

LAKSON MONEY MARKET FUND
Quarterly Report (September 30, 2021)



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

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Fund's Information

Management Company	Lakson Investments Limited Head Office Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan. Phone: (9221) 3840.0000 Fax: (9221) 3568.1653 Web site: www.li.com.pk E-mail: info@li.com.pk
Board of Directors of the Management Company	Mr. Iqbal Ali Lakhani - Chairman Mr. Babar Ali Lakhani - Chief Executive Officer Mr. Jamil Ahmed Mughal Mr. Amin Mohammed Lakhani Mr. Jacques John Visser Ms. Roxanne Davies Ms. Kathleen Kennedy Townsend
Chief Financial Officer & Company Secretary of the Management Company	Syed Shafaeen Hassan
Audit Committee	Mr. Jacques John Visser - Chairman Mr. Amin Mohammed Lakhani Mr. Iqbal Ali Lakhani Mr. Jamil Ahmed Mughal
Human Resource and Remuneration Committee	Mr. Babar Ali Lakhani Mr. Iqbal Ali Lakhani
Trustee	Central Depository Company of Pakistan Limited CDC House, 99-B, Block-B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi, Pakistan.
Auditors	Yousuf Adil Chartered Accountants Cavish Court, A-35 Shakrah-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



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LAKSON MONEY MARKET FUND

Legal Adviser

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

Registrar

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

Distributors

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

Rating by PACRA

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

**Review Report of the Directors of the Management Company
for the quarter ended September 30, 2021**

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Money Markets Fund ("LMMF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended September 30, 2021.

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 9.38% in 1QFY22 compared to Benchmark (70% average 3M T-Bills yield + 30% average 3M TDR rate of minimum AA rated banks) return of 6.72%. The LMMF outperformed the benchmark by 266bps. Asset allocation was concentrated in cash at 98.0% which provided good spread over the prevailing T bill yields without compromising liquidity and credit quality. The weighted average maturity (WAM) of the LMMF portfolio stands at 4 days and fund size as of 30th September 2021 is PKR 13,643mn.

Earning per Unit (EPU)

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

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company during the period declared the interim payouts of PKR 1.7706 per unit (1.7706%) of face value of PKR 100/- amounting to PKR 223.398 million distribution in cash during the period ended September 30, 2021.

Economic Review

The State Bank of Pakistan raised the policy rate by 25bps to 7.25% - the first change since June 2020. The key driving factor behind the decision was the widening C/A deficit in recent months, because of which the PKR has slipped +7%. The current account deficit print has been outside the SBP's comfort zone of 2-3% of GDP band in two of the last three months. The high CAD print for August rose to US\$1.47bn, up from US\$0.8bn in July. The near US\$1.0bn mom increase in CAD almost mirrored the mom increase in imports. A much larger CAD was not surprising given the c.6% PKR devaluation in preceding two months. Additionally machinery imports remain elevated due to TERF drawdowns while higher international commodity prices are pushing Food & Oil imports higher. This prompted further weakness in the exchange rate. The deficit reached US\$3.4bn in 1QFY22 vs. US\$865mn SPLY. Remittances remained strong at US\$2.66bn (nearly flat mom). Even though Eid-ul-Azha fell in July, there had been no let-up in remittances ever since - meaning Pakistan can sustain the present rate, regardless of the state of global pandemic. This is partly due to the surge in global oil prices, which have revived the GCC economies (they collectively have the lion's share). That said, resumption of the IMF program is a must, with fx reserves having declined to PKR19.2bn vs. +PKR20bn in August 2021. The PKR depreciated 7.7% qoq in 3QCY21 to PKR170.6 vs. PKR157.5 at the end of June 2021 due to



an increased appetite from importers, (particularly oil), following persistent rise in international oil prices (up c. 50%CYTD) as well as demand from across the border. National CPI averaged 8.6% in Jul-September 2021 vs. 10.5% in April-June 2021 (also lower vs. 8.9% average in FY21). That said, inflation readings have started inching upwards due to rise in food and energy prices. A sharp mom jump has been observed in September 2021 (up 2.12%mom) primarily on account of a sharp rise in perishable food prices. Hence, Urban CPI readings rose to 9.1%yoy and 8.8% in Rural centers.

Fixed Income Market Review

GoP raised cumulative PKR3.5tn in T-Bill auctions during 3QCY21 vs. PKR5.4tn in the previous quarter and PKR1.9tn SPLY. Participation thinned in 3Q as expectations of a rate hike solidified (25bps hike in Spe'21) with bids shifting towards the shorter end of the T-Bill range (3-6 months). T-Bill yields rose sharply following the hike - where 3M, 6M tenors rose to 7.64%, 7.98% with rejections in 12M at the end of September 2021 vs. 7.31%, 7.58%, and 7.67% at the end of in June 2021. PIBs witnessed participation dropped to PKR406bn in 3QCY21 vs. PKR582bn in 2Q and PKR249bn SPLY. Cut-off yields rose for 3-yr PIBs to 8.88% vs. 8.69% at the end of June 2021, 5-yr and 10yr tenor yields remained stable at 9.20% and 9.84%. We think yields will continue to inch higher as spiking inflation and external account pressures prompt further rate hikes.

Future Outlook

The SBP has signaled that it will remain vigilant about the external account and fiscal balance, and it will adjust rates as and when required. We expect a c. 150-200bps increase in the Policy rate on average in CY22f, where treasury yields have already begun to reflect this expectation. Successful resolution of ongoing IMF talks and resultant disbursement of US\$1bn tranche will significantly ease pressures. However, this will coincide with higher fuel prices, energy tariffs and removal of relaxations on GST (in the shape of a mini budget expected shortly). To this end, the PTI Government has already increased petrol prices by PKR10.5/ltr (to reflect recent sharp rise in oil prices to US\$85/bbl) and approved a countrywide uniform increase in base electricity tariff of PKR1.39/unit. This will prove inflationary and is likely prompt the aforesaid interest rate hike in our view. From the perspective of the equity market, we view market to remain volatile year ending FY22. Nonetheless sectors such as Banks, Tech and selective names in Cements and Textile appear enticing.

Acknowledgement

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

For and on Behalf of the Board

Director

Chief Executive Officer

Dated: October 26, 2021



لیکسن منی مارکیٹ فنڈ
30 ستمبر 2021ء کو ختم ہونے والی مدت کے لیے
مہینہ کی مہینگی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، لیکسن منی مارکیٹ فنڈ ("LMMF") کی مہینہ کی مہینگی 30 ستمبر 2021ء کو ختم ہونے والی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

فنڈ کا مقصد

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

نمایاں سرگرمیاں

فنڈ ایک اوپن اینڈ منی مارکیٹ فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ فنڈ گورنمنٹ سکیورٹیز، سٹریٹجک انویسٹمنٹس، آف انویسٹمنٹس، Clean Placements، ہریم ڈپازٹ ریسیپٹس 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 سکیورٹیز میں سرمایہ کاری کرتا ہے جنہیں پاکستان میں کسی ریٹنگ ایجنسی نے کم از کم "AA" ریٹنگ دے رکھی ہو اور جن کی میچورٹی 6 ماہ سے کم ہو۔ کریڈٹ رسک کم کرنے کے لیے سرمایہ کاری سے پہلے مقابل پارٹی کا کریڈٹ کے حوالے سے باریک بینی سے تجزیہ کیا جاتا ہے۔ پورٹ فولیو کی مختصر میچورٹی یونٹ ہولڈرز کو شرح سود کے اتار چڑھاؤ کے خلاف تحفظ دیتی ہے، جب کہ فنڈ کی لیکویڈٹی میں اضافہ کرتی ہے۔ LMMF کو ریڈیپیشن کی تکمیل کے لیے خالص اثاثوں کے 15% تک قرض لینے کی اجازت ہے، تاہم LMMF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی

LMMF نے بیچ مارک منافع (سرمایہ T بلز کے اوسط منافع جات کا +70% کم از کم AA ریٹنگ بیٹیکس کے اوسط سرمائی TDR ریٹ کا 30%) کے مقابلے میں مالی سال 2022 کی پہلی سہ ماہی میں 9.38% منافع کمایا۔ فنڈ نے بیچ مارک کو 226 بنیادی پوائنٹس سے پیچھے چھوڑ دیا۔ اثاثوں کی تفویض 98% پرکیش میں مرکوز رہی جس نے لیکویڈٹی اور کریڈٹ کوالٹی پر سمجھوتا کیے ٹی بلز کی موجودہ آمدن پر قیمت خرید اور قیمت فروخت کا عمدہ فرق فراہم کیا ہے۔ برطانیہ 30 ستمبر 2021ء، LMMF پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی (WAM)، 4 دن ہے اور فنڈ سائز 13,643 ملین روپے ہے۔

فی شیئر آمدنی (EPU)

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



آمدنی کی تقسیم

چیف ایگزیکٹو آفیسر نے منجمنٹ کمیٹی کے بورڈ آف ڈائریکٹرز کی طرف سے اختیار کے تحت 30 ستمبر 2021 کو ختم ہونے والی مدت کے لیے فی یونٹ 1.7706 روپے (100 روپے کی فییس ویلیو کا 1.7706%)، کی عبوری کلیش ادا کیلئے کا اعلان کیا ہے جس کی مالیت 223.398 ملین روپے بنتی ہے۔

معاشی جائزہ

اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ 25 بنیادی پوائنٹس بڑھا کر 7.25 فیصد کر دیا۔ جون 2020 کے بعد یہ پہلی تبدیلی ہے۔ اس فیصلے کے پیچھے کلیدی عنصر حالیہ مہینوں میں بڑھتا ہوا کرنٹ اکاؤنٹ خسارہ تھا، جس کی وجہ سے پاکستانی میں 7 فیصد سے زائد گراؤٹ آئی۔ گزشتہ تین ماہوں میں کرنٹ اکاؤنٹ خسارہ ایس بی پی کے جی ڈی پی بی بیڈ کے 3-2 فیصد کی آرام دہ حد سے باہر رہا ہے۔ اگست کے لیے کرنٹ اکاؤنٹ خسارہ بڑھ کر 1.47 ارب ڈالر ہو گیا جو جولائی میں 10.8 ارب ڈالر تھا۔ کرنٹ اکاؤنٹ خسارے میں تقریباً 1.0 ارب ڈالر کا اضافہ درآمدات میں ماہ بہ ماہ اضافے کی عکاسی کرتا ہے۔ پچھلے دو مہینوں میں پاکستانی روپے کی قدر میں 6% کمی کے باعث بہت بڑا کرنٹ اکاؤنٹ خسارہ حیران کن نہیں تھا۔

مزید برآں TERF سے استفادے کے نتیجے میں مشینری کی درآمدات میں اضافہ رہا جبکہ اجناس کی بلند عالمی قیمتیں خوراک اور تیل کی درآمدی لاگت بڑھا رہی ہیں۔ اس سے شرح مبادلہ میں مزید کمزوری آئی۔ مالیاتی سال 2022 کی پہلی سہ ماہی میں خسارہ گزشتہ سال اسی مدت میں 865 ملین ڈالر کے مقابلے میں 3.4 ارب ڈالر تک پہنچ گیا۔ ترسیلات زر 2.66 ارب ڈالر پر (ماہ بہ ماہ بنیاد پر تقریباً ہموار) مضبوط رہیں۔

اگرچہ عید الاضحیٰ کی جولائی میں پڑی، اس کے بعد سے ترسیلات زر میں کوئی کمی نہیں آئی۔ اس کا مطلب ہے کہ عالمی وبا کی صورت حال سے قطع نظر، پاکستان موجودہ شرح کو برقرار رکھ سکتا ہے۔ یہ جزوی طور پر تیل کی عالمی قیمتوں میں اضافے کی وجہ سے ہے، جس نے جی سی سی معیشتوں کو بحال کیا ہے (جو اجتماعی طور پر بڑا جھڑکتی ہیں)۔ اس کے باوجود، آئی ایم ایف پروگرام کا دوبارہ آغاز ضروری ہے، زرمبادلہ کے ذخائر اگست 2021 میں 20+ ارب ڈالر کے مقابلے میں کم ہو کر 19.2 ارب ڈالر ہو گئے۔ سال 2021 کی تیسری سہ ماہی جون 2021 کے اختتام پر 157.5 روپے کے مقابلے میں 7.7% سہ ماہی بہ سہ ماہی کی کے ساتھ اختتام کو پہنچی، جس کی وجہ درآمد کنندگان کی بڑھتی ہوئی طلب، (خاص طور پر تیل)، تیل کی بین الاقوامی قیمتوں میں مسلسل اضافے کے بعد (موجودہ سال اب تک 50 فیصد) نیز سرحد پار سے مانگ میں اضافہ ہے۔ قومی پی آئی کی اوسط اپریل جون 2021 میں 10.5% کے مقابلے میں (جو مالی سال 2021 میں 8.9% کے مقابلے میں بھی کم ہے) جولائی ستمبر 2021 میں 8.6% رہی۔ اس کے باوجود خوراک اور توانائی کی قیمتوں میں اضافے کی وجہ سے افراط زر کے اعداد و شمار اوپر کی طرف بڑھنے لگے ہیں۔ ستمبر 2021 میں بنیادی طور پر قابل اتلاف اشیائے خوردنی کی قیمتوں میں تیزی سے اضافے کی وجہ سے ماہ بہ ماہ کی بنیاد پر تیزی سے اچھال دیکھا گیا (ماہ بہ ماہ بنیاد پر 2.12%)۔ لہذا، شہروں کے سی پی آئی اعداد و شمار میں 9.1% اور دیہی مراکز میں 8.9% تک سال بہ سال بنیاد پر اضافہ ہوا۔

فلسڈ انکم مارکیٹ کا جائزہ

حکومت پاکستان نے گزشتہ سہ ماہی میں 5.4 ٹریلین روپے اور گزشتہ سال اسی مدت میں 1.9 ٹریلین روپے کے مقابلے میں سال 2021 کی تیسری سہ ماہی میں مجموعی طور پر 3.5 ٹریلین روپے ٹی بل نیلامیوں سے جمع کیے۔ تیسری سہ ماہی میں سرمایہ کاری میں کمی آئی، جیسا کہ شرح سود میں اضافے کی توقعات مستحکم ہوئیں (ستمبر 2021 میں 25 بنیادی پوائنٹس کا اضافہ) اور بولیاں کم مدتی ٹی بل (3 سے 6 ماہ) کی طرف منتقل ہوئیں۔ شرح سود میں اضافے کے بعد ٹی بل کی آمدن میں تیزی سے اضافہ ہوا جہاں جون 2021 کے اختتام پر 7.31%، 7.58% اور 7.67% کے مقابلے میں ستمبر 2021 کے اختتام پر 12 ماہ کی مہعاد کے لیے بولی مسترد ہونے کے ساتھ سہ ماہی اور ششماہی مہعادوں کے لیے آمدن 7.64% اور 7.98% تک بڑھ



گئی۔ PIB میں سرمایہ کاری نے دوسری سہ ماہی میں 582 ارب روپے اور گزشتہ سال اسی مدت میں 249 ارب روپے کے مقابلے میں سال 2021 کی تیسری سہ ماہی میں 406 ارب روپے تک گراؤ دکھائی۔ جون 2021 کے اختتام پر PIBs کے لیے 3 سالہ میعاد کے حتمی آمدن جون 2021 کے اختتام پر 8.69% کے مقابلے میں 8.88% تک بڑھ گئی جب کہ 5 سالہ اور 10 سالہ میعاد کے لیے آمدن 9.20% اور 9.84% پر مستحکم رہی۔ ہمارے خیال میں مہنگائی اور بیرونی کھاتوں کے دباؤ سے شرح سود میں مزید اضافے کی وجہ سے آمدن میں بتدریج اضافہ جاری رہے گا۔

مستقبل کی توقعات

اسٹیٹ بینک نے اشارہ دیا ہے کہ وہ بیرونی کھاتے اور مالیاتی توازن کے بارے میں چوکس رہے گا، اور سود کی شرحیں حسب ضرورت ایڈجسٹ کرے گا۔ ہم سال 2022 میں پالیسی کی شرح میں اوسطاً 150 تا 200 بنیادی پوائنٹس کے اضافے کی توقع کرتے ہیں۔ جہاں حکومتی تمسکات پر آمدن پہلے ہی یہ توقع ظاہر کرنا شروع کر چکی ہے۔ آئی ایم ایف سے جاری مذاکرات کا کامیاب حل اور اس کے نتیجے میں 1 ارب ڈالر کی قسط کی ادائیگی سے دباؤ میں نمایاں کمی آئے گی۔ تاہم، یہ اینڈرسن کی قیمتوں، توانائی کے نرخوں میں اضافے اور جی ایس ٹی پر رعایتیں واپس لینے کے ساتھ ہوگا (جلدی متوقع ضمنی بجٹ کی شکل میں)۔ اس مقصد کے لیے پی ٹی آئی حکومت پہلے ہی پیٹرول کی قیمتوں میں 10.5 روپے فی لیٹر اضافہ کر چکی ہے (جو تیل کی قیمتوں میں حالیہ تیزی سے 85 امریکی ڈالر/بی بی ایل تک اضافے کی عکاسی کرتا ہے) اور ملک بھر میں بجلی کے بنیادی نرخ میں 1.39 روپے فی یونٹ کے یکساں اضافے کی منظوری دے چکی ہے۔ ہمارے خیال میں یہ افراط زر میں اضافے کا سبب ثابت ہوگا اور ممکن طور پر شرح سود میں مذکورہ بالا اضافہ کا سبب بنے گا۔ ایکویٹی مارکیٹ کے نقطہ نظر سے، ہم مالی سال 2022 کو مارکیٹ کے لیے غیر مستحکم سال کے طور پر ختم ہوتا دیکھ رہے ہیں۔ بہر حال پینکس، بیکیٹا، لوجی اور سینٹ اور ٹیکسٹائل جیسے شعبوں میں منتخب نام پر کٹھن دکھائی دیتے ہیں۔

اظہار تشکر

یہ بورڈ اپنے قابل قدر انولسٹرز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ڈسٹری بیوٹرز ڈی پی اینڈ پی اینڈ آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کا، ان کے مسلسل تعاون اور مدد پر شکر گزار ہے۔ منجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مندانہ انتظام و انصرام کے لیے منجمنٹ کمپنی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 26 اکتوبر 2021

**Condensed Interim Statement of Assets and Liabilities
As at September 30, 2021**

	Note	September 30, 2021 (Unaudited) (Rupees)	June 30, 2021 (Audited)
ASSETS			
Bank balances	6	13,483,383,445	11,980,539,861
Investments	7	192,565,039	446,223,581
Mark-up receivable and deposits		87,152,971	15,722,537
Advance tax		7,822,243	7,813,456
Prepayments		222,936	-
TOTAL ASSETS		<u>13,771,146,634</u>	<u>12,450,299,435</u>
LIABILITIES			
Payable to the Management Company	8	39,791,408	38,817,950
Remuneration payable to the Trustee		904,273	783,367
Annual fee payable to Securities and Exchange Commission of Pakistan		2,947,474	2,275,831
Accrued expenses and other liabilities	9	84,737,812	82,973,759
TOTAL LIABILITIES		<u>128,380,966</u>	<u>124,850,907</u>
NET ASSETS		<u>13,642,765,669</u>	<u>12,325,448,529</u>
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		<u>13,642,765,669</u>	<u>12,325,448,529</u>
CONTINGENCIES AND COMMITMENTS	10		
		(Number of units)	
Number of units in issue		<u>134,517,233</u>	<u>122,246,232</u>
		(Rupees)	
Net assets value per unit		<u>101.4203</u>	<u>100.8248</u>

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Income Statement (Unaudited)
For the quarter ended September 30, 2021**

	Note	2021 (Rupees)	2020
INCOME			
Mark-up income		259,722,146	207,391,495
Realized (loss) / gain on sale of investments at fair value through profit and loss - net		(286,383)	(8,882,221)
Unrealised gain on appreciation of investments classified as financial asset at fair value through profit or loss' - net		-	-
Reversal of SWWF		71,397,891	-
		<u>330,833,653</u>	<u>198,509,274</u>
EXPENSES			
Remuneration to the Management Company	8.1	12,465,326	15,407,103
Sindh Sales Tax on remuneration to Management Company	8.2	1,620,492	2,003,484
Remuneration to the Trustee		2,466,609	2,027,786
Annual fee to the Securities and Exchange Commission of Pakistan		671,643	552,154
SECP Supervisory fee on PSX Listing Fee		630	628
Auditors' remuneration		155,949	79,482
Fees and subscription		359,433	184,935
Printing charges		-	-
Brokerage expenses and bank charges		228,795	314,496
		<u>17,968,878</u>	<u>20,570,068</u>
Net income from operating activities		<u>312,864,775</u>	<u>177,939,206</u>
Sindh Workers' Welfare Fund	9.1	-	(3,558,784)
Net income for the period before taxation		<u>312,864,775</u>	<u>174,380,422</u>
Taxation	11	-	-
Net income for the period after taxation		<u>312,864,775</u>	<u>174,380,422</u>
Allocation of Net Income for the year			
Net income for the year after taxation		312,864,775	174,380,422
Income already paid on units redeemed		(10,328,605)	(31,346,729)
		<u>302,536,171</u>	<u>143,033,693</u>
Accounting income available for distribution			
Relating to capital gains		-	-
Excluding capital gains		302,536,171	143,033,693
Accounting income available for distribution		<u>302,536,171</u>	<u>143,033,693</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended September 30, 2021**

	2021	2020
	(Rupees)	
Net income for the period after taxation	312,864,775	174,380,422
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>312,864,775</u>	<u>174,380,422</u>

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Statement of Movement in Reserve or Unit Holders' Fund (Unaudited)
For the quarter ended September 30, 2021**

	2021		2020			
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period (2020: 93,988,709 units)	12,266,819,972	58,628,557	12,325,448,529	10,281,516,945	33,772,696	10,315,289,641
- Capital Value	3,201,649,887	-	3,201,649,887	9,572,170,254	-	9,572,170,254
- Element of Income	1,538,249	-	1,538,249	29,874,680	-	29,874,680
Total payments on redemption of 19,402,887 units (2020: 84,485,809 units)	3,203,188,136	-	3,203,188,136	9,552,044,934	-	9,552,044,934
- Capital Value	(1,956,292,201)	(1,956,292,201)	(1,956,292,201)	(8,565,737,648)	(8,565,737,648)	(8,565,737,648)
- Element of Loss	(579,142)	(10,328,605)	(10,907,747)	(6,455,160)	(31,346,729)	(36,801,889)
Total comprehensive income for the period	(8,136,464)	(10,328,605)	(1,967,199,948)	(8,571,192,808)	(31,346,729)	(8,602,539,537)
Interim Distribution @ Rs. 1.7706 per unit	-	312,864,775	312,864,775	-	174,380,422	174,380,422
Cash Distribution	(223,399,358)	(223,399,358)	(223,399,358)	(7,863,339)	(51,255,155)	(51,255,155)
Refund of Capital	(8,136,464)	(223,399,358)	(231,535,822)	(12,564,554)	(85,970,106)	(98,534,660)
Net assets at end of the period	13,505,000,300	137,765,369	13,642,765,669	11,249,804,517	90,836,283	11,340,640,800
Undistributed income brought forward	58,628,558	-	58,628,558	33,772,696	-	33,772,696
Realised gain	302,536,171	-	302,536,171	143,033,693	-	143,033,693
Unrealised gain	302,536,171	-	302,536,171	143,033,693	-	143,033,693
Accounting (loss) / income available for distribution	(223,399,358)	(223,399,358)	(223,399,358)	(85,970,106)	(85,970,106)	(85,970,106)
Relating to capital (loss)	137,765,369	-	137,765,369	90,836,283	-	90,836,283
Excluding capital gains	137,765,369	-	137,765,369	90,836,283	-	90,836,283
Cash Distributions during the year	(223,399,358)	(223,399,358)	(223,399,358)	(7,863,339)	(51,255,155)	(51,255,155)
Undistributed income carried forward	137,765,369	137,765,369	137,765,369	90,836,283	90,836,283	90,836,283
Realised income	137,765,369	-	137,765,369	90,836,283	-	90,836,283
Unrealised gain	137,765,369	-	137,765,369	90,836,283	-	90,836,283
Net assets value per unit at beginning of the period	100,8248	100,8248	100,8248	100,8248	100,8248	100,8248
Net assets value per unit at end of the period	101,4203	101,4203	101,4203	101,4203	101,4203	101,4203

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended September 30, 2021**

	2021	2020
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	312,864,775	174,380,422
(Increase) / Decrease in assets		
Investments	253,658,543	3,226,539,051
Mark-up receivable and deposits	(71,430,434)	65,526,508
Advance tax	(8,787)	(8,996,916)
Prepayments	(222,936)	(116,168)
	181,996,384	3,282,952,475
(Decrease) in liabilities		
Payable to the Management Company	973,459	3,225,990
Remuneration payable to the Trustee	120,906	38,583
Annual fee payable to Securities and Exchange Commission of Pakistan	671,643	(1,690,902)
Accrued expenses and other liabilities	1,764,053	4,960,360
	3,530,060	6,534,031
Net cash used in operating activities	498,391,219	3,463,866,928
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	3,195,051,672	9,539,480,380
Payment against redemption of units	(1,967,199,948)	(8,602,539,537)
Cash dividend paid	(223,399,358)	(85,970,106)
Net cash generated from / (used in) financing activities	1,004,452,365	850,970,737
Net Increase / (decrease) in cash and cash equivalents	1,502,843,584	4,314,837,665
Cash and cash equivalents at the beginning of the period	11,980,539,861	4,746,887,553
Cash and cash equivalents at the end of the period	13,483,383,445	9,061,725,218

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Notes to the Condensed Interim Financial Information (Unaudited)
For the quarter ended September 30, 2021**

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

1.3 Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 27 August 2021 (2020: AM2+ as on 28 August 2020).

On 09 September 2021, PACRA assigned AA+(f) rating to the Fund.

1.4 Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), 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. For this purpose, Re-Styled Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds alongwith necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh."

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 VIII A of the repealed Companies Ordinance, 1984; and

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

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

This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2021.

2.2 Basis of measurement

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

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2021.

4 SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to financial statements as at and for the year ended June 30, 2021.

5 FINANCIAL RISK MANAGEMENT

The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2020.

			September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
			(Rupees)	
6	BANK BALANCES	Note		
	Local currency			
	In profit and loss sharing accounts	6.1	13,483,376,005	11,980,532,421
	In current accounts		7,440	7,440
			-	-
			<u>13,483,383,445</u>	<u>11,980,539,861</u>

6.1 These represents profit and loss account maintained with banks carrying mark-up rates ranging from 5.50% to 8.75% (June 30, 2021: 5.00% to 8.75%) per annum.

7 INVESTMENTS - financial assets at fair value through profit or loss - held for trading

Government securities

Market Treasury Bills 7.1 - -

At amortized cost

Commercial Paper 7.2 192,565,039 446,223,581

Certificate of Investments 7.3 - -

Letter of Placement 7.4 - -

192,565,039 446,223,581

7.1 Market Treasury Bills

	-----Number of treasury bills-----				Balance as at September 30, 2021			Market value as percentage of net assets of the Fund	Market value as percentage of total investment
	Number of holdings at beginning of the period	Acquired during the period	Disposed/ matured during the period	Number of holdings at the end of the period	Carrying Value	Market value	Unrealized appreciation / (diminution)		
Note	----- (Rupees) -----								
Government Securities									
3 Months Market Treasury Bills (face value of Rs. 100,000 each)									
	-	165,270,000	165,270,000	-	-	-	-	-	-
6 Months Market Treasury Bills (face value of Rs. 100,000 each)									
	-	106,800,000	106,800,000	-	-	-	-	-	-
12 Months Market Treasury Bills (face value of Rs. 100,000 each)									
	-	-	-	-	-	-	-	-	-
				September 30, 2021	-	-	-	0.00%	0.00%
				June 30, 2021	-	-	-	-	-

7.2 Commercial Papers

	-----Number of Commercial Papers-----				Balance as at September 30, 2021			Market value as percentage of net assets of the Fund	Market value as percentage of total investment
	Number of holdings at beginning of the period	Acquired during the period	Disposed/ matured during the period	Number of holdings at the end of the period	Carrying Value	Market value	Unrealized appreciation / (diminution)		
Note	----- (Rupees) -----								
K-Electric ICP 21 Issue 22-Sep-2021									
	0	200	-	200	192,565,039	192,565,039	0	1.41	-
KE-6M-10022021-ICP14									
	4,500	-	4,500	-	-	-	-	-	-
				Total as at September 30, 2021	<u>192,565,039</u>	<u>192,565,039</u>	<u>0</u>	<u>1.41</u>	<u>-</u>
				Total as at June 30, 2021	<u>446,223,581</u>	<u>446,223,580</u>	<u>-</u>	<u>3.62%</u>	<u>100.00%</u>

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

		September 30, 2021 (Unaudited) (Rupees)	June 30, 2020 (Audited)
8	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration payable to the Management Company	8.1 3,679,296	2,817,827
	Sales tax payable on remuneration to the Management Company	8.2 5,134,203	5,022,213
	Federal excise duty payable on remuneration to the Management Company	8.3 30,977,910	30,977,910
		39,791,408	38,817,950

8.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding one percent per annum of the average daily net assets of the Fund. Currently the Management Company is charging its remuneration at the rate of 0.5% of the net assets of the Fund, calculated on a daily basis (30 June 2021: 0.50%). Currently the effective rate of Management Company remuneration for the half year ended 30 September 2020 is 0.33% (30 June 2021: 0.44%) of the average annual net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (30 June 2021: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

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.

Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

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 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 30.977 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision

for FED not been made, the net asset value of the Fund as at 30 June 2021 would have been higher by Rs. 0.23 (30 June 2021: Rs.0.25) per unit.

The amount is payable to the management company for onwards payment, if any, to the Government.

		September 30, 2021 (Unaudited) (Rupees)	June 30, 2021 (Audited)
	Note		
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		150,725	345,224
Sindh Workers' Welfare Fund	9.1	-	71,397,891
Brokerage payable		578,264	526,929
Rating fee payable		759	759
Withholding tax		-	6,310,049
Professional fee payable		458,258	458,258
Others		83,549,806	3,934,649
		84,737,812	82,973,759

9.1 Sindh Workers' Welfare Fund

Provision for Sindh Workers' Welfare Fund (SWWF) is being made on a daily basis pursuant to MUFAP's recommendation to all its members on 12 January 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay SWWF for the accounting year closing on or after 31 December 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 hence SWWF is payable by them. Though MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF but as a matter of abundant caution the Management Company had recorded SWWF with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015).

During the period, SRB, through its letter dated 12 August 2021 received by MUFAP on 13 August 2021, has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level on 13 August 2021 and was also taken up with the SECP by the Asset Management Companies. In the light of the clarification issued by SECP, the MUFAP recommended to its members that effective from 13 August 2021, SWWF recognised earlier should be reversed. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

The total provision for SWWF till 30 June 2021 is Rs. 71.397 million. Had the provision not being made, the net asset value per unit as at 30 September 2021 would have been higher by Nil (2021: Rs.0.58) per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2021

11. TAXATION

- 11.1 The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. The Fund is also exempted from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial information.
- 11.2 A new section 4B has been introduced in the Income Tax Ordinance, 2001 vide the Finance Act, 2015, according to which super tax has been imposed for Tax Year 2015 on the income of individuals, association of persons and companies who are earning income of Rs. 500 million or above in Tax Year 2015. Super Tax shall be charged at the rate of 3% for person other than banking companies.

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

The Management Company has filed an appeal before Commissioner Appeals (Inland Revenue) against the order which has been decided in favor of the Company whereby super tax demand has been deleted. The department has filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and no provision has been made for super tax in the financial statements for the period ended September 30, 2021.

The Fund has also received an order for Tax Year 2016 whereby demand amounting to Rs. 24 million has been created mainly on account that the Fund has made less than 90% distribution out of its distributable profit due to misinterpretation of the facts of the case. The Fund has filed an appeal against the said order to CIT (Appeals) and considers that the case will be decided in Fund's favor. Hence, no provision has been in the Financial statements for the period ended September 30, 2021.

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

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

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee of the fund, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having holding more than 10% in the units of the Funds as September 30, 2021.

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

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

		September 30, 2021 (Unaudited) (Rupees)	June 30, 2021 (Audited)
12.1 Details of balance with related parties / connected persons at the year end	Note		
Lakson Investments Limited - Management Company			
Remuneration payable	8.1	<u>3,679,296</u>	<u>2,817,827</u>
Sindh Sales Tax and Federal Excise Duty on remuneration to Management Company	8.2 & 8.3	<u>36,112,112</u>	<u>36,000,122</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration payable		<u>904,273</u>	<u>783,367</u>

12.2 Unit Holders' Fund

	Quarter ended September 30, 2021						Balance as at September 30, 2021		
	Number of Units			Rupees					
	Number of Units as at July 01, 2021	Units issued during the period	Refund / Adjustment of units as element of income	Units redeemed during the period	Number of units as at September 30, 2021	Balance as at July 01, 2021	Units issued during the period	Units redeemed during the period	
Lakson Investments Limited - Management Company	1,451,066	2,912,839	25,589	2,912,839	1,476,655	146,303,472	296,234,573	296,234,573	149,762,810
Directors, Chief Executive and their spouse and minors	23,537,051	551,432	-	2,012,684	22,075,798	2,373,118,460	55,675,604	204,053,109	2,238,934,091
Key management personnel, employees and connected persons of the Management Company	35,342	21,166	-	13,702	42,807	3,563,356	2,142,049	1,394,673	4,341,489
Holding company / associated companies / undertakings of the Management Company									
Accury Surgical Limited Employees Contributory Provident Fund	-	-	-	-	-	-	-	-	-
Accury Surgical Limited	591,029	8,853	-	-	599,882	59,590,338	892,739	-	60,840,216
Alan Private Limited	2,374,411	35,568	-	-	2,409,979	239,399,488	3,586,507	-	244,420,777
Baluchistan Polyproducts Private Limited	1,025	160	-	1,185	-	103,318	16,204	119,925	-
Century Insurance Co. Ltd., GF	33,024	412	-	20,315	13,122	3,329,684	41,555	2,060,423	1,330,808
Century Insurance Company Limited	690,077	20,212	-	9,875	700,414	69,576,881	2,042,350	1,000,646	71,036,223
Century Insurance Company Limited Employees									
Contributory Provident Fund Trust	10,491	87,173	421	24,609	73,475	1,057,748	8,830,098	2,496,000	7,451,834
Coigate Palmolive Pakistan Limited	12,513,590	187,451	-	-	12,701,040	1,261,680,194	18,901,566	-	1,288,143,327
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	73,211	102,903	95	130,826	45,383	7,381,497	10,398,127	13,269,000	4,602,719
Express Publications Private Limited	716,792	8,283	-	198,117	526,958	72,270,369	835,367	20,000,000	53,444,255
Express Publications Private Limited Employees									
Gain Corporation Private Limited Employees									
Contributory Provident Fund	906,912	30,631	43	87,296	850,289	91,439,184	3,092,573	8,854,000	86,236,609
Hasanali & Gulbanoo Lakhani Foundation	43,861	-	-	43,861	-	4,422,278	-	4,426,879	-
Hasanali Karabhai Foundation ECPF Trust	7,348	78	-	3,902	3,523	740,820	7,826	395,726	357,351
Lakson Investments Limited ECPFT	34,805	35,086	296	-	70,187	3,509,233	3,567,352	-	7,118,413
Lakson Power Limited	3,701	55	-	396	3,360	373,124	5,590	40,000	340,804
Mert Packaging Limited Employees Contributory Provident Fund Trust	-	29,543	218	29,761	-	-	3,000,000	3,009,274	-
Mert Packaging Limited Employees Gratuity Fund	-	24,998	94	24,992	-	-	2,519,317	2,533,987	-
Siza Commodities Private Limited	199,545	154,578	185	19,763	334,546	20,119,116	15,601,247	2,000,000	33,929,780
Siza Foods Private Limited Employees Contributory Provident Fund Trust	53,966	13,140	36	67,141	-	5,441,076	1,328,171	6,811,347	-
Siza Services Private Limited	516,788	5,661	-	301,003	221,446	52,105,093	570,964	30,544,644	22,459,169
Siza Services Private Limited Employees Contributory Provident Fund Trust	14,206	164	-	14,366	3	1,432,295	16,488	1,457,179	321
Sybird (Private) Limited ECPFT	-	2,981	9	2,989	-	-	301,339	303,877	-
Sybird Private Limited	4,288	469	-	4,757	-	432,349	47,437	-	482,502
Television Media Network Pvt Ltd	2,063,703	30,914	-	-	2,094,617	208,072,434	3,117,188	-	212,436,652
Trustee / Custodian									
Central Depository Company of Pakistan Limited	1,003,623	1,008,399	3,690	-	1,018,657	101,190,107	1,515,956	-	103,312,521
Connected person due to holding more than 10% units	19,646,112	42,298,380	6,851	38,251,546	30,987,316	1,980,815,342	1,143,272,763	-	3,142,742,925
Fauji Fertilizer Company Limited									

	Number of Units					Rupees				
	Number of Units as at July 01, 2020	Units issued during the period	Refund / Adjustment of units as element of income	Units redeemed during the period	Number of units as at September 30, 2020	Balance as at July 01, 2020	Units issued during the period	Units redeemed during the period	Balance as at September 30, 2020	
Lakson Investments Limited – Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company	4,386,135 27,915,557 24,810	9,154,422 710,362 208	43,817 2,542 -	9,034,562 3,512,057 -	4,549,813 25,116,405 25,018	441,225,485 2,808,179,445 2,495,789	925,304,169 71,716,764 20,955	913,244,427 355,000,000 -	460,508,846 2,542,154,373 2,532,239	
Holding company / associated companies / undertakings of the Management Company (Holding Company of the Management Company)										
Accuray Surgical Limited	222,713	251,776	63	-	474,552	22,403,956	25,333,862	-	48,031,722	
Alan Private Limited	1,707,515	559,257	-	-	2,266,772	171,768,362	56,442,194	-	229,431,066	
Baluchistan Polyproducts Private Limited	909	996	2	795	1,112	91,470	100,354	80,000	112,590	
Century Insurance Company Limited - ECPFT	17,446	172	-	-	17,618	1,754,991	17,342	-	1,783,245	
Colgate Palmolive Pakistan Limited	14,705,627	123,460	-	-	14,829,087	1,479,319,864	12,420,603	-	1,500,924,545	
Colgate Palmolive Pakistan Limited ECPFT	157,542	1,557	-	-	159,099	15,848,049	156,602	-	16,103,183	
Colgate Palmolive Pakistan Limited EGF	146,969	1,452	-	-	148,421	14,784,422	146,092	-	15,022,433	
Express Publications Private Limited	24,946	209	-	-	25,156	2,509,466	21,070	-	2,546,115	
Gam Corporation Private Limited - ECPFT	30,134	298	-	-	30,432	3,031,338	29,954	-	3,080,139	
Hasnaini & Gulbarnoo Lakhani Foundation	152,349	51,595	51	156,524	47,471	15,325,663	5,195,323	15,787,484	4,804,757	
Lakson Power Limited	3,800	31	-	297	3,533	382,244	3,093	30,000	357,628	
Merit Packaging Limited Employees - ECPFT	3,777	37	-	-	3,814	379,910	3,754	-	386,026	
Merit Packaging Limited - EGF	16,405	162	-	-	16,567	1,650,240	16,307	-	1,676,807	
Premier Fashions Private Limited	556,637	182,138	303	734,006	5,072	55,995,135	18,352,799	74,000,000	513,379	
Siza Commodities Private Limited	234,367	1,968	-	-	236,335	23,576,265	197,950	-	23,920,584	
Siza Private Limited	149,151	-	-	149,151	-	15,003,967	-	15,070,414	-	
Siza Services Private Limited	245,381	1,498,294	3,503	486,765	1,250,412	24,684,220	151,074,076	50,000,000	126,560,347	
Sybird Private Limited	-	1,041,295	-	543,797	497,498	-	105,000,935	55,000,000	50,354,227	
Trustee / Custodian										
Central Depository Company of Pakistan Limited	1,528,023	1,008,399	3,690	-	2,540,112	153,712,220	101,811,789	-	257,097,172	
Connected person due to holding more than 10% units										
Fauji Fertilizer Company Limited	19,190,213	42,298,380	6,851	38,251,546	23,243,899	1,930,449,116	4,270,127,852	3,864,976,015	2,352,628,885	

12.3 Transaction during the period	Note	September 30,	
		2021	2020
		(Unaudited) (Rupees)	
Lakson Investments Limited - Management Company			
Remuneration to the Management Company	8.1	12,465,326	15,407,103
Sindh Sales Tax on remuneration to the Management Company	8.2	1,620,492	2,003,484
Dividend Paid		-	10,744
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration to the Trustee		2,466,609	2,027,786
Dividend Paid		1,783,477	319,929
Directors, Chief Executive and their spouse and minors			
Dividend Paid		40,445,933	3,836,619
Key management personnel, employees and connected persons of the Management Company			
Dividend Paid		48,737	4,503
Accuray Surgicals Limited			
Dividend Paid		1,050,281	59,118
Alan Private Limited			
Dividend Paid		4,219,420	254,706
Baluchistan Polyproducts Private Limited			
Dividend Paid		1,821	264
Colgate Palmolive Pakistan Limited			
Dividend Paid		22,237,137	2,192,072
Express Publications Private Limited			
Dividend Paid		921,706	3,919
Hasanali & Gulbanoo Lakhani Foundation			
Dividend Paid		-	10,695
Lakson Power Limited			
Dividend Paid		6,576	747
Premier Fashions Private Limited			
Dividend Paid		-	62,460
Siza Commodities Private Limited			
Dividend Paid		600,048	35,134
Siza Services Private Limited			
Dividend Paid		590,736	189,945

	September 30,	2020
Note	2021	(Unaudited)
	(Rupees)	
Sybrid Private Limited		
Dividend Paid	7,620	366
Fauji Fertilizer Company Limited		
Dividend Paid	50,639,467	1,787,369
Century Insurance Company Limited - ECPFT		
Dividend Paid	105,998	201
Colgate Palmolive (Pakistan) Limited - ECPFT		
Dividend Paid	-	201
Colgate Palmolive (Pakistan) Limited - EGF		
Dividend Paid	-	201
GAM Corp. (Pvt.) Limited - ECPFT		
Dividend Paid	1,592,573	201
Merit Packaging Limited - EGF		
Dividend Paid	19,317	201
Lakson Investments Limited - ECPFT		
Dividend Paid	67,352	201
Century Insurance Company Limited		
Dividend Paid	1,226,294	-
Century Insurance Company Limited Gratuity Fund		
Dividend Paid	48,889	-
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT		
Dividend Paid	115,444	-
Hasanali Karabhai Foundation ECPF Trust		
Dividend Paid	11,180	-
Siza Foods Private Limited Employees Contributory Provident Fund Trust		
Dividend Paid	78,171	-
Siza Services Private Limited Employees Countributory Provident Fund Trust		
Dividend Paid	1,339	-
Sybrid (Private) Limited ECPFT		
Dividend Paid	18,073	-
Television Media Network Pvt Ltd		
Dividend Paid	3,667,280	-



13 TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), Total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 0.54% as of September 30, 2021 (September 30, 2020: 0.88%) and this includes 0.08% (September 30, 2020: 0.23%) representing Sindh Sales tax and SECP fee.

14 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 Asset Management Company 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 (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs) (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.

Financial assets measured at fair value
Government Securities

As at September 30, 2021			
----- Un-audited -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
-	-	-	-

Financial assets measured at fair value
Government Securities

As at June 30, 2021			
----- Audited -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
-	-	-	-

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 26, 2021 by the Board of Directors of the Management Company.

16 GENERAL

Figures have been rounded off to the nearest rupee.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



A Lakson Group Company

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