has immense experience in managing portfolios across Collective Investment Schemes, Separate Managed Accounts with Strong Fixed Income background, investment strategy and trading experience in instruments including, Government Securities, Corporate Debt Securities, Banking Products and Shariah Compliant Corporate Debt Securities. He is managing the following funds:

- Lakson Income Fund
- Lakson Money Market Fund
- Lakson Asset Allocation Developed Markets Fund

Mr. Moazzam Akhtar

Moazzam is a CFA charter holder along with a Bachelor's in Finance, with over six years of experience in Equity Research. He joined Lakson as an Investment Professional in the Research team, and has recently been elevated to Deputy Head of Research.

He is responsible for managing the research team, and works closely with the Investments team.

Mr. Mirza Danial Baig

Mr. Baig has a Master's degree in Business Administration, with over seven (7) years of experience in asset management and banking. He has knowledge base in NBFC Rules & Regulations, AML Regulations, corporate governance, formulation of internal policies/mechanisms, development and execution of multi-faceted compliance programs.

He has been associated with Lakson Investments since September 2022, as Manager Compliance, where he is responsible for overseeing the Compliance Function.

Ms. Aisha Mohammad

Aisha has a Master's in Economics, and has over three years of work experience. Prior to joining Lakson, she was associated with Alfalah GHP, as Assistant Manager Compliance. She joined Lakson in Compliance, and has recently been transferred as Manager Risk.

She is responsible for managing the overall Risk function of the Company.

22.4 Directors meeting attendance

2023

Name of directors	Designation	Meeting Attended	22 Sep 22	31 Oct 22	20 Feb 23	28 Apr 23
- Mr. Iqbal Ali Lakhani	Chairman	2	✓	✗	✗	✓
- Mr. Babar Ali Lakhani	CEO	4	✓	✓	✓	✓
- Mr. Jacques John Vesser	Director	1	✗	✗	✓	✗
- Mr. Amin Mohammed Lakhani	Director	4	✓	✓	✓	✓
- Mr. Jamil Ahmed Mughal	Director	4	✓	✓	✓	✓
- Ms. Roxanne Davies	Director	2	✓	✓	✗	✗
			5	4	4	4

* Ms. Roxanne Davies resigned in the month of April 2023 and Mr. Jacques John Vesser resigned in the month of March 2023.

22.5 Rating of the Fund and the management company

Details of the ratings of the Fund and the management company are given in note 1.3.

23. GENERAL

23.1 Corresponding figures have been reclassified / rearranged wherever necessary.

23.2 These financial statements were authorized for issue by the Board of Directors of the Management Company on September 04, 2023.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Performance Table	FY23	FY22	FY21	FY20	FY19
Net Assets - Beginning (PKR Mil.)	2,618	5,100	3,061	2,251	4,693
Net Assets - Ending (PKR Mil.)	576	2,618	5,100	3,061	2,251
Net Asset value per share	101.9766	101.3972	101.1275	100.8591	101.0159
Selling Price for units	103.7102	102.9182	102.6445	102.3720	102.5312
Repurchase Price for units	101.9766	101.3972	101.1275	100.8591	101.0159
Highest Offer Price (PKR)	112.1301	111.4865	109.6882	116.7829	110.1992
Lowest Offer Price (PKR)	102.9514	102.6911	102.5166	102.3720	102.4701
Highest Redemption Price (PKR)	110.2557	109.8389	108.0671	115.0570	108.5706
Lowest Redemption Price (PKR)	101.4299	101.1735	101.0015	100.8591	100.9557
Beginning NAV - Ex-Div. (PKR)	101.3972	101.1275	100.8591	101.0159	100.9393
Interim Distributions (PKR)	8.8585	8.7114	6.9833	14.0411	7.6313
Final Distribution (PKR)	-	-	-	-	-
Ending NAV - Ex-Div. (PKR)	101.3972	101.3972	101.1275	100.8591	101.0159
Return	9.15%	8.90%	7.19%	13.65%	7.64%
Net Income (PKR Mil.)	105	115	169	243	142
Total Distribution (PKR Mil.)	46	109	163	249	141
Accumulated Capital Growth	101	42	36	29	34
WAM (Days)	1,251	1,444	697	880	782
Average Annual return of the Fund					
One Year	9.15%	8.90%	7.19%	13.69%	7.64%
Two year	9.03%	8.37%	10.94%	8.31%	6.64%
Three year	8.81%	10.72%	10.38%	9.60%	7.04%
Since inception	16.99%	16.70%	16.23%	15.90%	14.19%

Distributions	FY23	FY22	FY21	FY20	FY19
Interim Distribution	8.8585	8.7114	6.9833	14.0411	7.6313
Final Distribution	-	-	-	-	-
NAV before Distribution	101.3972	109.8389	108.0819	115.057	108.5706
NAV after Distribution	101.3972	101.1275	108.0819	115.057	108.5706
Distribution Date	19-Jun-23	27-Jun-22	26-Jun-21	27-Jun-20	27-Jun-19

A Lakson Group Company

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