

LAKSON MONEY MARKET FUND
Annual Report 2023



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

CONTENTS

Vision & Mission Statement	1
Fund's Information	2
Report of the Directors of the Management Company	4
Report of the Directors of the Management Company (In Urdu)	8
Report of the Fund Manager	13
Trustee Report to the Unit Holders	17
Independent Auditor's Report to the Unit Holders	18
Statement of Assets and Liabilities	21
Income Statement	22
Statement of Comprehensive Income	23
Statement of Movement in Unit Holders' Fund	24
Cash Flow Statement	25
Notes to and forming part of the Financial Statements	26
Performance Table	56
Distribution Table	57

==== **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

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

Legal Adviser

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

Registrar

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

Distributors

Adam Securities
Amir Noorani
Elixir Securities (Pvt.) Limited
Ismail Iqbal Securities (No Fee Sharing)
BMA Capital Management Limited (No Fee Sharing)
Metro Capital Pvt. Limited
Pearl Securities Pvt. Limited
Rabia Fida
Topline Securities (Pvt.) Limited
Vector Capital (Pvt.) Limited
Pyramid Financial Consultants

Rating by PACRA

AA+(f) : Fund Stability Rating
AM2+ : Asset Manager Rating

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 Money Market Fund ('LMMF' or 'Fund') is pleased to submit its report together with Audited Financial Statements for the year ended June 30, 2023.

Fund Objective

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

Principal activities

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

Fund Performance

The LMMF generated return of 17.80% in FY23 compared to Benchmark (70% average 3M T-Bills yield + 30% average 3M TDR rate of minimum AA rated banks) return of 16.90%. The LMMF outperformed the benchmark by 0.90%. Asset allocation was concentrated in T-bills at 80.3%, Commercial paper at 1.4%, Cash at 1.5%, placements with banks & DFIs at 8.6%, PIBs at 7.8% and others at 0.5%. The weighted average maturity (WAM) of the LMMF portfolio stands at 25 days and fund size as of June 30, 2023 is PKR 22,967mn.

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 payouts of PKR 15.6044 per unit (15.6044%) of face value of PKR 100/-) amounting to PKR 2,047.2166 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.

These aforementioned risks could push both the foreign and local investors to liquidate their investments, which may affect the financial market adversely and may affect the Fund's profitability as well.

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 LMMF at "AM2+" and "AA+(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 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 showcased 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 fiscal front, FMR tax collection observed an 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 to 22%, 21.97% and 22%, respectively. Similarly, PIB yield were also adjusted upwards as 3 year bond yield reached to 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 programme, 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 programme 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 مانی مارکیٹ فنڈ
 30 جون 2023 کو ختم ہونے والے سال کے لیے
 مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

لیکسن مانی مارکیٹ فنڈ ("LMMF" 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 فنڈ کا مقصد کم اتار چڑھاؤ کے ساتھ مستحکم اور مسابقتی منافع جات فراہم کرنا ہے جو مانی مارکیٹس سے ہم آہنگ اور سرمائے کے تحفظ سے مطابقت رکھتے ہوں۔ اس طرح یہ فنڈ کم خطرات کے حامل ہجھڑمدتی سرمایہ کاری کے لیکویڈ پورٹ فولیو پر مشتمل ہے۔

نمایاں سرگرمیاں

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

فنڈ کی کارکردگی

LMMF نے بیچ مارک منافع (سہ ماہی T بلز کے اوسط منافع جات کا 70% + کم از کم AA ریٹڈ بینکس کے اوسط سہ ماہی TDR ریٹ کا 30%) 16.90% کے مقابلے میں مالی سال 2023 میں 17.80% منافع کمایا۔ LMMF نے بیچ مارک کے مقابلے میں 0.90% بہتر کارکردگی کا مظاہرہ کیا۔ اثاثوں کی تقوینٹس بلز میں 80.3%، کمرشل پیپر میں 1.4%، کیش میں 1.5%، بینکوں اور DFIs میں کی جانے والی پلیمینٹس میں 8.6% PIBs، 7.8% اور دیگر میں 0.5% رہی۔ LMMF پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی (WAM)، 25 دن ہے اور 30 جون 2023 کے مطابق فنڈ کا حجم 22,967 ملین روپے ہے۔

فی شیئر آمدنی (EPU)

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

آمدنی کی تقسیم

چیف ایگزیکٹو آفیسر نے منجھٹ کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے اختیار کے تحت 30 جون 2023 کو ختم ہونے والے سال کے لیے فی یونٹ 15.6044 روپے (100 روپے کی فیس ویلیو کا 15.6044%) کی عبوری کیش ادائیگی کا اعلان کیا ہے، جس کی مالیت 2,047.2166 ملین روپے بنتی ہے۔

اہم خطرات و خدشات

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

مذکورہ بالا خطرات غیر ملکی اور مقامی سرمایہ کاروں، دونوں کو اپنی سرمایہ کاریاں تحلیل کرنے پر مجبور کر سکتے ہیں جس کے مالیاتی مارکیٹ پر منفی اثرات پڑ سکتے ہیں اور فنڈ کی منافع کمانے کی صلاحیت بھی متاثر ہو سکتی ہے۔

لمیٹڈ میچر اینڈ فنڈ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے منجھٹ کمپنی کی لمیٹڈ میچر ریٹنگ اور LMMF کی فنڈ اسٹیبلٹی ریٹنگ بالترتیب "AM2+" اور "AA+(f)" پر برقرار رکھی ہے۔

اضافی معاملات

- 1- منجھٹ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔
- 2- منجھٹ کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو اور یونٹ ہولڈرز کے فنڈ میں نقل و حرکت کی منصفانہ عکاسی کرتے ہیں۔
- 3- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 4- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے اور شریاتی 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 (اسٹیمیشن اینڈ ریگولیشن) رولز 2003 کے تقاضوں، نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینڈ ریگولیشنز 2008 (NBFC ریگولیشنز)، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ڈائریکٹریز اور فنڈ کی دستاویزات کے تقاضوں کی پیروی کی گئی ہے اور ان سے کسی بھی انحراف

- کی مناسب انداز میں نشان دہی کی گئی ہے۔
- 6- انٹرئل 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 و شبہات نہیں ہیں۔
- 8- اہم مالیاتی ڈیٹا کا خلاصہ اس سالانہ رپورٹ میں شامل ہے۔
- 9- ٹیکسز، ڈیویڈنڈ، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10- پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت سے متعلق گوشوارہ فنڈ پر قابل اطلاق نہیں ہے جیسا کہ ایسے اخراجات مینجمنٹ کمپنی کی طرف سے برداشت کیے جاتے ہیں۔
- 11- 30 جون 2023 کے مطابق پونٹ ہولڈنگ کمپنیز اس سالانہ رپورٹ میں دیا گیا ہے۔
- 12- کارکردگی کی جدول / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

بیرونی آڈیٹر

موجودہ آڈیٹر میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر 30 جون 2024 کو ختم ہونے والے سال کے لیے دوبارہ تفریری کے لیے اپنی رضامندی ظاہر کر دی 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 تفریری 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 ڈالر 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 دو طرفہ اور کثیرالجہتی، 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 ڈیپالٹ کے بڑھتے ہوئے خطرے کو مؤثر طریقے سے نال 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 رد عمل تھا، جس کا مقصد افراط 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 جود 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 افراط زر میں مسلسل اضافے کا ماحول برقرار رہا، جس کے نتیجے میں سہ ماہی کے دوران افراط زر کی اوسط شرح 34.56 فیصد رہی۔ بڑھتی ہوئی افراط 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 مواصل سے پیدا ہونے والے دوسرے مرحلے کے اثرات شامل ہیں۔ ہمیں توقع ہے کہ مالی سال 2024ء میں افراط زر کی اوسط شرح میں بتدریج کمی آئے گی، جو ممکنہ طور پر 21-22 فیصد کی حدود میں رہے گی۔ مزید توقعات جون 2024ء سے وابستہ ہیں، جب افراط زر کی شرح گرتی رہے گی 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 کمی نمایاں کی واقع ہوئی جو مجموعی طور پر 11.5 ارب ڈالر ہیں۔ اس کے نتیجے میں برآمدات میں 1.7 فیصد کمی معمولی کی واقع ہوئی اور یہ 6.6 ارب ڈالر ہیں۔ اس کے نتیجے میں تجارتی خسارے میں سہ ماہی بنیاد پر 18 فیصد کمی واقع ہوئی جس کے سبب یہ سیکٹر 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 کمی 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 مد نظر رکھتے ہوئے FBR کو مالی سال 2024ء کے لیے 9 ٹریلین روپے سے زائد کے سالانہ ٹیکس وصولی کے ہدف کو پورا کرنے میں مشکلات کا سامنا کرنا پڑ سکتا ہے۔

گلسڈ انکم مارکیٹ کا جائزہ

مالی سال 2023ء کی چوتھی سہ ماہی کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو ایک فیصد بڑھا کر 22 فیصد کی تاریخ کی بلند ترین سطح پر پہنچا دیا تاکہ حقیقی شرح سود کو مثبت سمت میں آگے بڑھایا جاسکے اور افراط زر کے خدشات کو کم کیا جاسکے۔ جون کے اختتام تک 3 ماہ 6 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 لیکویڈیٹی شامل کی۔ لیکویڈیٹی کی اس سرمایہ کاری نے مارکیٹ کے شرکاء کے لئے نقد رقم کی کمی سے دو چار حکومت کی مدد کرنے کا موقع فراہم کیا۔

مستقبل کا منظر نامہ

مارکیٹ کا راستہ کلی 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 حرکت (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۔

گنراں حکومت کے لیے جاری SBA پروگرام کے تقاضوں پر عمل کرنا آسان ہوگا، خاص طور پر اگر اس کو ٹیکو کریٹس کی مناسب خدمات حاصل ہوں۔ اس سلسلے میں حالیہ قانون سازی نے گنراں حکومت کو موجودہ دوطرفہ اور کثیرالطہتی 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 انفراسٹرکچرل اصلاحات، آئی ایم ایف پروگرام کے ساتھ منسلک رہنے اور معیشت میں سرمایہ کاروں کے اعتماد کی بحالی کے لیے بروقت اور پراسن انتخابات کا انعقاد ضروری ہے۔

اظہار تشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کا، ان کے مسلسل تعاون اور مدد پر شکر گزار ہے۔ منجھٹ کمپنی کے ڈائریکٹر فنڈ کی ترقی اور وائس مندرجہ انتظام و انصرام کے لیے منجھٹ کمپنی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و منجانب بورڈ

ڈائریکٹر

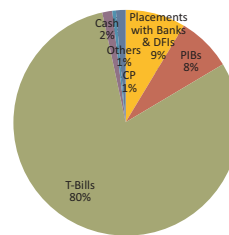
چیف ایگزیکٹو آفیسر

تاریخ: 04 ستمبر 2023

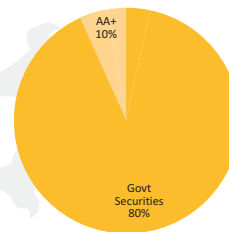
REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2023

Fund Facts	
Fund Type	Open-End
Category	Money Market Fund
Net Assets (PKR Mil.)	22,967
NAV (30.06.2023)	102.6102
Pricing Mechanism	Previous Day
Trustee	CDC Pakistan Limited
Auditor	Yousuf Adil Saleem & Co.
Management Fee	Upto 1% of the average annual net assets calculated on daily basis. (Effective: June 19, 2020) Current : 0.57%
Front End Load	1%
Back End Load	None
Launch Date	November 13, 2009
Benchmark	70% average 3 months PKRV rates + 30% average 3 months deposit rate of three AA rated banks.
Dealing Days	Mon - Fri
Cut-Off Time	04:00 PM
Fund Rating	'AA+ (f)' by PACRA (09.Mar.2023)
Asset Manager Rating	AM2+ by PACRA (26.Aug.2022)
Risk Profile	Low Risk

Asset Allocation



Credit Split



Simple Annualized	LMMF	Benchmark
FY23 - YTD	17.80%	16.90%
June-23	20.34%	20.65%
2 Months	20.65%	20.26%
3 Months	20.87%	19.14%
6 Months	18.95%	17.90%
12 Months	17.80%	16.80%
CY23- YTD	18.95%	18.22%
3 Years	11.52%	12.40%
5 Years	13.01%	13.71%
Since Inception	16.64%	16.25%

Investment Committee

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

Fund Objective

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

Investment Strategy

The LMMF's Investment Committee focused on maintaining a low risk and liquid portfolio in accordance with its Investment Objective. Exposure of the LMMF in T-Bills, TDRs, and other money market placements was managed based on the relative yield analysis of these instruments and our yield curve expectations. The Fund maintained 8.6% average exposure to short-term placements with banks & DFIs. This exposure was taken as the returns available on these placements were favorable when compared to other instruments.

As of June 30, 2023 the WAM of the LMMF portfolio stood at 25 days while exposure to Cash was 1.5%. The LMMF maintained all its exposure in instruments having a minimum rating of 'AA'.

Fund Profile

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

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.

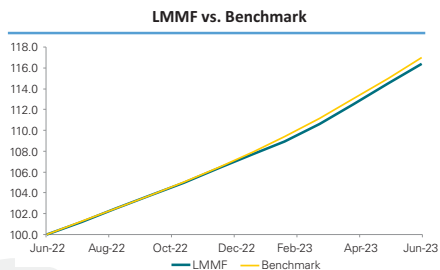
During the fourth quarter of the fiscal year 2023 (4QFY23), imports underwent a significant 9.3% QoQ contraction, aggregating to a sum of USD 11.5 billion. Resultantly, exports experienced a marginal 1.7% QoQ dip, settling at USD 6.6 billion. This dynamic interplay precipitated an 18% reduction in the 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 Performance

The LMMF generated return of 17.80% in FY23 compared to Benchmark (70% average 3M T-Bills yield + 30% average 3M TDR rate of minimum AA rated banks) return of 16.90%. The LMMF outperformed the benchmark by 0.90%. Asset allocation was concentrated in T-bills at 80.3%, Commercial paper at 1.4%, Cash at 1.5%, placements with banks & DFIs at 8.6%, PIBs at 7.8% and others at 0.5%. The weighted average maturity (WAM) of the LMMF portfolio stands at 25 days and fund size as of June 30, 2023 is PKR 22,967mn.

Performance Table	FY23	FY22
Net Assets - Beginning (PKR Mil.)	12,325	10,315
Net Assets - Ending (PKR Mil.)	22,967	12,325
Highest Offer Price (PKR)	105.0449	101.4088
Lowest Offer Price (PKR)	101.4798	100.5955
Highest Redemption Price (PKR)	103.8711	101.4088
Lowest Redemption Price (PKR)	101.4798	100.5955
Beginning NAV - Ex-Div. (PKR)	101.4435	100.5955
Interim Distributions (PKR)	15.6044	6.4882
Final Distribution (PKR)	-	-
Ending NAV - Ex-Div. (PKR)	102.0738	100.8248
Return	17.80%	6.88%
Net Income (PKR Mil.)	2,747	630
WAM (Days)	25	3



Distributions	FY23	FY22
PKR per Unit		
1st Interim Distribution	0.5267	0.7439
NAV before Distribution	101.4435	101.5479
NAV after Distribution	101.4798	100.8235
Distribution Date	13-Jul-22	08-Aug-21
2nd Interim Distribution	0.7489	1.0267
NAV before Distribution	101.4798	101.8502
NAV after Distribution	101.5233	100.8432
Distribution Date	03-Aug-22	05-Sep-21
3rd Interim Distribution	1.3654	0.7306
NAV before Distribution	101.5233	101.5738
NAV after Distribution	101.5671	100.8647
Distribution Date	07-Sep-22	10-Oct-21
4th Interim Distribution	1.1279	0.4503
NAV before Distribution	101.5671	101.3150
NAV after Distribution	101.6084	100.8973
Distribution Date	05-Oct-22	02-Nov-21
5th Interim Distribution	1.3772	0.6076
NAV before Distribution	101.6084	101.5049
NAV after Distribution	101.6512	100.9215
Distribution Date	08-Nov-22	02-Dec-21
6th Interim Distribution	1.0665	0.5875
NAV before Distribution	101.6512	101.5090
NAV after Distribution	101.6950	100.9493
Distribution Date	06-Dec-22	28-Dec-21
7th Interim Distribution	1.4674	1.2223
NAV before Distribution	101.6950	102.1716
NAV after Distribution	101.7383	100.9773
Distribution Date	10-Jan-23	04-Feb-22

Distributions	FY23	FY22
PKR per Unit		
8th Interim Distribution	1.2369	0.7441
NAV before Distribution	101.7383	101.7214
NAV after Distribution	101.7835	101.0055
Distribution Date	09-Feb-23	05-Mar-22
9th Interim Distribution	0.9748	0.9535
NAV before Distribution	101.7835	101.9590
NAV after Distribution	101.8350	101.0387
Distribution Date	07-Mar-23	08-Apr-22
10th Interim Distribution	1.4417	1.0998
NAV before Distribution	101.8350	102.1385
NAV after Distribution	101.8880	101.0768
Distribution Date	04-Apr-23	12-May-22
11th Interim Distribution	1.9831	1.0783
NAV before Distribution	101.8880	102.1551
NAV after Distribution	101.9519	101.1218
Distribution Date	09-May-23	08-Jun-22
12th Interim Distribution	1.5586	0.7607
NAV before Distribution	101.9519	101.8825
NAV after Distribution	102.0143	101.1689
Distribution Date	06-Jun-23	26-Jun-22
13th Interim Distribution	0.7293	-
NAV before Distribution	102.0143	-
NAV after Distribution	102.0738	-
Distribution Date	20-Jun-23	-

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 to 22%, 21.97% and 22%, respectively. Similarly, PIB yield were also adjusted upwards as 3 year bond yield reached to 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 payouts of PKR 15.6044 per unit (15.6044%) of face value of PKR 100/- amounting to PKR 2,047.2166 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 LMMF at "AM2+" and "AA+(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 LMMF does not employ any leverage.

Breakdown of Unit Holding by Size

Units Range	No. of Clients	Units Held
Holding upto 100	30	831
101 - 500	13	2,748
501 - 1,000	9	6,671
1,001 - 5,000	16	34,442
5,001 - 10,000	10	72,370
10,001 - 50,000	21	648,742
50,001 - 100,000	13	1,022,285
100,001 - 500,000	29	5,798,885
500,001 - 1,000,000	13	9,535,709
1,000,001 - 5,000,000	23	57,282,362
5,000,001 - above	16	149,419,381
	193	223,824,424

**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 MONEY MARKET 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 Money Market Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2023



 **YOUSUF ADIL**

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahra-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21 3454 1314
www.yousufadil.com

INDEPENDENT AUDITOR'S REPORT **To The Unit Holders of Lakson Money Market Fund**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Lakson Money Market 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 6.1 and 6.2 to the financial statements, investments held at fair value through profit or loss (FVTPL) amounted to Rs. 20,362.24 million consisting of market treasury bills and Pakistan investment bonds and in note 6.3 and 6.4 investments held at amortised cost amounting to Rs. 2,351.55 million as at June 30, 2023, consisting of commercial papers and letter of placements, 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 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.

Independent & responsible firm is
Deloitte Touche & Pohnmatsu Limited

 **YOUSUF ADIL**

Yousuf Adil
Chartered Accountants

S. No.	Key audit matter	How our audit addresses the key audit matter
		- 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 concentration of debt investments 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.

Y A

Independent Chartered Firm to
Deloitte Touche Tohmatsu Limited

 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.


Chartered Accountants

Place: Karachi
Date: September 13, 2023
UDIN: AR202310099BYETPXq8

Independent Correspondent Firm to
Deloitte Touche & Tatum Limited

**Statement of Assets and Liabilities
As at June 30, 2023**

	Note	2023 (Rupees)	2022
Assets			
Bank balances	5	350,383,820	17,970,529,578
Investments	6	22,713,782,212	475,132,374
Profit receivable on bank deposits		51,571,257	213,851,914
Advance income tax	7	17,453,982	7,822,244
Receivable against sale of units		-	2,435,120
Deposits and other receivables		100,000	190,268
Total assets		23,133,291,271	18,669,961,498
Liabilities			
Payable to the Management Company	8	46,692,031	43,356,575
Payable to the Trustee	9	1,143,068	917,618
Payable to Securities and Exchange Commission of Pakistan	10	3,328,597	2,482,710
Payable against redemption of units		-	3,000,000
Accrued expenses and other liabilities	11	115,475,182	123,240,193
Total liabilities		166,638,878	172,997,096
Net assets		22,966,652,393	18,496,964,402
Contingencies and commitments	13		
Unit holders' fund (as per the Statement of Movement in Unit Holder Fund)		22,966,652,393	18,496,964,402
		----- (Number of units) -----	
Number of units in issue	14	223,824,425	182,337,620
		----- (Rupees) -----	
Net assets value per unit		102.6102	101.4435

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 June 30, 2023

	Note	2023 (Rupees)	2022
INCOME			
Mark-up income on investments and bank deposits		2,883,570,652	1,351,542,883
Realized loss on sale of investments at fair value through profit or loss - net		(6,914,063)	(12,899,271)
Unrealised diminution on revaluation of investments classified as financial asset at fair value through profit or loss - net		(11,611,510)	(88,448)
		<u>2,865,045,079</u>	<u>1,338,555,164</u>
EXPENSES			
Remuneration of the Management Company	8.1	88,571,220	56,624,277
Sindh Sales tax on remuneration to the Management Company	8.2	11,514,272	7,361,155
Remuneration to the Trustee	9	10,343,692	8,094,579
Annual fee to Securities and Exchange Commission of Pakistan	10	3,328,622	2,482,735
Securities' and Exchange Commission of Pakistan supervisory fee		2,500	2,500
Brokerage, settlement and bank charges		1,989,026	1,166,907
Auditors' remuneration	15	686,045	512,641
Fees and subscription		1,115,129	349,841
Legal and professional charges		789,940	1,405,343
Printing charges		20,340	23,730
Total expenses		<u>118,360,786</u>	<u>78,023,708</u>
Net income from operating activities		<u>2,746,684,293</u>	<u>1,260,531,456</u>
Reversal of provision for Sindh Workers' Welfare Fund	11.1	-	71,397,891
Net income for the year before taxation		<u>2,746,684,293</u>	<u>1,331,929,347</u>
Taxation	16	-	-
Net income for the year		<u>2,746,684,293</u>	<u>1,331,929,347</u>
Allocation of net income for the year			
Net income for the year		2,746,684,293	1,331,929,347
Income already paid on units redeemed		(490,244,927)	(256,491,810)
		<u>2,256,439,366</u>	<u>1,075,437,537</u>
Accounting income available for distribution:			
Relating to capital gains - net		-	-
Excluding capital gains		2,256,439,366	1,075,437,537
		<u>2,256,439,366</u>	<u>1,075,437,537</u>
Earning per unit	4.11		

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 June 30, 2023**

	2023	2022
	(Rupees)	
Net income for the year	2,746,684,293	1,331,929,347
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>2,746,684,293</u>	<u>1,331,929,347</u>

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



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

Chief Executive Officer

Chief Financial Officer

Director

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

	Note	2023		2022	
		Capital value	Undistributed income	Capital value	Undistributed income
		(Rupees)			
Net assets at beginning of the year		18,351,100,752	145,863,650	18,496,964,402	58,628,556
Issuance of units 783,141,614 (2022: 532,496,568 units)					
- Capital value		79,444,626,324	-	79,444,626,324	-
- Element of income		730,759,894	-	730,759,894	-
Total proceeds on Issuance of units		80,175,386,218	-	80,175,386,218	-
Redemption of units 741,654,809 (2022: 472,405,180 units)					
- Capital value		(75,236,059,648)	-	(75,236,059,648)	-
- Element of loss		(218,170,400)	(490,244,927)	(708,415,327)	(256,491,810)
Total payments on redemption of units		(75,454,230,048)	(490,244,927)	(75,944,474,975)	(256,491,810)
Distributions during the year	17				
- Distributions during the year		(460,690,920)	(2,047,216,625)	(2,507,907,545)	(988,202,443)
Total comprehensive income for the year		-	2,746,684,293	2,746,684,293	1,331,929,347
Net assets as at end of the year		22,611,566,002	355,086,391	22,966,652,393	145,863,650
Undistributed income brought forward					
- Realised income at the beginning of the year			145,863,650		58,628,556
- Unrealised income at the beginning of the year					
Accounting income available for distribution					
- Relating to capital gains			-		-
- Excluding capital gains			2,256,439,366		1,075,437,537
Net income for the year after taxation			2,256,439,366		1,075,437,537
Cash Distributions during the year			(2,047,216,625)		(988,202,443)
Undistributed income carried forward			355,086,391		145,863,650
Represented by:					
- Realised income at the end of the year			355,086,391		145,863,650
- Unrealised income at the end of the year			-		-
Undistributed income at end of the year			355,086,391		145,863,650
Net assets value per unit at beginning of the year			101.4435		100.8248
Net assets value per unit at end of the year			102.6102		101.4435

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 June 30, 2023

	Note	2023	2022
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		2,746,684,293	1,331,929,347
Adjustments for non-cash charges and other items:			
Markup income on investments		(2,883,570,652)	(1,351,542,883)
Realized (loss) on sale of investments at fair value through profit or loss - net		6,914,063	12,899,271
Unrealised diminution on revaluation of investments classified as financial asset at fair value through profit or loss - net		11,611,510	88,448
Reversal of provision for Sindh Workers' Welfare Fund-		-	(71,397,891)
		(118,360,786)	(78,023,708)
Decrease / (increase) in assets			
Investments		456,607,870	(41,896,512)
Advance tax		(9,631,738)	(8,788)
Receivable against sale of units		2,435,120	(2,435,120)
Deposits and other receivables		90,268	(90,268)
		449,501,520	(44,430,688)
Increase / (decrease) in liabilities			
Payable to the Management Company		3,335,456	4,538,626
Payable to the Trustee		225,450	134,251
Payable to Securities and Exchange Commission of Pakistan		845,887	206,879
Payable against redemption of units		(3,000,000)	3,000,000
Accrued expenses and other liabilities		(15,753,704)	111,664,325
		(14,346,911)	119,544,081
Profit received on bank balances and investments		3,045,851,309	1,153,313,506
Net cash generated from operating activities		3,362,645,132	1,150,403,191
CASH FLOW FROM FINANCING ACTIVITIES			
Received on issuance of units		80,175,386,218	53,843,143,612
Paid against redemption of units		(75,944,474,975)	(47,813,237,831)
Dividend paid		(2,499,918,851)	(1,190,319,255)
Net cash generated from financing activities		1,730,992,392	4,839,586,526
Net increase in cash and cash equivalents		5,093,637,524	5,989,989,717
Cash and cash equivalents at beginning of the year		17,970,529,578	11,980,539,861
Cash and cash equivalents at end of the year		23,064,167,102	17,970,529,578
Cash and cash equivalents			
Bank balances	5	350,383,820	17,970,529,578
Investments maturing within 3 months	6	22,713,783,282	-
		23,064,167,102	17,970,529,578

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 June 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The Lakson Money Market Fund (the "Fund") was established under the Trust Deed executed on September 2, 2009 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on September 18, 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore, while the head office 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 categorized as "Money Market Scheme" as per the Circular No. 07 of 2009 issued by SECP and Fund primarily invests in Government Securities, Certificates of Investment, Certificates of Deposits, Term Deposit Receipts, Commercial Papers etc. subject to the guidelines issued by SECP from time to time.

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

- 1.3 Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 09 March 2023 (2022: AM2+ as on 27 August 2021). On 09 March 2023, PACRA assigned AA+(f) rating to the Fund (2022: AA+(f) as on 09 March 2022).

- 1.4 The Trust Act, 1882 has been 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, 2021 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 Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where 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 requirements 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, the NBFC Regulations and requirements 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 for certain investments which 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 financial information presented in Pakistan Rupees has been rounded off to the nearest of rupees, unless otherwise indicated.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 4.1.1.1);
- Impairment of financial assets (note 4.1.1.3);
- Taxation (notes 4.4 and 15); and
- Classification and measurement of financial liabilities (notes 4.1.2.1).

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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 derecognized 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 derecognized, 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 recognizing 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 debt 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 / PKFRV 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

The 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 derecognized (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 rate 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 derecognized 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.

4.1.4 Regular way contracts

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

4.3 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 embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

4.4 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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.

4.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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 and approved by the Board of Directors of the Management Company.

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 during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to 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 asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

4.7 Element of income / (loss) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the 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 the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net asset value per unit

The Net Asset Value (NAV) per unit as 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.

4.9 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised appreciation / diminution arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income from investments in government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

4.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the Management Company, determination of weighted average units for calculating EPU is not practicable.

5. BANK BALANCES	Note	June 30, 2023 (Rupees)	June 30, 2022
Local currency			
- Profit and loss sharing accounts	5.1	350,376,722	17,970,522,480
- Current accounts		7,098	7,098
		<u>350,383,820</u>	<u>17,970,529,578</u>

5.1 These represents profit and loss accounts maintained with banks carrying profit rates ranging from 12.75% to 19.75% (June 30, 2022: 5.00% to 17%) per annum.

6. INVESTMENTS

Financial assets classified as fair value through profit or loss

Government securities			
- Market treasury bills	6.1	18,566,556,500	48,079,194
- Pakistan investment bonds	6.2	1,795,678,930	-
		<u>20,362,235,430</u>	<u>48,079,194</u>

Financial assets classified as at amortised cost

Commercial papers	6.3	340,894,727	427,053,180
Letter of placements	6.4	2,010,652,055	-
Term deposits receipts	6.5	-	-
		<u>22,713,782,212</u>	<u>475,132,374</u>

6.1 Market Treasury Bills

Government Securities	Date of Issue	As at July 01, 2022	Acquired during the year	Disposed / matured during the year	As at June 01, 2023	As at July 01, 2022	Acquired during the year	Disposed / matured during the year	As at June 01, 2023	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as a percentage of net assets of the Fund	Market value as a percentage of total investment	
		-----Number of Units-----				-----Face Value-----				------(Rupees)-----					
Treasury bills - 03 months	21-Apr-22	-	81,000,000	81,000,000	-	-	8,100,000,000	8,100,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	28-Apr-22	-	117,890,000	117,890,000	-	-	11,789,000,000	11,789,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	02-Jun-22	-	88,810,500	88,810,500	-	-	8,881,050,000	8,881,050,000	-	-	-	-	-	-	
Treasury bills - 03 months	02-Jun-22	-	43,250,000	43,250,000	-	-	4,325,000,000	4,325,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	16-Jan-22	-	52,000,000	52,000,000	-	-	5,200,000,000	5,200,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	30-Jun-22	-	154,600,000	154,600,000	-	-	15,460,000,000	15,460,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	28-Jul-22	-	184,110,000	184,110,000	-	-	18,411,000,000	18,411,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	11-Aug-22	-	20,800,000	20,800,000	-	-	2,080,000,000	2,080,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	25-Aug-22	-	10,000,000	10,000,000	-	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	08-Sep-22	-	47,070,000	47,070,000	-	-	4,707,000,000	4,707,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	27-Sep-22	-	29,390,000	29,390,000	-	-	2,939,000,000	2,939,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	06-Oct-22	-	152,600,000	152,600,000	-	-	15,260,000,000	15,260,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	20-Oct-22	-	101,900,000	101,900,000	-	-	10,190,000,000	10,190,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	03-Nov-22	-	107,000,000	107,000,000	-	-	10,700,000,000	10,700,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	17-Nov-22	-	54,000,000	54,000,000	-	-	5,400,000,000	5,400,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	15-Dec-22	-	23,850,000	23,850,000	-	-	2,385,000,000	2,385,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	29-Dec-22	-	75,431,300	75,431,300	-	-	7,543,130,000	7,543,130,000	-	-	-	-	-	-	
Treasury bills - 03 months	04-Jan-23	-	65,680,000	65,680,000	-	-	6,568,000,000	6,568,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	04-Jan-23	-	65,000,000	65,000,000	-	-	6,500,000,000	6,500,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	12-Jan-23	-	24,811,100	24,811,100	-	-	2,481,110,000	2,481,110,000	-	-	-	-	-	-	
Treasury bills - 03 months	12-Jan-23	-	9,863,000	9,863,000	-	-	986,300,000	986,300,000	-	-	-	-	-	-	
Treasury bills - 03 months	26-Jan-23	-	64,000,000	64,000,000	-	-	6,400,000,000	6,400,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	09-Feb-23	-	15,019,400	15,019,400	-	-	1,501,940,000	1,501,940,000	-	-	-	-	-	-	
Treasury bills - 03 months	23-Feb-23	-	250,000	250,000	-	-	25,000,000	25,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	09-Mar-23	-	41,640,000	41,640,000	-	-	4,164,000,000	4,164,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	06-Apr-23	-	176,280,000	176,280,000	-	-	17,628,000,000	17,628,000,000	-	-	-	-	-	-	
Treasury bills - 03 months	20-Apr-23	-	18,000,000	18,000,000	-	-	1,800,000,000	1,800,000,000	1,787,460,685	1,786,917,600	(543,085)	7.8	7.9		
Treasury bills - 03 months	20-Apr-23	-	69,500,000	69,500,000	-	-	6,950,000,000	6,950,000,000	6,901,973,391	6,899,487,400	(2,485,991)	30.0	30.4		
Treasury bills - 03 months	04-May-23	-	50,000,000	50,000,000	-	-	5,000,000,000	5,000,000,000	4,927,555,000	4,925,500,000	(12,855,969)	21.5	21.7		
Treasury bills - 03 months	18-May-23	-	36,000,000	36,000,000	-	-	3,600,000,000	3,600,000,000	3,516,928,235	3,513,330,000	(3,598,235)	15.3	15.5		
Treasury bills - 03 months	15-Jun-23	-	15,000,000	15,000,000	-	-	1,500,000,000	1,500,000,000	1,441,724,447	1,439,266,500	(2,457,947)	6.3	6.3		
Treasury bills - 06 months	07-Apr-22	500,000	-	500,000	-	50,000,000	-	50,000,000	-	-	-	-	-	-	
Treasury bills - 06 months	21-Apr-22	-	2,940,000	2,940,000	-	-	294,000,000	294,000,000	-	-	-	-	-	-	
Treasury bills - 06 months	14-Jul-22	-	21,280,000	21,280,000	-	-	2,128,000,000	2,128,000,000	-	-	-	-	-	-	
Treasury bills - 06 months	06-Oct-22	-	20,000,000	20,000,000	-	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-	
Treasury bills - 06 months	10-Oct-22	-	75,200,000	75,200,000	-	-	7,520,000,000	7,520,000,000	-	-	-	-	-	-	
Treasury bills - 06 months	27-Mar-23	-	36,000,000	36,000,000	-	-	3,600,000,000	3,600,000,000	-	-	-	-	-	-	
Treasury bills - 01 year	30-Dec-21	-	25,000,000	25,000,000	-	-	2,500,000,000	2,500,000,000	-	-	-	-	-	-	
Treasury bills - 01 year	27-Jan-22	-	56,000,000	56,000,000	-	-	5,600,000,000	5,600,000,000	-	-	-	-	-	-	
Treasury bills - 01 year	28-Apr-22	-	4,434,200	4,434,200	-	-	443,420,000	443,420,000	-	-	-	-	-	-	
Total as at June 30, 2023			500,000	2,245,558,500	2,067,558,500	188,500,000	50,000,000	224,555,950,000	205,755,950,000	18,850,000,000	18,578,497,668	18,546,556,500	(11,941,168)	80.8	81.7
Total Cost as at June 30, 2023											18,489,741,950				
Total as at June 30, 2022											48,167,642	48,079,194	(88,448)	26.0	10.0
Total Cost as at June 30, 2022											47,601,400				

6.1.1 The effective yield for closing treasury bills are 21.12 - 21.8%. All the above treasury bills have face value of Rs. 100,000.

6.2 Pakistan Investment Bonds

	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 period	As at June 30, 2023	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
						-----Number of certificates-----				(Rupees)			-----(%)-----	
2 Years Pakistan Investment Bond (face value of Rs. 100,000 each)	26-Aug-21	26-Aug-23	18,000,000	2 Years	21.98%	-	18,000,000	-	18,000,000	1,796,918,515	1,795,680,000	(1,238,515)	8.0	8.0
Total as at 30 June 2023						-----			18,000,000	1,796,918,515	1,795,680,000	(1,238,515)	8.0	8.0
Total Cost as at 30 June 2023										1,795,515,100				
Total as at 30 June 2022										-	-	-		
Total Cost as at 30 June 2022														

6.2.1 Profit which is variable in nature, is recoverable on semi annual basis on these Pakistan investment bonds. The fee value of these Pakistan investment bond is Rs. 100,000 each.

6.3 Commercial papers

	Date of Issue	Date of Maturity	Total Face Value (maturity value)	Term	Mark-up rate	As At July 01,2022	Acquired during the year during the	Matured during the year	As At June 30 2023	Carrying value as at 30 June 2023	Carrying value as a percentage of total investments	Carrying value as a percentage of net assets	Face value as % of size of the issue	
						-----Number of certificates-----				(Rupees)	-----(%)-----			
Lucky Electric Power Company Limited	05-Jun-22	02-Nov-22	450,000,000	6 months	16.21%	450	-	450	-	-	-	-	-	
Lucky Electric Power Company Limited	14-Dec-22	14-Jun-23	250,000,000	6 months	16.96%	-	25	25	-	-	-	-	-	
Lucky Electric Power Company Limited	14-Feb-23	15-Aug-23	315,000,000	6 months	22.72%	-	315	-	315	340,894,727	1.5	1.5	6.3	
Total as at June 30, 2023						450	340	475	315	340,894,727	1.5	1.5	6.3	
											427,053,180	89.9	2.3	9.0
Total as at June 30, 2022														

6.3.1 Face value of these commercial papers are Rs.1,000,000 per certificate.

6.4 Letter of placements

	Placement Date	Date of Maturity	Term (Number of Days)	Mark-up rate	As at July 01, 2022	Acquired during the year during the	Matured during the year	As at June 30, 2023	Carrying value as at the year ended June 30, 2023	Carrying value as a percentage of total investments	Carrying value as % of net assets	Face value as % of size of the issue	
						-----Rupees-----		-----Rupees-----					
Pak Brunei Investment Company Limited	14-Jul-22	15-Aug-22	32	15.10%	-	1,400,000,000	1,400,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	3-Nov-22	7-Nov-22	4	15.30%	-	1,525,000,000	1,525,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	7-Dec-22	8-Dec-22	1	15.80%	-	600,000,000	600,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	7-Dec-22	8-Dec-22	1	15.80%	-	100,000,000	100,000,000	-	-	-	-	-	
Saudi Pak Industrial & Agricultural Investment Company Limited	9-Dec-22	12-Jan-23	34	16.25%	-	1,500,000,000	1,500,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	21-Dec-22	20-Jan-23	30	16.10%	-	1,900,000,000	1,900,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	23-Dec-22	17-Jan-23	25	16.10%	-	1,900,000,000	1,900,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	12-Jan-23	13-Jan-23	1	15.35%	-	2,100,000,000	2,100,000,000	-	-	-	-	-	
Askari Bank Limited	12-Jan-23	26-Jan-23	14	15.30%	-	2,100,000,000	2,100,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	17-Jan-23	26-Jan-23	9	15.50%	-	2,200,000,000	2,200,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	26-Jan-23	27-Jan-23	1	17.15%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	26-Jan-23	3-Feb-23	8	17.07%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Asker Bank Limited	3-Feb-23	24-Feb-23	21	16.85%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	10-Feb-23	17-Feb-23	7	16.35%	-	400,000,000	400,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	17-Feb-23	20-Feb-23	3	16.00%	-	320,000,000	320,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	27-Feb-23	28-Feb-23	1	16.50%	-	150,000,000	150,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	1-Mar-23	3-Mar-23	2	17.00%	-	550,000,000	550,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	9-Mar-23	10-Mar-23	1	19.90%	-	900,000,000	900,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	14-Mar-23	17-Mar-23	3	19.20%	-	875,000,000	875,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	20-Mar-23	21-Mar-23	1	19.20%	-	800,000,000	800,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	21-Mar-23	22-Mar-23	1	19.10%	-	500,000,000	500,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	22-Mar-23	27-Mar-23	5	19.00%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Pak Brunei Investment Company Limited	22-Mar-23	27-Mar-23	5	19.00%	-	600,000,000	600,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	22-Mar-23	27-Mar-23	5	19.10%	-	200,000,000	200,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	22-Mar-23	27-Mar-23	5	19.25%	-	647,000,000	647,000,000	-	-	-	-	-	
Pak Brunei Investment Company Limited	29-Mar-23	6-Apr-23	8	19.00%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Pak Brunei Investment Company Limited	20-Apr-23	26-Apr-23	6	20.55%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	20-Apr-23	28-Apr-23	8	20.60%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	20-Apr-23	28-Apr-23	8	20.95%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	20-Apr-23	4-May-23	14	20.70%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	4-May-23	12-May-23	8	20.85%	-	1,300,000,000	1,300,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	4-May-23	18-May-23	14	20.70%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	5-May-23	12-May-23	7	20.55%	-	400,000,000	400,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	15-May-23	16-May-23	1	20.05%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	16-May-23	17-May-23	1	20.00%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	17-May-23	18-May-23	1	20.00%	-	850,000,000	850,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	18-May-23	19-May-23	1	20.10%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	18-May-23	19-May-23	1	20.10%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	16-Jun-23	19-Jun-23	3	21.00%	-	650,000,000	650,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	19-Jun-23	20-Jun-23	1	21.00%	-	750,000,000	750,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	20-Jun-23	21-Jun-23	1	21.00%	-	850,000,000	850,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	22-Jun-23	23-Jun-23	1	21.10%	-	2,100,000,000	2,100,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	22-Jun-23	23-Jun-23	1	21.10%	-	2,100,000,000	2,100,000,000	-	-	-	-	-	
Pak Oman Investment Company Limited	22-Jun-23	24-Jul-23	32	21.60%	-	2,000,000,000	-	2,000,000,000	2,010,652,055	8.85	8.75	100.00	
Saudi Pak Industrial & Agricultural Investment Company Limited	23-Jun-23	26-Jun-23	3	20.80%	-	540,000,000	540,000,000	-	-	-	-	-	
Pak Kuwait Investment Company Limited	23-Jun-23	26-Jun-23	3	20.25%	-	450,000,000	450,000,000	-	-	-	-	-	
June 30, 2023						-	52,657,000,000	50,657,000,000	2,000,000,000	2,010,652,055	8.85	8.75	100.00
June 30, 2022						-	27,670,000,000	27,670,000,000	-	-	-	-	-

6.5 Term Deposit Receipt

	Placement Date	Date of Maturity	Term (Number of Days)	Mark-up rate	As at July 01, 2022	Acquired during the year	Matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Carrying value as a percentage of total investments	Carrying value as % of net assets
	-----Rupees-----										-----%-----
Bank Alfalah Limited	7-Mar-23	22-Mar-23	10	20.30%	-	1,600,000,000	1,600,000,000	-	-	-	-
Bank Alfalah Limited	27-Mar-23	6-Apr-23	10	20.52%	-	1,600,000,000	1,600,000,000	-	-	-	-
Total as at June 30, 2023					-	1,600,000,000	1,600,000,000	-	-	-	-
Total as at June 30, 2022					-	-	-	-	-	-	-

7. ADVANCE INCOME TAX

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 withholder.

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.

		June 30, 2023	June 30, 2022
8. PAYABLE TO THE MANAGEMENT COMPANY		(Rupees)	
Remuneration to the Management Company	8.1	9,786,029	6,834,311
Sindh Sales Tax on remuneration of Management Company	8.2	1,272,184	888,445
Federal Excise Duty on remuneration to the Management Company	8.3	35,633,818	35,633,818
		<u>46,692,031</u>	<u>43,356,574</u>

8.1 As per regulation 61 of the NBFC and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 1% of average annual net assets of the fund, calculated on daily basis. During the year Management Company has charged fee at 0.46% of average annual net assets calculated on daily basis.

8.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Federal Excise Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 8.3.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 35.63 million (2022: 35.63 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. 0.16 (June 30, 2022: Rs.0.17) per unit.

9. PAYABLE TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of Trust Deed, which is 0.055% per annum (2022: 0.055% per annum) of the net assets.

10. PAYABLE TO 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.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

		June 30, 2023	June 30, 2022
	Note	(Rupees)	
Auditors' remuneration		516,161	352,976
Brokerage payable		681,113	477,482
Rating fee payable		542,631	-
Withholding tax payable		17,442,290	33,640,340
Professional fee payable		11,493	534,377
Dividend payable		12,342,943	4,354,249
Others	11.2	83,938,550	83,880,769
		<u>115,475,181</u>	<u>123,240,193</u>

- 11.1 The Government of Sindh introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The MUFAP, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles, therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them.

During the year ended June 30, 2022, SRB through its letter to MUFAP had clarified that Asset Management Companies (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well. The fund ceased to charge further provision for SWWF and has reversed the provision for SWWF amounting to Rs. 71.4 million charged till June 30, 2021.

- 11.2 This amount includes excess profit credited by a bank. During year ended June 30, 2022, bank credited an amount of Rs. 79.58 million. The Management Company is of the view after recomputing the profit due from the bank that excess profit was not due to the Fund. The matter was raised with the bank and is yet to finalised. Management Company, being prudent, has not recorded any income against the amount received and has recorded an accrued liability.

12. TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), Total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 0.71% as of June 30, 2023 (June 30, 2022: 0.62%) and this includes 0.1% (June 30, 2022: 0.06%) representing Sindh Sales tax and SECP fee. As per NBFC Regulation the total expense ratio of the Money Market Scheme shall be capped up to 2% (excluding government levies).

13. CONTINGENCIES AND COMMITMENTS

Other than tax contingencies disclosed in note 16.2 to financial statements, there are no contingencies and commitments as at 30 June 2023.

	June 30, 2023	June 30, 2022
	(Number of units)	
14. NUMBER OF UNITS IN ISSUE		
Total outstanding as of 1 July	182,337,620	122,246,232
Issued during the year	783,141,614	532,496,568
Redemptions during the year	(741,654,809)	(472,405,180)
Total units in issue as of 30 June	<u>223,824,425</u>	<u>182,337,620</u>

	June 30, 2022	June 30, 2021
	(Number of units)	
15. AUDITORS' REMUNERATION		
Annual audit fee	415,800	350,000
Fee for the review of half yearly financial statements	228,690	130,000
Out of pocket and sales tax expenses	41,555	32,641
	<u>686,045</u>	<u>512,641</u>
16. TAXATION		
16.1	The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, 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 statements.	
16.2	a) A new section 4B was introduced in the Income Tax Ordinance, 2001 vide the Finance Act, 2015, according to which super tax has been imposed for Tax Year 2015 on the income of individuals, association of persons and companies who are earning income of Rs. 500 million or above in Tax Year 2015 at the rate of 3% other than banking companies. During year ended June 30, 2017, the Management Company received an order under the aforementioned section for the recovery of super tax not paid with return of income in respect of the Fund for the Tax Year 2015. The Deputy Commissioner considered that the Fund was required to pay super tax as the income of the Fund was more than Rs. 500 million and raised a demand of Rs. 18.819 million in this respect. The Management Company had filed an appeal before Commissioner Appeals (Inland Revenue) against the order which was decided in favour of the Fund whereby super tax demand was deleted. The department had filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and no provision has been made for super tax in these financial statements. b) The Fund has also received an order for Tax Year 2016 whereby demand amounting to Rs. 24 million has been created mainly on account of the fact that the Fund has made less than 90% distribution out of its distributable profit due to the misinterpretation of the facts of the case. The Fund has filed an appeal against the said order to Commissioner Income Tax (Appeals) which was decided against the fund. The fund filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and considers that the case will be decided in Fund's favor. Hence, no provision has been in these financial statements. c) The Fund has also received an order for Tax Year 2018 whereby demand amounting to Rs. 100.2 million has been created mainly on account of the fact that the Fund has made less than 90% distribution out of its distributable profit due to the misinterpretation of	

the facts of the case. The Fund has filed an appeal against the said order to Commissioner Income Tax (Appeals) whereby CIP (Appeals) remand back the case for fresh proceedings as clarified by FBR vide its letter dated February 25, 2021 and considers that the case will be in fund's favour. Hence, no provision has been in these financial statements.

- d) The Fund has also received an order for Tax Year 2019 whereby demand amounting to Rs. 227.8 million has been created mainly on account of the fact that the Fund has made less than 90% distribution out of its distributable profit due to the misinterpretation of the facts of the case. The Fund has filed an appeal against the said order to Commissioner Income Tax (Appeals) whereby CIP (Appeals) remand back the case for fresh proceedings as clarified by FBR vide its letter dated February 25, 2021 and considers that the case will be in fund's favor. Hence, no provision has been in these financial statements.
- e) During the year ended June 30, 2020, the Fund received show-cause notice under section 4B of the Income Tax Ordinance, 2001 for the recovery of super tax not paid with return of income in respect of the stated Fund for the Tax year 2019. The Deputy Commissioner considered that the Fund has failed to pay super tax on the profit of debt income earned during the tax year 2019, as the total profit of debt income of the Fund was Rs.916 million and raised a demand of Rs.18.321 million in this respect. The Fund filed an appeal against the said order to Commissioner Income Tax (Appeals) which was decided against the Fund. The Fund had filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and considers that the case will be decided in Fund's favor. Hence, no provision has been in these financial statements.
- f) During the year ended June 30, 2022, the Fund has received order u/s 122(1) in respect of Audit for Tax Year 2015 whereby element of loss and capital losses included in the prices of units issued less in units redeemed- net amounting to Rs. 404.8 million, dividend distribution at Rs. 129 million, sales tax and FED on management fee amounting to Rs. 11.5 and Rs. 10.6 million respectively have been added by Deputy Commissioner resulting in demand of Rs. 180.2 million. The Fund has filed an appeal against the said order with Commissioner Income Tax (Appeals) which is pending adjudication. The Management Company considers that it has a good arguable case which will be decided in fund's favor. Hence, no provision has been in these financial statements.

17. DISTRIBUTIONS DURING THE YEAR

June 30, 2023				
	Per unit rate	Declaration date	Distribution of income	Refund of Capital
			----- (Rupees) -----	
First interim distribution	0.5267	July 14, 2022	65,036,021	3,343,946
Second interim distribution	0.7489	Aug 04, 2022	89,024,088	6,559,950
Third interim distribution	1.3654	Sept 08, 2022	154,675,974	12,882,507
Fourth interim distribution	1.1279	Oct 06, 2022	123,124,498	44,983,825
Fifth interim distribution	1.3772	Nov 10, 2022	159,311,143	38,692,510
Sixth interim distribution	1.0665	Dec 07, 2022	132,202,332	38,238,939
Seventh interim distribution	1.4674	Jan 11, 2023	221,843,489	70,285,279
Eighth interim distribution	1.2369	Feb 10, 2023	168,832,751	34,329,462
Ninth interim distribution	0.9748	Mar 08, 2023	124,448,512	27,584,748
Tenth interim distribution	1.4417	Apr 05, 2023	193,987,957	35,729,022
Eleventh interim distribution	1.9831	May 10, 2023	265,264,758	70,308,262
Twelfth interim distribution	1.5586	June 07, 2023	226,177,797	55,003,631
Thirteenth interim distribution	0.7293	June 21, 2023	123,287,305	22,748,839
			<u>2,047,216,625</u>	<u>460,690,920</u>

June 30, 2022				
	Per unit rate	Declaration date	Distribution of income	Refund of Capital
			----- (Rupees) -----	
First interim distribution	0.7439	Aug 8, 2021	91,953,925	5,032,510
Second interim distribution	1.0267	Sept 5, 2021	131,445,433	3,103,954
Third interim distribution	0.7306	Oct 10, 2021	89,933,920	1,445,589
Fourth interim distribution	0.4503	Nov 2, 2021	41,792,353	1,766,891
Fifth interim distribution	0.6076	Dec 2, 2021	49,748,505	14,977,860
Sixth interim distribution	0.5875	Dec 28, 2021	48,637,833	5,509,582
Seventh interim distribution	1.2223	Feb 4, 2022	101,612,560	8,040,139
Eighth interim distribution	0.7441	Mar 5, 2022	64,393,948	32,165,575
Ninth interim distribution	0.9535	Apr 8, 2022	85,525,182	7,057,564
Tenth interim distribution	1.0998	May 12, 2022	101,932,640	32,187,159
Eleventh interim distribution	1.0783	June 8, 2022	99,902,280	52,339,724
Twelfth interim distribution	0.7067	June 26, 2022	81,323,864	38,490,265
			988,202,443	202,116,812

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:

	June 30, 2023	June 30, 2022
18.1 Details of balance with related parties / connected persons at the year end	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable to Management Company	<u>9,786,029</u>	<u>6,834,311</u>
Sindh Sales Tax on remuneration of Management Company *	<u>1,272,184</u>	<u>5,544,354</u>
Federal Excise Duty on Management Company's remuneration*	<u>35,633,818</u>	<u>35,633,818</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	<u>1,143,068</u>	<u>917,618</u>
Security deposit	<u>100,000</u>	<u>100,000</u>

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

	June 30, 2022	June 30, 2021
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration to the Management Company	88,571,220	56,624,277
Sindh sales tax on remuneration of Management Company	11,514,272	7,361,155
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the year *	10,343,692	8,094,579
Settlement charges for the year	5,085	-

* 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					Rupees				
	Number of Units		Number of Units			Rupees		Rupees		
	Number of Units as at 01, 2022	Units issued during the year	Units redeemed during the year	Number of units as at 30 June 2023	Balance as at 01 July 2022	Units issued during the year	Dividend paid during the year	Units redeemed during the year	Balance as at June 30, 2023	
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company	2,536,558 29,106,868 92,734	77,725,496 201,273,788 343,987	73,697,890 176,954,499 369,859	6,564,164 53,426,157 66,862	257,317,322 2,952,702,567 9,407,289	7,915,843,223 20,495,670,201 34,636,443	101,987,210 402,057,334 1,108,927	5,711,644,761 13,744,920,663 38,051,016	673,550,173 5,482,068,687 6,860,740	
Holding company / associated companies / undertakings of the Management Company										
Acurex Surgical Limited Employees Contribution Provident Fund	60,998	372,177	325,504	107,672	6,187,819	37,953,065	432,649	33,411,398	11,048,202	
Acurex Surgical Limited	572,036	2,542,143	194,469	2,919,720	58,029,320	259,081,078	14,985,490	20,000,000	299,593,097	
Alan Private Limited	2,829,465	501,067	-	3,330,532	287,030,833	50,979,712	48,211,426	-	341,746,568	
Baluchistan Polypro ducts Private Limited	3	134,517	59,714	74,807	309	13,691,328	342,739	6,125,000	7,675,884	
Century Insurance Company Limited	10,332	611,908	445,735	176,505	1,048,104	62,417,267	909,645	45,735,707	18,111,277	
Century Insurance Company Limited Employees Contribution Provident Fund Trust	1,220,211	16,338,961	15,986,955	1,592,216	123,782,481	1,664,888,968	2,323,661	1,646,883,857	163,377,636	
Century Paper & Board Mills Limited Employees Contribution Provident Fund Trust	83,867	933,207	853,017	164,057	8,507,736	95,034,398	1,157,259	87,630,531	16,833,912	
Century Paper & Board Mills Limited Employees Gratuity Fund	1,137,296	5,120,579	4,514,029	1,743,846	115,371,335	522,239,410	12,364,687	462,299,104	178,936,395	
Colgate Palmolive Pakistan Limited	100,945	5,389,540	3,843,151	1,647,384	10,440,213	949,922,413	4,435,945	394,450,037	169,033,256	
Colgate Palmolive Pakistan Limited Employees Contribution Provident Fund Trust	13,608,786	21,975,609	6,839,153	28,744,962	1,380,522,883	2,237,176,203	279,030,827	700,000,000	2,949,526,250	
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	1,181,201	5,180,109	5,390,814	970,495	119,825,114	527,877,724	10,272,486	551,645,992	99,582,755	
Cyber Internet Services Private Limited - Employee Contribution Provident Fund Trust	139,538	5,864,901	4,198,336	1,806,103	14,155,228	598,462,521	4,126,561	429,989,429	185,324,603	
Express Publications Private Limited	502,140	2,699,400	2,430,016	771,523	50,938,826	275,189,413	6,198,917	248,797,782	79,166,129	
Express Publications Private Limited Employees Contribution Provident Fund Trust	39,954	5,529	-	45,483	4,053,086	562,749	662,058	-	4,666,975	
Gam Corporation Private Limited	260,414	1,139,412	1,399,826	427,222	26,417,284	116,059,378	1,745,639	143,678,221	-	
Hasanali & Gulbano Lakhani Foundation	273,615	319,672	166,065	-	27,756,424	32,491,198	5,583,762	17,000,000	43,837,296	
Hasanali Karabhal Foundation Employee Contribution Provident Fund Trust	9,230	211,397	196,472	24,155	936,302	21,537,285	-	20,247,346	2,478,515	
Lakson Investments Limited Employee Contribution Provident Fund Trust	8,986	563,975	476,596	96,364	911,524	57,507,679	387,010	48,989,209	9,887,961	
Lakson Power Limited	3,600	3,480	197	3,883	365,156	48,898	57,527	20,000	398,569	
Merit Packaging Limited Employees Contribution Provident Fund Trust	4,748	395,863	230,756	169,854	481,661	40,432,694	308,384	23,642,807	17,438,778	
Premier Fashions Private Limited	-	478,955	369,641	109,315	-	48,801,847	332,262	37,995,767	11,216,792	
Sia Commodities Private Limited	1,235,426	4,787,931	954,140	5,069,217	125,325,956	489,257,233	10,826,577	97,500,000	520,153,390	
Sia Foods Private Limited	1,832,294	3,475,434	1,382,041	3,925,687	185,874,309	354,121,270	40,153,667	141,700,000	402,815,542	
Sia Private Limited	113,168	3,275,197	2,439,839	948,526	11,480,166	334,098,589	4,042,962	250,594,401	97,328,429	
Sia Services Private Limited	2,021,744	4,995,692	5,066,197	1,951,239	205,092,798	508,783,235	15,756,159	520,000,000	200,216,982	
Sia Services Private Limited Employees Contribution Provident Fund Trust	5,088,771	9,112,679	1,622,337	12,579,113	516,222,741	929,099,852	102,743,970	166,000,000	1,290,745,258	
Syrid Private Limited	7,488	211,825	175,518	43,795	759,644	21,595,063	308,582	18,087,696	4,493,745	
Syrid Private Limited Employees Contribution Provident Fund Trust	29,352	344,956	395,140	179,638	3,038,455	75,948,218	1,098,132	61,090,087	18,432,693	
Telipson Media Network Private Limited	1,455	395,201	395,770	1,656	40,700,490	2,544,461	2,544,461	40,000,000	1,468,461	
Orthopedic & Medical Institute Private Limited	6,648,647	748,265	2,574,142	4,822,770	674,462,056	76,200,000	24,106	263,047,205	494,865,368	
Cyber Internet Services Private Limited	3,955,824	3,457,137	2,941,597	4,471,365	401,292,663	351,896,718	61,054,963	300,000,000	458,807,653	
Ice Animations Private Limited	-	20,698	19,536	1,162	-	2,111,429	13,446	2,000,000	119,232	
Trustee / Custodian										
Central Depository Company of Pakistan Limited	-	2,781,855	-	2,781,855	-	282,405,082	38,119,265	-	285,446,742	

	Year ended June 30, 2022					Rupees				
	Number of Units		Number of Units		Number of Units		Number of Units		Number of Units	
	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 01 July 2021	Units issued during the year	Units redeemed during the year	Balance as at June 30, 2022	
Lakson Investments Limited – Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company	1,451,066 23,537,050	22,432,539 17,110,342	21,347,047 11,540,524	2,536,558 29,106,868	146,303,464 2,373,118,359	- 1,302,983,727	2,265,234,329 1,729,003,350	2,173,414,164 1,170,201,840	257,317,322 2,952,702,567	
Holding company / associated companies / undertakings of the Management Company	35,342	182,421	125,028	92,734	3,563,350	604,114	18,446,929	12,696,344	9,407,289	
Accuray Surgical Limited Employees Contribution Provident Fund	-	169,904	108,906	60,998	-	390,042	17,174,656	11,044,606	6,187,819	
Accuray Surgicals Limited	591,026	50,011	69,001	572,036	59,590,078	5,941,157	5,049,983	7,000,000	58,029,320	
Alan Private Limited	2,374,408	455,057	-	2,829,465	239,399,212	14,719,366	46,001,478	-	287,030,833	
Baluchistan Polyproducts Private Limited	1,024	163	-	3	103,245	1,823	16,484	119,925	309	
Century Insurance Company Limited	33,024	189,266	211,958	10,332	3,329,698	225,938	19,115,411	21,464,410	1,048,104	
Century Insurance Company Limited	690,076	2,369,786	1,839,651	1,202,211	69,576,775	5,880,533	239,635,860	187,059,121	123,782,481	
Contribution Provident Fund Trust	10,490	395,515	322,138	83,867	1,057,652	519,834	39,965,023	32,633,566	8,507,736	
Colgate Palmolive Pakistan Limited Employees Contribution Provident Fund Trust	-	3,003,594	1,866,297	1,137,296	-	1,330,015	303,787,428	188,062,920	115,371,335	
Colgate Palmolive Pakistan Limited	-	1,100,726	999,781	100,945	-	578,675	111,259,877	101,318,977	10,240,213	
Colgate Palmolive Pakistan Limited EGF	12,513,588	1,095,198	-	13,608,786	1,261,680,007	130,117,910	110,600,223	-	1,380,522,883	
Colgate Palmolive Pakistan Limited Employee Contribution Provident Fund Trust	1	2,959,188	1,777,988	1,181,201	101	1,298,224	298,371,392	180,137,751	119,825,114	
Cyber Internet Services Private Limited - Employee Contribution Provident Fund Trust	65,199	895,717	821,377	139,538	6,573,676	441,875	90,596,469	76,714,350	14,155,228	
Cyber Internet Services Private Limited	73,210	1,784,120	1,355,190	502,140	7,381,384	840,546	180,329,397	137,325,301	50,938,826	
Express Publications Private Limited	716,792	23,547	700,385	39,954	72,270,410	2,734,190	2,375,978	71,000,000	4,053,086	
Gum Corporation Private Limited Employees Contribution Provident Fund Trust	906,911	1,244,956	1,891,454	260,414	91,439,120	4,975,655	126,809,565	192,215,012	26,417,284	
Gum Corporation Private Limited	43,860	273,615	43,860	273,615	4,422,176	24	27,743,854	4,426,879	27,756,424	
Haseanil Karabhai Foundation Employee Contribution Provident Fund Trust	7,347	68,352	66,469	9,230	740,760	39,827	6,910,816	6,759,274	936,302	
Lakson Investments Limited ECPFT	34,805	104,328	130,147	8,986	3,509,207	473,278	10,533,173	13,179,298	911,524	
Lakson Power Limited	3,701	296	397	3,600	373,153	35,118	29,851	40,000	365,156	
Merit Packaging Limited Employees Gratuity Fund	-	272,601	267,853	4,748	-	56,292	27,553,080	27,184,004	481,661	
Premier Fashions Private Limited	67,588	99,580	167,168	1,235,426	6,814,547	38,412	10,049,412	10,090,970	-	
Siza Commodities Private Limited	199,543	2,351,937	1,116,510	1,332,294	20,118,883	8,261,803	237,522,532	113,000,000	125,325,956	
Siza Foods Private Limited Employees Contribution Provident Fund Trust	53,966	6,193,315	4,560,564	1,132,294	5,441,111	13,754,756	626,082,749	462,000,000	185,874,309	
Siza Private Limited	-	842,777	783,575	113,168	-	331,625	85,175,967	79,514,957	11,480,166	
Siza Services Private Limited	516,786	12,418,534	10,396,790	2,021,744	52,104,845	5,480,723	1,286,158,614	1,054,863,037	205,092,798	
Siza Services Private Limited Employees Contribution Provident Fund Trust	-	8,395,246	4,227,261	3,868,771	-	13,275,298	890,362,092	427,344,644	516,222,741	
Sybird Private Limited	14,206	108,727	115,445	7,488	1,432,317	69,028	10,980,422	11,697,460	759,644	
Sybird Private Limited Employee Contribution Provident Fund Trust	-	287,797	257,845	29,952	-	248,129	29,086,378	26,186,178	3,038,485	
Sybird Private Limited	4,287	200,333	203,899	721	432,236	202,424	20,213,021	20,800,000	73,122	
Television Media Network Private Limited	2,063,701	113,456	2,175,702	1,455	208,072,241	10,405,044	11,452,113	220,500,000	147,591	
Orthopaedic & Medical Institute Private Limited	-	6,727,558	78,910	6,648,647	-	1,846,793	680,000,000	8,000,000	674,462,056	
Cyber Internet Services Private Limited	-	3,955,824	-	3,955,824	-	451,992	400,384,193	-	401,292,663	
Trustee / Custodian	2,584,809	1,091,776	3,676,585	-	260,612,859	11,919,236	110,131,350	212,490,418	-	
Central Depository Company of Pakistan Limited	-	-	-	-	-	-	-	-	-	
Connected person due to holding more than 10% units	34,852,350	235,781,691	232,884,410	37,749,631	3,513,981,230	73,278,186	27,880,118,934	27,666,541,460	3,829,454,660,95	
Fauji Fertilizer Company Limited	-	-	-	-	-	-	-	-	-	

- 18.4 Remuneration payable to the Management Company and the Trustee have been determined in accordance with the offering document within in the limits prescribed u/s 60(5)(b) of NBFC Regulations.
- 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 on the date of purchase or redemption ,as the case may be. 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 holder's fund risk (refer note 19.5).

Risk management framework

The Fund'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 Deeds 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, 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. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee. The internal audit function assists the audit committee in its oversight.

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 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, receivable against sale of marketable securities, security deposits and profit receivables.

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.

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.
- Analysis 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 taken into account 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 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
	----- (Rupees) -----		----- (Rupees) -----	
Bank balances (including profit due)	363,238,935	363,238,935	18,184,381,490	18,184,381,490
Investments	22,752,498,353	2,351,546,782	475,132,374	427,053,180
Deposit	100,000	100,000	100,000	100,000
Other receivables	-	-	90,268	90,268
	<u>23,115,837,288</u>	<u>2,714,885,717</u>	<u>18,659,704,132</u>	<u>18,611,624,938</u>

Bank balances

The Fund held cash and cash equivalents at June 30, 2023 with banks had following credit ratings:

Rating	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- (Rupees) -----		----- (%) -----	
AAA	395,781	18,170,882,249	0.11	99.93
AA+	360,406,001	13,429,616	99.22	0.07
AA	2,421,179	53,461	0.67	-
A+	15,974	16,164	-	-
Total balance including profit due	<u>363,238,935</u>	<u>18,184,381,490</u>	<u>100.00</u>	<u>100.00</u>

Above rates are on the basis of available ratings assigned by PACRA and 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:

	2023		2022	
	(Rupees)	(%)	(Rupees)	(%)
Commercial banks (including profit due)	363,238,935	13.38	18,184,381,490	97.70
Power generation and distribution - commercial papers	340,894,727	12.56	427,053,180	2.29
NBFC- letter of placements	2,010,652,055	74.06	-	0.00
Deposits	100,000	0.00	190,268	0.05
	2,714,885,717	100.00	18,611,624,938	100.00

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 (June 30, 2022: nil).

Settlement risk

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

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through brokers with good credit worthiness to ensure that transactions are 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 is to ensure, as far as possible, that it will have 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 cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price 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 commercial banks. The Fund invests in marketable securities and other financial instruments, which under normal market conditions are

readily convertible to cash. As a result, the Fund is able to swiftly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirement.

In accordance with regulation 58(1)(k) of the NBFC regulations, 2008, the Fund is entitled to borrow, with prior approval of trustee, for meeting redemptions. No such borrowings were made during the year. 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 within 90 days of such borrowings. No such borrowing 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 year no such option was exercised or considered necessary.

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
		----- (Rupees) -----	
Non-derivative financial liabilities (excluding unit holders' fund)			
Payable to the Management Company		11,058,213	11,058,213
Remuneration payable to the Trustee		1,143,068	1,143,068
Accrued expenses and other liabilities		18,452,891	18,452,891
		<u>30,654,172</u>	<u>30,654,172</u>
		2022	
		Contractual cash flows	
		Carrying amount	Less than 3 month
		----- (Rupees) -----	
Non-derivative financial liabilities (excluding unit holders' fund)			
Payable to the Management Company		7,722,756	7,722,756
Remuneration payable to the Trustee		917,618	917,618
Accrued expenses and other liabilities		10,019,853	10,019,853
		<u>18,660,227</u>	<u>18,660,227</u>

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 and interest rates - 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 optimising 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. Market risk faced by the Fund includes interest rate risk.

19.3.1 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. The Investment Committee of the Fund reviews the investment portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

Exposure to interest rate risk

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

	June 30, 2023	June 30, 2022
Variable-rate instrument	(Rupees)	
Pakistan investment bonds	1,795,678,930	-
Commercial papers	340,894,727	427,053,180
Bank balances	<u>350,376,722</u>	<u>17,970,529,578</u>
Fixed-rate instrument		
Letter of placements	2,010,652,055	-
Market treasury bills	<u>18,566,556,500</u>	<u>48,079,194</u>

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. 24.87 million (2022: Rs. 179.71 million).

Sensitivity analysis for fixed rate instruments

Fund has fixed rate financial assets (market treasury bills) at fair value through profit or loss, therefore, changes in interest rate by 100 basis points at the reporting date would impact the income statement by Rs. 185.67 million (2022: Rs. 0.48 million)

None of the other assets and Fund's liabilities are 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:

LAKSON MONEY MARKET FUND

June 30, 2023						
On balance sheet financial instruments	Note	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		
			Rupees			
Financial assets						
Bank balances	5.1		350,376,722	-	-	350,376,722
Profit receivable on bank deposits		12.75 - 19.75	-	-	51,571,257	51,571,257
Investments - Pakistan investment bonds	6	22	-	1,795,678,930	-	1,795,678,930
Investments - Commercial papers	6	23	-	340,894,727	-	340,894,727
Investments - Market treasury bills	6	21.8 - 21.12	-	-	18,566,556,500	18,566,556,500
Investments - Letter of placements	6	22	-	-	2,010,652,055	2,010,652,055
Deposit			-	-	100,000	100,000
Total financial assets			350,376,722	1,795,678,930	20,628,879,812	23,115,830,191
Financial liabilities						
Payable to the Management Company			-	-	46,692,031	46,692,031
Remuneration payable to the Trustee			-	-	1,143,068	1,143,068
Accrued expenses and other liabilities			-	-	18,452,892	18,452,892
Total financial liabilities			-	-	66,287,991	66,287,991
On balance sheet gap			350,376,722	1,795,678,930	20,562,591,821	23,049,542,200
Cumulative interest rate gap *			350,376,722	2,146,055,652		

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

		June 30, 2022				
On balance sheet financial instruments	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			
		Rupees				
Financial assets						
Bank balances	5.1		17,970,522,480	-	17,970,522,480	
Profit receivable on bank deposits	5 - 17		-	213,859,010	213,859,010	
Investments - Commercial paper	6	16.21	-	427,053,180	475,132,374	
Investments - Market treasury bills	14.99					
Deposit			-	100,000	100,000	
Other receivables			-	90,268	90,268	
Total financial assets			18,018,601,674	262,128,472	18,659,704,132	
Financial liabilities						
Payable to the Management Company			-	43,356,575	43,356,575	
Remuneration payable to the Trustee			-	917,618	917,618	
Accrued expenses and other liabilities			-	10,019,853	10,019,853	
Total financial liabilities			-	54,294,046	54,294,046	
On balance sheet gap			18,018,601,674	207,834,426	18,605,410,086	
Cumulative interest rate gap *			18,018,601,674			

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

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 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.

19.5 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.

20. Fair value of financial instruments

Fair value is 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.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund 'is current bid price.

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.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

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

		June 2023					
		Carrying amount			Fair Value		
		Fair value through profit and loss	Amortised cost	Total	Level 1	Level 2	Total
(Rupees)							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Government securities							
Market treasury bills	6.1	18,566,556,500	-	18,566,556,500	-	18,566,556,500	18,566,556,500
Pakistan investment bonds	6.2	1,795,678,930	-	1,795,678,930	1,795,678,930	-	1,795,678,930
		20,362,235,430	-	20,362,235,430	1,795,678,930	18,566,556,500	20,362,235,430
Financial assets not measured at fair value*							
Bank balances	5	-	350,383,820	350,383,820	-	-	350,383,820
Profit receivable		-	51,571,257	51,571,257	-	-	51,571,257
Investments - Commercial papers	6.3	-	340,894,727	340,894,727	-	-	340,894,727
Letter of placements	6.4	-	2,010,652,055	2,010,652,055	-	-	2,010,652,055
Deposits and other receivables		-	100,000	100,000	-	-	100,000
		-	2,753,601,859	2,753,601,859	-	-	2,753,601,859
Financial liabilities not measured at fair value*							
Payable to the Management Company	8.1	-	11,058,213	11,058,213	-	-	-
Payable to the Trustee	9	-	1,143,068	1,143,068	-	-	-
Accrued expenses and other liabilities	11	-	18,452,891	18,452,891	-	-	-
		-	30,654,172	30,654,172	-	-	-

* the estimated book value of financial assets and liabilities not measured at fair value is considered not to be significantly different from their respective book values.

		June 2022					
		Carrying amount			Fair Value		
		Fair value through profit and loss	Amortised cost	Total	Level 1	Level 2	Total
(Rupees)							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Government securities - Market							
Treasury Bills	6.1	48,079,194	-	48,079,194	-	48,079,194	48,079,194
Financial assets not measured at fair value*							
Bank balances	5	-	17,970,529,578	17,970,529,578	-	-	-
Profit receivable	7	-	213,851,912	213,851,912	-	-	-
Investments - Commercial papers	6.2	-	427,053,180	427,053,180	-	-	-
Deposits and other receivables		-	190,268	190,268	-	-	-
		-	18,611,624,938	18,611,624,938	-	-	-
Financial liabilities not measured at fair value*							
Payable to the Management Company	7.1	-	7,722,756	7,722,756	-	-	-
Payable to the Trustee	8	-	917,618	917,618	-	-	-
Accrued expenses and other liabilities	10	-	10,019,853	10,019,853	-	-	-
		-	97,217,531	97,217,531	-	-	-

* the estimated book value of financial assets and liabilities not measured at fair value is considered not to be significantly different from their respective book values.

21. RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Redemption	Dividend	Total
	----- (Rupees in '000) -----		
Opening balance as at 1 July 2022	-	(4,354,249)	(4,354,249)
Payable against redemption of units	(75,944,474,975)	-	(75,944,474,975)
Payable against dividend	-	(2,507,907,545)	(2,507,907,545)
	(75,944,474,975)	(2,507,907,545)	(78,452,382,520)
Amount paid on redemption of units	75,944,474,975	-	75,944,474,975
Dividend paid	-	(2,499,918,851)	(2,499,918,851)
	75,944,474,975	(2,499,918,851)	73,444,556,124
Closing balance as at 30 June 2023	-	(12,342,943)	(5,012,180,645)

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 (Rupees)	% of total net assets
Individuals	93	528,313,928	2.30
Associated Companies and Directors	65	13,580,736,325	59.13
Insurance Companies	1	818,629	0.00
NBFC's (Management Company)	1	673,550,173	2.93
Banks/DFIs	0	-	-
Retirement Funds	10	148,928,478	0.65
Other Corporates	20	8,034,304,859	34.98
Total	190	22,966,652,393	100.00

Category	June 30, 2022		
	No of Investors	Investment amount (Rupees)	% of total net assets
Individuals	68	126,746,904	0.55
Associated Companies and Directors	58	7,313,033,733	31.84
Insurance Companies	1	710,940	0.00
NBFC's (Management Company)	1	257,317,322	1.12
Banks/DFIs	1	200,090,569	0.87
Retirement Funds	14	808,358,421	3.52
Other Corporates	23	9,790,706,513	42.63
Total	166	18,496,964,402	80.54

22.2 List of top 10 brokers by percentage of commission paid

Broker Name	2023	2022
	Commission paid (Percentage)	
Magenta Capital (Pvt.) Ltd	34.72%	32.74%
Optimus Market (Pvt.) Ltd	23.06%	6.41%
Continental Exchange (Pvt.) Ltd	20.96%	34.51%
Invest One Markets Ltd	13.95%	23.72%
Arif Habib Limited	2.61%	0.00%
Bright Capital Private Limited	2.09%	0.00%
Icon Securities	1.62%	0.00%
Vector Capital Private Limited	0.97%	2.59%

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	✓	X	X	✓
- Mr. Babar Ali Lakhani	CEO	4	✓	✓	✓	✓
- Mr. Jacques John Vesser	Director	1	X	X	✓	X
- Mr. Amin Mohammed Lakhani	Director	4	✓	✓	✓	✓
- Mr. Jamil Ahmed Mughal	Director	4	✓	✓	✓	✓
- Ms. Roxanne Davies	Director	2	✓	✓	X	X
			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 authorised for issue on September 04, 2023 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

LAKSON MONEY MARKET FUND

Performance Table	FY23	FY22	FY21	FY20	FY19
Net Assets - Beginning (PKR Mil.)	18,497	12,325	10,315	8,608	4,680
Net Assets - Ending (PKR Mil.)	22,967	18,497	12,325	10,315	8,608
Net Asset value per share	102.6102	101.4435	100.8248	100.5955	100.5246
Selling Price for units	103.7697	101.4435	100.8248	100.5955	100.5246
Repurchase Price for units	102.6102	101.4435	100.8248	100.5955	100.5246
Highest Offer Price (PKR)	105.0449	102.1716	101.4088	101.8067	108.1381
Lowest Offer Price (PKR)	101.4798	100.8248	100.5955	100.5246	100.4299
Highest Redemption Price (PKR)	103.8711	102.1716	101.4088	101.8067	108.1381
Lowest Redemption Price (PKR)	101.4798	100.8248	100.5955	100.5246	100.4299
Beginning NAV - Ex-Div. (PKR)	101.4435	100.8248	100.5955	100.5246	100.4299
Interim Distributions (PKR)	15.6044	10.0053	6.4882	12.07	8.5627
Final Distribution (PKR)	-	-	-	-	-
Ending NAV - Ex-Div. (PKR)	102.6102	101.4435	100.8248	100.5955	100.5246
Return	11.05%	11.05%	6.88%	12.72%	8.69%
Net Income (PKR Mil.)	2,746	1,075	630	1,204	463
Total Distribution (PKR Mil.)	2,047	988	605	1,197	454
Accumulated Capital Growth	845	145	58	32	25
WAM (Days)	25	4	3	62	1
Average Annual return of the Fund					
One Year	17.80%	11.05%	6.88%	12.73%	5.45%
Two year	14.42%	9.93%	10.52%	11.27%	6.31%
Three year	13.27%	10.73%	10.32%	9.74%	6.31%
Since inception	17.92%	15.08%	12.96%	12.66%	10.59%

LAKSON MONEY MARKET FUND

Distributions	FY23	FY22	FY21	FY20	FY19
	PKR per Unit				
1st Interim Distribution	0.5267	0.7439	0.5328	0.9015	7.7082
NAV before Distribution	101.9702	101.5479	101.1283	101.4261	108.1381
NAV after Distribution	101.4798	100.8235	100.5955	100.5246	100.4299
Distribution Date	13-Jul-22	08-Aug-21	29-Jul-20	26-Jul-19	31-May-19
2nd Interim Distribution	0.7489	1.0267	0.4588	1.0987	0.8545
NAV before Distribution	102.2287	101.8502	101.0543	101.6233	101.2844
NAV after Distribution	101.5233	100.8432	100.614	100.5246	100.4299
Distribution Date	03-Aug-22	05-Sep-21	28-Aug-20	30-Aug-19	27-Jun-19
3rd Interim Distribution	1.3654	0.7306	0.6199	1.0059	
NAV before Distribution	102.8887	101.5738	101.2339	101.5305	
NAV after Distribution	101.5671	100.8647	100.6337	100.5246	
Distribution Date	07-Sep-22	10-Oct-21	02-Oct-20	27-Sep-19	
4th Interim Distribution	1.1279	0.4503	0.5425	1.2753	
NAV before Distribution	102.695	101.315	101.1762	101.8037	
NAV after Distribution	101.6084	100.8973	100.652	100.5284	
Distribution Date	05-Oct-22	02-Nov-21	02-Nov-20	01-Nov-19	
5th Interim Distribution	1.3772	0.6076	0.4328	0.9181	
NAV before Distribution	102.9856	101.5049	101.0848	101.4471	
NAV after Distribution	101.6512	100.9215	100.6715	100.5290	
Distribution Date	08-Nov-22	02-Dec-21	27-Nov-20	29-Nov-19	
6th Interim Distribution	1.0665	0.5875	0.4751	1.0387	
NAV before Distribution	102.7177	101.509	101.1466	101.5677	
NAV after Distribution	101.695	100.9493	100.6909	100.5290	
Distribution Date	06-Dec-22	28-Dec-21	28-Dec-20	27-Dec-19	
7th Interim Distribution	1.4674	1.2223	0.6643	1.2777	
NAV before Distribution	103.1624	102.1716	101.3552	101.8067	
NAV after Distribution	101.7383	100.9773	100.706	100.5290	
Distribution Date	10-Jan-23	04-Feb-22	29-Jan-21	31-Jan-20	
8th Interim Distribution	1.2369	0.7441	0.615	1.0238	
NAV before Distribution	102.9752	101.7214	101.321	101.5528	
NAV after Distribution	101.7835	101.0055	100.7245	100.5290	
Distribution Date	09-Feb-23	05-Mar-22	05-Mar-21	01-Mar-20	
9th Interim Distribution	0.9748	0.9535	0.4949	0.9746	
NAV before Distribution	102.7583	101.959	101.2194	101.5036	
NAV after Distribution	101.835	101.0387	100.7445	100.5290	
Distribution Date	07-Mar-23	08-Apr-22	05-Apr-21	29-Mar-20	
10th Interim Distribution	1.4417	1.0998	0.6643	1.2487	
NAV before Distribution	103.2767	102.1385	101.4088	101.7777	
NAV after Distribution	101.888	101.0768	100.7632	100.5290	
Distribution Date	04-Apr-23	12-May-22	07-May-21	29-Apr-20	
11th Interim Distribution	1.9831	1.0783	0.508	0.6603	
NAV before Distribution	103.8711	102.1551	101.2712	101.1893	
NAV after Distribution	101.9519	101.1218	100.7832	100.5290	
Distribution Date	09-May-23	08-Jun-22	07-Jun-21	31-May-20	
12th Interim Distribution	1.5586	0.7607	0.4798	0.6467	
Final Distribution			-	Nil	
NAV before Distribution	103.5105	101.8825	101.263	101.1757	Nil
NAV after Distribution	102.0143	101.1689	100.804	100.5290	Nil
Distribution Date	06-Jun-23	26-Jun-22	29-Jun-21	27-Jun-20	Nil
13th Interim Distribution	0.7293				
NAV before Distribution	102.7436				
NAV after Distribution	102.0738				
Distribution Date	20-Jun-23				

Disclaimer

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



A Lakson Group Company

Lakson Investments Limited
Lakson Square, Building No. 2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan
T +92.21 3569.8000
F +92.21 3568.1653

Lakson Investments Limited
(Regulated by the DFSA as a Representative Office)
Level 15, Gate Building
DIFC, P.O. Box 507054
Dubai, U.A.E.
T +971.4 401.9284
F +971.4 401.9578