

LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND
Annual Report 2022



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

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==== **Vision** =====

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



==== **Mission** =====

To deliver superior performance as measured by market share parameters, high-quality service and a portfolio of innovative yet tailored products across a range of investment disciplines and distribution channels.

To provide a fulfilling, stimulating and supportive environment for our employees that fosters their personal growth and facilitates our productivity as a team.

Fund's Information

Management Company

Lakson Investments Limited
Head Office
Lakson Square, Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan.
Phone: (9221) 3840.0000
Fax: (9221) 3568.1653
Web site: www.li.com.pk
E-mail: info@li.com.pk

Board of Directors of the Management Company

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani - Chief Executive Officer
Mr. Jamil Ahmed Mughal
Mr. Amin Mohammed Lakhani
Mr. Jacques John Visser
Ms. Roxanne Davies

Chief Financial Officer & Company Secretary of the Management Company

Mr. Junaid Arshad

Audit Committee

Mr. Jacques John Visser - Chairman
Mr. Amin Mohammed Lakhani
Mr. Iqbal Ali Lakhani
Mr. Jamil Ahmed Mughal

Human Resource and Remuneration Committee

Mr. Babar Ali Lakhani
Mr. Iqbal Ali Lakhani

Trustee

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

Auditors

BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C,
Lakson Square, Building No. 1,
Sarwar Shaheed Road,
Karachi - 74200.

Bankers to the Fund

Allied Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Habib Bank AG Zurich
National Bank of Pakistan
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

Distributor

Rabia Fida
BMA Capital Management Limited

Rating

5-Star (One Year)
5-Star (Three Years)
5-Star (Five Years)
Fund Performance Ranking
AM2+ : Asset Manager Rating by PACRA



REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2022

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Asset Allocation Developed Markets Fund ('LAADMF' or 'Fund') is pleased to submit its report together with Audited Financial Statements for the year ended June 30, 2022.

Fund Objective

The investment objective of the Fund is to provide long-term capital appreciation by investing in a mix of domestic debt and Developed Markets Securities.

Principal activities

LAADMF is an open-end asset allocation scheme and is listed on Pakistan Stock Exchange Limited. The Scheme is managed using an active investment management style which focuses on an analysis of the macroeconomic factors such as government policies, global economic data, commodities prices and supply/demand dynamics. The Scheme switches exposure between the domestic Government Securities and the Developed Markets securities based on the outlook of the Investments Team of the performance of the Developed Markets. The Scheme may overweight or underweight countries relative to its benchmark for Developed Markets investments, the MSCI World Index. Exposure of the Scheme in the fixed income securities is managed through duration and yield curve management by shifting between different maturities of the Government Securities.

Development and Performance Review

Lakson Asset Allocation Developed Markets Fund generated an absolute return of 10.8% in the FY22 compared to the Benchmark return of 12.32%. The LAADMF has underperformed the benchmark by 152bps. As of June 30, 2022, allocation in Developed Market Equities was 20% and majorly remained in Cash (15%).

Earnings Per Unit (EPU)

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

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payout of PKR 18.7605 per unit (18.7605% of face value of PKR 100/-) amounting to PKR 58.5023 million in cash during the year ended June 30, 2022.

Principal Risk and Uncertainties

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

Asset Manager and Fund Rating

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company at 'AM2+'. The VIS Credit Rating Company Limited has given the one-year & five years performance rankings of "5-Star" and three years performance rankings of "4-Star" to the LAADMF.

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, 2022 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. BDO Ebrahim & Co., Chartered Accountants being eligible have given their consent for reappointment as auditors for the year ending June 30, 2023. The Board of Directors, on the recommendations of the Audit Committee, has reappointed M/s. BDO Ebrahim & Co., Chartered Accountants for the year ending June 30, 2023.

Economy Review

The SBP increased the Policy Rate by 250bps in April and by another 150bps in May, taking the policy rate to 13.75% amid surge in inflation readings and sharp current account deficit prints. The current account deficit in 2QCY22 clocked in at US\$4.3bn, compared to US\$4.0bn in 1QCY22 and US\$2.5bn in the same period last year. FY22 current account deficit was reported at US\$17.4bn (4.6% of GDP), compared to a deficit of US\$1.8bn in FY21. In 2Q, FX reserves held with the SBP plunged below US\$10bn to US\$9.8bn, from US\$11.4bn at the end of March 2022. Overall fx reserves clocked in at US\$15.5bn at the end of the quarter, compared with US\$17.4bn in March. Exports in 2QCY22 were reported at US\$8.4bn, up 3% QoQ owed to strong textile and food exports, while imports continued to overshadow the strong growth in exports. The country received the highest-ever home remittance inflows of over US\$31bn in FY22, up 6% YoY. All major international credit rating agencies have turned negative on Pakistan's credit-rating outlook, despite being confident on the disbursement of US\$1.2bn IMF tranche. Lastly, on account of higher fuel and utility prices, among others, inflation readings continued to soar during the quarter, with June's inflation print clocking in at 21.3% (13yr high reading for June).

Fixed Income Market Review

In 4QFY22, the State Bank of Pakistan increased interest rates by a cumulative by 400bps to 13.75% amid surge in inflation prints and to tame fiscal pressures owed to burgeoning current account readings. With that, the rates on subsidized borrowings for exporters increased to 7/7.5% for the LTFF and EFS schemes, respectively (from about 3%), further linking the rates with the policy rate. During the quarter, Kibor rates surged by c.3ppt QoQ to 15.16%, 15.35% and 15.73% for 3M, 6M and 12M rates. T-bill yields also increased by c.3% QoQ with 3M/6M/12M rates clocking in at 14.98%/15.15%/15.30%. On the flip side, PIB yields increased by a softer c.1% QoQ.

Developed Market Review

MSCI's index of Developed Markets also declined by 15.4% during the quarter ended Jun-22, which brings the cumulative index decline to 21.8% in CYTD. The index went down on account of weak economic data of US, while inflationary pressure continues which led to the target rate hike expectation by US Federal Reserve (FED) to 3.4%. European bonds fell as investors were concerned about two threats: slowing economic growth and stubborn inflation. Italian bonds were also declined as investors have turned to domestic political tensions.

Developed Markets: i.e., United States, Italy, Canada and Austria were down by 16.4%, 14.9%, 13.8% and 13.0%, respectively.

Future Outlook

Global inflation is rising at the fastest pace since the 1980s which has resulted in aggressive tightening by the Federal Reserve. Other central banks have also followed with rate hikes of their own. The jury is still out on whether a soft landing can be achieved or the economy will be driven into a protracted recession before inflation comes down. Climate change and rising geopolitical tensions add further uncertainty to the mix. We believe there is a wide array of possible scenarios that may play out over the medium term and the probability distribution of returns is quite wide. However further clarity should emerge on the persistence of inflation, the pace and extent of monetary tightening and the probability of a soft landing for the global 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

Babar Ali Lakhani

Chief Executive Officer

Dated: September 22, 2022

لیکسن ایسٹ ایلیکشن ڈیویڈنڈ مارکیٹس فنڈ
30 جون 2022 کو ختم ہونے والے سال کے لیے
میںجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، لیکسن ایسٹ ایلیکشن ڈیویڈنڈ مارکیٹس فنڈ ("LAADMF") کی میںجمنٹ کمپنی 30 جون 2022 کو ختم ہونے والے سال کے لیے اپنی رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

فنڈ کا مقصد

لیکسن ایسٹ ایلیکشن ڈیویڈنڈ مارکیٹس فنڈ کی سرمایہ کاری کا مقصد مختلف طرح کے ملکی قرضوں اور ڈیویڈنڈ مارکیٹس سیکورٹیز میں سرمایہ کاری کرتے ہوئے طویل مدت کے لیے اصل سرمائے کی قدر میں اضافہ کرنا ہے۔

نمایاں سرگرمیاں

LAADMF ایک اوپن اینڈ ایسٹ ایلیکشن اسکیم ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ اسکیم کو انویسٹمنٹ میںجمنٹ کے ایک فعال انداز کو اختیار کرتے ہوئے چلایا جائے گا جس میں بڑے عوامل جیسے حکومتی پالیسیز، گلوبل اکٹناک ڈینا، کموڈیٹیز کی قیمتیں اور سپلائی/ڈیمانڈ ڈائنامکس کے تجزیوں کو پیش نظر رکھا جائے گا۔ اس اسکیم سے ڈومیسٹک گورنمنٹ سیکورٹیز اور ایسی ڈیویڈنڈ مارکیٹس سیکورٹیز کے درمیان تبدیلیوں کے ساتھ سرمایہ کاری کی جاتی ہے، جس کا ڈیویڈنڈ مارکیٹس کی سرمایہ کاری کے منظر نامے اور اپنی انویسٹمنٹس ٹیم کی پیشگوئیوں پر انحصار ہوتا ہے۔ یہ اسکیم ڈیویڈنڈ مارکیٹس کی سرمایہ کاری سے متعلق بیچ مارک MSCI World Index کے حوالے سے متعلق ممالک کو اور وریٹ یا انڈروپٹ کر سکتی ہے۔ اسکیم کی سرمایہ کاری کو فکسڈ انکم سیکورٹیز میں اس کی مدت اور yield curve میںجمنٹ کے ذریعے مختلف میچورٹیز اور حکومتی سیکورٹیز کے درمیان منتقل کرتے ہوئے منظم کیا جائے گا۔

فنڈ کی کارکردگی

لیکسن ایسٹ ایلیکشن ڈیویڈنڈ مارکیٹس فنڈ نے مالی سال 2022 میں بیچ مارک منافع 12.32% کے مقابلے میں 10.8% کا مطلق منافع حاصل کیا۔ فنڈ نے بیچ مارک کے مقابلے میں 152 بنیادی پوائنٹس سے کم تر کارکردگی کا مظاہرہ کیا ہے۔ 30 جون 2022 کے مطابق فنڈ نے 20% ڈیویڈنڈ مارکیٹ ایکویٹیز میں اور اکثریت سے کیش میں (15%) سرمایہ تقویض کیا۔

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 آفسر نے منجھٹ کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے اختیار کے تحت 30 جون 2022 کو شرم ہونے والے سال کے لیے فی یونٹ 18.7605 روپے (100 روپے کی فیس ویلیو کا 18.7605%)، کی عبوری کیش ادائیگی کا اعلان کیا ہے جس کی مالیت 58.5023 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 / دو طرفہ قرض فراہم کنندہ ایجنسیز، دونوں کی طرف سے توقع سے کم مالی امداد، مزید مالیاتی سختی اور مگر سے 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۔

ایسٹ میجر اینڈ ریٹینگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے منجھٹ کمپنی کی ایسٹ میجر ریٹنگ "AM2+" پر برقرار رکھی ہے۔ VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے LAADMF کو ایک سال اور پانچ سال کی "15 اسٹار" کی اور 3 سال کے لیے "14 اسٹار" پر فنانس ریٹنگ دی 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 مصفاہ 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 شراپاتی 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 (اسٹیشنمنٹ اینڈ ریگولیشن) رولز 2003 کے تقاضوں، نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینڈ ریگولیشنز، 2008 (NBFC ریگولیشنز)، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ڈائریکٹوز اور فنڈ کی دستوریت و دستاویزات کے تقاضوں کی پیروی کی گئی ہے اور ان سے کسی بھی انحراف کی مناسب انداز میں نشان دہی کی گئی ہے۔
- 6- انٹر نل 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، جیسولٹ اور چارجز کی مدد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کردی گئی ہیں۔
- 10- پروڈیٹ فنڈ کی سرمایہ کاری کی مالیت سے متعلق گوشوارہ فنڈ پر قابل اطلاق نہیں ہے جیسا کہ ایسے اخراجات منجمنٹ کمپنی کی طرف سے برداشت کیے جاتے ہیں۔
- 11- 30 جون 2022 کے مطابق پونٹ ہولڈنگ کا پئیرن 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 BDO ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر 30 جون 2023 کو ختم ہونے والے سال کے لیے دوبارہ تقرر کیے لیے اپنی رضامندی ظاہر کر دی ہے۔ آڈٹ کمپنی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے لیے میسرز BDO ابراہیم اینڈ کو کی دوبارہ تقرر کی کر دی ہے۔

معاشی جائزہ

اسٹیٹ بینک آف پاکستان نے اپریل میں پالیسی ریٹ میں 250 بنیادی پوائنٹس اور مئی میں مزید 150 بنیادی پوائنٹس کا اضافہ کیا، جو افراط زر کی ریڈنگ میں اضافے اور کرنٹ اکاؤنٹ خسارے کے گہرے اثرات کے درمیان پالیسی ریٹ کو 13.75% تک لے گیا۔ مالی سال 2022 کی دوسری سرمایہ میں کرنٹ اکاؤنٹ خسارہ 4.3 ارب امریکی ڈالر ہو گیا، جو کہ مالی سال 2022 کی پہلی سرمایہ میں 4.0 ارب امریکی ڈالر اور پچھلے سال کی اسی مدت میں 2.5 ارب امریکی ڈالر تھا۔ مالی سال 2022 میں کرنٹ اکاؤنٹ خسارہ 17.4 ارب امریکی ڈالر (GDP کا 4.6%) رپورٹ کیا گیا، جبکہ مالی سال 2021 میں خسارہ 1.8 ارب امریکی ڈالر تھا۔ دوسری سرمایہ میں، اسٹیٹ بینک آف پاکستان کے پاس موجود زرمبادلہ کے ذخائر مارچ 2022 کے آخر میں 11.4 ارب امریکی ڈالر سے کم ہو کر 9.8 ارب امریکی ڈالر پر آ گئے۔ مالی سال 2022 کی دوسری سرمایہ میں 8.4 ارب امریکی ڈالر کی برآمدات رپورٹ کی گئیں، ٹیکسٹائل اور خوراک کی مضبوط برآمدات کی وجہ سے سرمایہ کی بنیاد پر 3% اضافہ ہوا، جب کہ درآمدات نے برآمدات میں مضبوط صوبہ باند کرنے کا سلسلہ جاری رکھا۔

ملک کو مالی سال 2022 میں اب تک کی سب سے زیادہ گھریلو ترسیلات زرموصول ہوئیں جو کہ مالی سال 2022 میں 6% اضافہ ہے۔ تمام بڑی بین الاقوامی ایف کی 1.2 ارب امریکی ڈالر کی قسط کی ادائیگی پر اعتماد کے باوجود الاقوامی کریڈٹ ریٹنگ ایجنسیوں نے پاکستان کی کریڈٹ ریٹنگ آؤٹ لک منفی کر دی ہے۔ آخر میں، ایندھن اور یوٹیلیٹی کی بلند قیمتوں کی وجہ سے، دوسروں کے علاوہ، جون کے انفلیشن پر پٹ کلاک 21.3 فیصد (جون کے لیے 13 سال کی بلند ترین ریڈنگ) کے ساتھ سرمایہ کے دوران افراط زر کی ریڈنگ میں مسلسل اضافہ ہوتا رہا۔

فلسفہ انکم مارجنس کا جائزہ

مالی سال 2022 کی چوتھی سرمایہ میں، اسٹیٹ بینک آف پاکستان نے انفلیشن پرنس میں اضافے اور کرنٹ اکاؤنٹ کی بڑھتی ہوئی ریڈنگ کی وجہ سے مالی دباؤ کم کرنے کے لیے شرح سود مجموعی طور پر 400 بنیادی پوائنٹس بڑھا کر 13.75% کر دی۔ اس کے ساتھ مزید شرحوں کو پالیسی کی شرح سے جوڑتے ہوئے برآمد کنندگان کے لیے LTFF اور EFS کیسوں کے لیے رعایتی قرضوں پر شرحیں بالترتیب 7.5% اور 7.7% تک بڑھ گئیں (تقریباً 3% اضافہ)۔ سرمایہ کے دوران، 3 ماہ، 6 ماہ اور 12 ماہ کی میعادوں کے لیے Kibor کی شرح گزشتہ سال اسی سرمایہ کے مقابلے میں 3% اضافے کے

ساتھ بالتزیب 15.16%، 15.35% اور 15.73% تک بڑھ گئی۔ 3M/6M/12M شرحوں کے ساتھ Bill-T کی پیداوار میں بھی 3.0% c QoQ کا اضافہ ہوا ہے جو 14.98% / 15.15% / 15.30% تک پہنچ گیا ہے۔ دوسری طرف، PIB کے منافع جات میں سہ ماہی بنیاد پر 1% کا ایک معتدل اضافہ ہوا۔

ڈیویڈنڈ مارکیٹس کا جائزہ

MSCI کے ڈیویڈنڈ مارکیٹس میں بھی جون 2022 کو ختم ہونے والی سہ ماہی کے دوران 15.4% کی کمی واقع ہوئی، جس سے موجودہ سال تا حال انڈیکس کی مجموعی کمی 21.8% تک پہنچ گئی۔ امریکہ کے کمزور معاشی اعداد و شمار کی وجہ سے انڈیکس نیچے چلا گیا، جبکہ افراط زر کا دباؤ جاری ہے جس کی وجہ سے یو ایس فیڈرل ریزرو (FED) کی جانب سے ہدف کی شرح میں اضافے کی توقع 3.4% تک پہنچ گئی۔ یورپی بانڈز گر گئے کیونکہ سرمایہ کار درو خطرات کے بارے میں فکر مند تھے: معاشی ترقی کی سست رفتار اور بے چلک افراط زر۔ اطالوی بانڈز کو بھی مسترد کر دیا گیا کیونکہ سرمایہ کاروں کی سیاسی تناؤ کی طرف متوجہ ہیں۔

ڈیویڈنڈ مارکیٹس: یعنی امریکہ، اٹلی، کینیڈا اور آسٹریا میں بالتزیب 16.4%، 14.9%، 13.8% اور 13.0% کی کمی واقع ہوئی۔

مستقبل کی توقعات

عالمی افراط زر 1980 کی دہائی کے بعد سب سے تیز رفتاری سے بڑھ رہا ہے جس کے نتیجے میں فیڈرل ریزرو نے جارحانہ سختی کی ہے۔ دوسرے مرکزی بینکوں نے بھی اپنے طور پر شرحوں میں اضافے کی پیروی کی ہے۔ ابھی فیصلہ باقی ہے کہ کیا سوئٹ لینڈنگ حاصل کی جاسکتی ہے یا افراط زر کے نیچے آنے سے پہلے معیشت کو ایک طویل کساد بازاری میں ڈال دیا جائے گا۔ موسمیاتی تبدیلی اور بڑھتے ہوئے جغرافیائی سیاسی تناؤ اس مرکب میں مزید غیر یقینی صورتحال پیدا کرتے ہیں۔ ہمارا ماننا ہے کہ ممکنہ منظر ناموں کی ایک وسیع صف ہے جو درمیانی مدت تک چل سکتی ہے اور منافع جات کے امکانات کی تقسیم کافی وسیع ہے۔ تاہم افراط زر کا برقرار رہنا، مالیاتی سختی کی رفتار اور حد اور عالمی معیشت کے لیے سوئٹ لینڈنگ کے امکان پر مزید وضاحت سامنے آنی چاہیے۔

اتکھار تشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سکیورٹیز رٹیر اینڈ ایڈمینیسٹریشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی سینٹرل ڈیپازٹری کمیٹی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کا، ان کے مسلسل تعاون اور مدد پر شکر گزار ہے۔ منجبت کمیٹی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مندانہ انتظام و انصرام کے لیے منجبت کمیٹی کی ٹیم کی محنت اور کارکردگی کا بھی اعتراف کرتے ہیں۔

برائے و متجانب بورڈ

باربلی لاکھانی

چیف ایگزیکٹو آفیسر

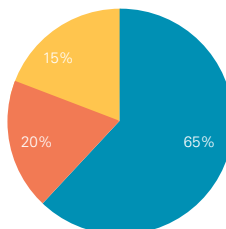
تاریخ: 22 ستمبر 2022

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2022

Fund Facts

Fund Type	Open-End
Category	Asset Allocation Fund
Net Assets (PKR Mil.)	1014.71
NAV (30.06.2022)	151.8853
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	BDO Ebrahim & Co
Management Fee	15% of the gross earnings of the Scheme, calculated on a daily basis. The fee is subject to a minimum of 1.25% and maximum of 2% of the average annual net assets of the Scheme. Current - 1.55%
Front End Load	2.50%
Back End Load	None
Launch Date	October 11, 2011
Benchmark	Weighted average daily return of 6M KIBOR and the MSCI World Index based on the Scheme's actual proportion in the debt securities and developed market securities
Dealing Days	Mon - Fri
Cut-Off Time	04:00 PM
Asset Manager Rating	AM2+ by PACRA (27.Aug.2021)

Asset Allocation



QQQ ETF

As of June 2022

Country	Exposure
United States	96.7%
China	1.0%
Netherlands	0.7%

VANGUARD S&P 500

As of June 2022

Sectors	Exposure
United States	97.7%
Ireland	1.1%
United Kingdom	0.6%

Fund Performance	LAADMF	Benchmark
FY22	10.80%	12.32%
June-22	-0.91%	-0.17%
2 Months	1.34%	2.03%
3 Months	-0.19%	1.44%
6 Months	0.78%	3.43%
12 Months	10.80%	12.32%
CY20- YTD	1.13%	3.57%
3 Years	19.76%	30.70%
5 Years	60.02%	78.57%
Since Inception	161.77%	195.32%

the benchmark of the fund was changed in September 2016

Investment Objective

The investment objective of the Lakson Asset Allocation Developed Markets Fund ("LAADMF") is to provide long-term capital appreciation by investing in a mix of domestic debt and Developed Markets securities.

The LAADMF achieved its investment objective by investing in a mix of risk free PIBs, T-Bills and Exchange Traded Funds ("ETFs") that tracked the performance of the MSCI World Index. The domestic debt component provides investors with long term capital protection; whereas the international portion aims to provide long term capital appreciation and a powerful currency hedge.

Investment Strategy

The Fund maintained concentration to Developed Market exposure in US markets like the S&P and NASDAQ during the year. The domestic debt component of the LAADMF portfolio was constructed

by investing in liquid and risk free instruments like PIBs and T-Bills, which were trimmed at intervals when the market allowed for booking hefty gains. The exposure in T-Bills was managed based on the relative yield analysis of these instruments and our yield curve expectations. High exposure in cash enabled the fund to benefit from lower marked to market volatility, while maintaining liquidity and meeting all its obligations in a timely manner.

As of June 30, 2022, allocation in Developed Market Equities was 20% and majorly remained in Cash (15%).

Economic Review

The SBP increased the Policy Rate by 250bps in April and by another 150bps in May, taking the policy rate to 13.75% amid surge in inflation readings and sharp current account deficit prints. The current account deficit in 2QCY22 clocked in at US\$4.3bn, compared to US\$4.0bn in 1QCY22 and US\$2.5bn in the same period last year. FY22 current account deficit was reported at US\$17.4bn (4.6% of GDP), compared to a deficit of US\$1.8bn in FY21. In 2Q, FX reserves held with the SBP plunged below US\$10bn to US\$9.8bn, from US\$11.4bn at the end of March 2022. Overall fx reserves clocked in at US\$15.5bn at the end of the quarter, compared with US\$17.4bn in March. Exports in 2QCY22 were reported at US\$8.4bn, up 3% QoQ owed to strong textile and food exports, while imports continued to overshadow the strong growth in exports. The country received the highest-ever home remittance inflows of over US\$31bn in FY22, up 6% YoY. All major international credit rating agencies have turned negative on Pakistan's credit-rating outlook, despite being confident on the disbursement of US\$1.2bn IMF tranche. Lastly, on account of higher fuel and utility prices, among others, inflation readings continued to soar during the quarter, with June's inflation print clocking in at 21.3% (13yr high reading for June).

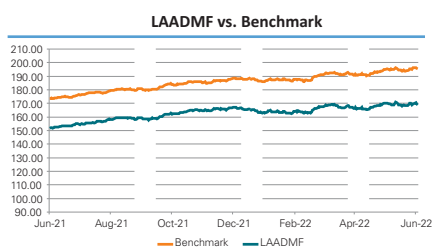
Developed Markets Review

MSCI's index of Developed Markets also declined by 15.4% during the quarter ended Jun-22, which brings the cumulative index decline to 21.8% in CYTD. The index went down on account of weak economic data of US, while inflationary pressure continues which led to the target rate hike expectation by US Federal Reserve (FED) to 3.4%. European bonds fell as investors were concerned about two threats: slowing economic growth and stubborn inflation. Italian bonds were also declined as investors have turned to domestic political tensions.

Fund Performance

Lakson Asset Allocation Developed Markets Fund generated an absolute return of 10.8% in the FY22 compared to the Benchmark return of 12.32%. The LAADMF has underperformed the benchmark by 152bps. As of June 30, 2022, allocation in Developed Market Equities was 20% and majorly remained in Cash (15%).

Performance Table	FY22	FY21
Net Assets - Beginning (PKR Mil.)	1,012	1,944
Net Assets - Ending (PKR Mil.)	1,014	1,012
Highest Offer Price (PKR)	177.4092	162.7326
Lowest Offer Price (PKR)	155.6825	108.4260
Highest Redemption Price (PKR)	173.0821	158.7635
Lowest Redemption Price (PKR)	151.8853	106.8236
Beginning NAV - Ex-Div. (PKR)	153.7987	149.9987
Interim Distributions (PKR)	18.7605	5.2623
Final Distribution (PKR)	-	-
Ending NAV - Ex-Div. (PKR)	135.0382	153.7987
Return	10.80%	6.05%
Net Income / (Loss) (PKR Mil.)	109.00	56.00
Distributions	FY22	FY21
Interim Distribution	18.7605	5.2623
Final Distribution	-	-
NAV before Distribution	172.56	158.7388
NAV after Distribution	153.80	153.5054
Distribution Date	27-Jun-22	27-Jun-21



Future Outlook

We think SBP will remain dovish and will not look to increase interest rates rapidly. SBP has indicated to keep interest rates unchanged at 7% till the longest period. Several structural reforms are underway, where circular debt settlement and tax reforms spearheaded the resumption of the US\$6bn IMF Program. Remittances are likely to normalize) which may cause some slippage in the current account, however 2-3% current account deficit (% of GDP) remains manageable. Real GDP growth is projected to rise by 4-5% in FY22. Fiscal position remains robust and is expected to remain robust in FY22 however we might see some slippages in non tax revenue side and Fiscal deficit might be above the estimated target of 6.3%.

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payout of PKR 18.7605 per unit (18.7605% of face value of PKR 100/-) amounting to PKR 58.5023 million in cash during the year ended June 30, 2022.

Circumstances Materially Affecting Interests of Unit Holders

PACRA maintained the Asset manager Rating of Lakson Investments to 'AM2+' during FY22.

During the current year, the SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (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 in light of the clarification issued by SRB.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 5.08 million.

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, 2022 the LAADMF does not employ any leverage.

Breakdown of Unit Holding by Size

Units Range	No. of Clients	Units Held
Holding upto 100	5	235
101 - 500	7	1,457
501 - 1,000	2	1,279
1,001 - 5,000	3	3,886
5,001 - 10,000	2	16,374
10,001 - 50,000	9	284,470
50,001 - 100,000	2	131,578
100,001 - 500,000	10	3,001,122
500,001 - 1,000,000	0	-
1,000,001 - 5,000,000	1	3,240,342
5,000,001 - above	0	-
	41	6,680,744

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

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Fax: (92-21) 34326020 - 23
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 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 Asset Allocation Developed Markets 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, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 23, 2022



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INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Lakson Asset Allocation Developed Market Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, the statement of comprehensive income, the statement of cash flows and the statement of movement in unit holders' fund 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 present fairly, in all material respects, the financial position of the Fund as at June 30, 2022, and 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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. These matters were 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 these matters.

Following are the key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	<p>Investments - Valuation of investments</p> <p>Refer notes 4.1 and 6 to the financial statements for accounting policies and details of investments.</p> <p>As at June 30 2022, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs.882 million in aggregate representing 86.92% of the net assets value of the Fund.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of and tested the design and operating effectiveness of the key controls for the valuation of investments; and

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO Network, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	We identified valuation of investments as a key audit matter because of its significance in relation to the net asset value of the Fund	<ul style="list-style-type: none"> We have performed substantive audit procedures on the year – end balances of investment portfolio including review of custodian's statement and re-performance of investment valuations on the basis of quoted market prices as at June 30, 2022 and matching the valuation of investment with that appearing in the financial statements.

Information other than the financial statements and auditor's report thereon

The 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 nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Lakson Investments Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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, the 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 the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Management Company is 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.



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 the 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 the Board of Directors 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 the Board of Directors 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 the Board of Directors 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

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.



Other Matter

The financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of chartered accountants who had expressed an unqualified opinion thereon vide their report dated October 09, 2021.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 29 SEP 2022

UDIN: AR202210067sJq23uLSA



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

**Statement of Assets and Liabilities
As at June 30, 2022**

	Note	2022 (Rupees)	2021
ASSETS			
Bank balances	5	156,385,700	757,978,718
Investments	6	882,009,374	271,086,975
Dividend receivable		863,139	122,881
Accrued mark-up and advance	7	1,335,714	1,019,826
TOTAL ASSETS		1,040,593,927	1,030,208,400
LIABILITIES			
Payable to the Management Company	8	6,402,855	6,301,920
Payable to the Trustee	9	196,065	186,755
Payable to the Securities and Exchange Commission of Pakistan	10	208,800	267,229
Accrued expenses and other liabilities	11	19,078,896	11,208,843
TOTAL LIABILITIES		25,886,616	17,964,747
NET ASSETS		1,014,707,311	1,012,243,653
UNIT HOLDERS' FUND (AS PER ATTACHED STATEMENT)			
		1,014,707,311	1,012,243,653
CONTINGENCIES AND COMMITMENTS			
	13	-----Number of units-----	
Number of units in issue	14	6,680,744	6,581,612
		-----Rupees-----	
Net assets value per unit		151.8853	153.7987

The annexed notes from 1 to 21 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, 2022

	Note	2022	2021
		(Rupees)	
Income			
Unrealized (loss) / gain on investments at fair value through profit or loss - net		(2,027,654)	51,681,267
Dividend income on investments at fair value through profit or loss		2,173,876	1,627,597
Markup on bank balances		22,527,982	15,900,103
Markup on investments calculated using the effective interest method		47,936,282	57,785,492
Exchange gain / (loss) on foreign currency current account		31,714,928	(15,098,878)
Realized gain / (loss) on sale of investments held at fair value through profit or loss - net		25,684,620	(15,053,695)
		<u>128,010,034</u>	<u>96,841,886</u>
Expenses			
Remuneration of the Management Company	8.1	16,099,206	19,949,642
Sindh Sales Tax on remuneration of the Management Company	8.2	2,092,897	2,593,454
Remuneration of the Trustee	9	2,301,316	2,638,815
Annual fee to the Securities and Exchange Commission of Pakistan	10	208,825	267,230
SECP supervisory fee		2,543	2,500
Auditors' remuneration	15	472,323	382,404
Legal and professional fees		415,107	299,200
Printing charges		4,269	32,207
Brokerage, custody, settlement and bank charges		2,214,196	2,312,372
Total expenses		<u>23,810,682</u>	<u>28,477,824</u>
Net income from operating activities		<u>104,199,352</u>	<u>68,364,062</u>
Reversal of provision / (provision) for Sindh Workers' Welfare Funds	11.1	5,089,761	(1,367,281)
Net income for the year before taxation		<u>109,289,113</u>	<u>66,996,781</u>
Taxation	16	-	-
Net income for the year after taxation		<u>109,289,113</u>	<u>66,996,781</u>
Allocation of net income for the year			
Net income for the year after taxation		109,289,113	66,996,781
Income already paid on units redeemed		(52,857,625)	(10,892,207)
		<u>56,431,488</u>	<u>56,104,575</u>
Accounting income available for distribution			
Relating to capital gains		-	42,964,174
Excluding capital gains		56,431,488	13,140,400
		<u>56,431,488</u>	<u>56,104,574</u>

The annexed notes from 1 to 21 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, 2022**

	2022	2021
	(Rupees)	
Net income for the year	109,289,113	66,996,781
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>109,289,113</u>	<u>66,996,781</u>

The annexed notes from 1 to 21 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, 2022

	Year ended 2022		Year ended 2021	
	Capital value	Undistributed income	Capital value	Undistributed income
	(Rupees)		(Rupees)	
Net assets at beginning of the year	913,076,846	99,166,808	1,012,243,654	75,554,757
Issuance of 6,932,683 units (2021: 372,368 units)				
Capital value	1,373,835,538	-	1,373,835,538	-
Element of income	79,633,380	-	79,633,380	-
Total proceeds on issuance of units	1,453,468,918	-	1,453,468,918	-
Redemption of 8,833,551 units (2021: 6,753,311 units)				
Capital value	(1,358,589,203)	-	(1,358,589,203)	-
Income already paid on units redeemed	-	(52,857,625)	(52,857,625)	(10,892,207)
Element of loss	(80,013,536)	-	(80,013,536)	-
Total payments on redemption of units	(1,438,602,739)	(52,857,625)	(1,439,460,364)	(10,892,207)
Interim cash distribution during the year is Rs. 18.7605 per unit on June 28, 2022 (2021: Rs. 5.2623 per unit on June 26, 2021)	(10,331,029)	(58,502,381)	(68,834,010)	(32,492,523)
Total comprehensive income for the year	-	109,289,113	-	66,996,781
Net assets as at end of the year	917,611,396	97,095,915	1,014,707,311	1,012,243,653
Undistributed income brought forward:				
Realized income	47,485,541		58,580,892	
Unrealized income at the beginning of the year	51,681,267		16,973,865	
Accounting income available for distribution:				
Relating to capital gains				
Excluding capital gains				
Interim cash distribution during the year is Rs. 18.7605 per unit on June 29, 2022 (2021: Rs. 5.2623 per unit on June 26, 2021)				
Undistributed income at end of the year				
Undistributed income brought forward				
Realized income	99,123,569		47,485,541	
Unrealized (loss) / income	(2,027,654)		51,681,267	
Undistributed income at end of the year				
Net assets value per unit at beginning of the year	153.7987		149.9987	
Net assets value per unit at end of the year	151.8853		153.7987	

The annexed notes from 1 to 21 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Statement of Cash Flow

For the year ended June 30, 2022

	2022	2021
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year	109,289,113	66,996,781
Adjustments for:		
Unrealized loss / (gain) on investments at fair value through profit or loss - net	2,027,654	(51,681,267)
Dividend income on investments at fair value through profit or loss	(2,173,876)	(1,627,597)
Markup on bank balances and Government securities	(70,464,263)	(73,685,595)
	<u>38,678,628</u>	<u>(59,997,678)</u>
(Increase) / decrease in assets		
Investments	(612,950,053)	1,269,242,483
Other receivable and advance tax	(5,514)	(289,158)
	<u>(612,955,567)</u>	<u>1,268,953,325</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	100,936	(1,308,344)
Payable to the Trustee	9,310	(85,411)
Payable to the Securities and Exchange Commission of Pakistan	(58,429)	84,027
Accrued expenses and other liabilities	7,870,053	6,129,731
	<u>7,921,870</u>	<u>4,820,003</u>
Dividend income received on investment at fair value through profit or loss	1,433,618	1,504,716
Markup received on bank balances and Government securities	70,153,889	86,351,268
Net cash (used in) / generated from operating activities	<u>(494,767,562)</u>	<u>1,301,631,634</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	1,453,468,918	58,088,829
Payments on redemption of units	(1,491,460,364)	(1,023,583,726)
Cash distribution	(68,834,010)	(33,625,052)
Net cash used in financing activities	<u>(106,825,456)</u>	<u>(999,119,949)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(601,593,018)</u>	<u>302,511,685</u>
Cash and cash equivalents at beginning of the year	757,978,718	455,467,033
Cash and cash equivalents at end of the year	<u>156,385,700</u>	<u>757,978,718</u>

The annexed notes from 1 to 21 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, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Lakson Asset Allocation Developed Markets Fund) (the "Fund") was established under the Trust Deed executed on May 30, 2011 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 July 7, 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

1.2 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.

1.3 The Fund is an open end mutual fund and is listed on the 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 "Asset Allocation Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and is authorised to invest within the prescribed limit mentioned in the offering document of the fund in listed securities, Government securities, debt securities, deposits and foreign currency deposits with local or foreign banks etc. in Pakistan.

Further, as allowed by SECP and State Bank of Pakistan, the Fund can invest abroad up to 30% of the aggregated funds mobilized (including foreign currency funds) subject to a maximum limit of USD 15 million. The investments authorized outside Pakistan include exchange traded funds based on equities / debt with exposure in the commodities, index tracker funds tracking different commodities indices, actively managed commodities based funds, equities and debt securities of companies with exposure in commodities, future contracts of different commodities and foreign currency deposits etc.

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

1.4 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 August 27, 2021 (2020: AM2+ as on August 28, 2020).

On July 27, 2022, VIS credit rating company limited assigned following rankings to the Fund based on the performance review for the year ended June 30, 2022:

1-year ranking: MFR 5-Star

3-year ranking: MFR 4-Star

5-year ranking: MFR 5-Star

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

2.2 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 Pak Rupees, which is also the fund's functional currency.

2.4 Critical accounting estimates and judgments

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

- (a) classification of financial assets (Note 4.1.1 and 4.1.2)
- (b) impairment of financial assets (Note 4.1.6 and 4.1.8)
- (c) provisions (Note 4.9)

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions	April 01, 2021

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Financial assets

4.1.1 Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a 'financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch 'that would otherwise arise.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of, an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for

the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Fund has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents and debt securities. These financial 'assets are held to collect contractual cash flow.
- Other business model: this includes debt securities. These financial assets are managed and their performances is evaluated, on a fair value basis, with frequent sales taking place.

4.1.2 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

4.1.3 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.1.4 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

4.1.5 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any markup or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Markup income, foreign exchange gains and losses and impairment are recognised in income statement.

The fair value of financial assets are determined as follows:

a) Debt securities (other than Government securities)

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated October 24, 2012.

b) Government securities

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

c) Equity Securities

The equity securities are valued on the basis of closing quoted market prices available at the stock exchanges.

4.1.6 Impairment of financial assets

Financial assets at amortised cost

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model.

The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21, November 2017 have deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and have instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company. Provision against non-performing debt securities is made in accordance with the provisioning criteria for non-performing debt securities specified by the SECP. As allowed by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in Circular No. 33 of 2012 dated October 24, 2012, in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

4.1.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.1.8 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.1.9 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.1.10 Trade date accounting

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

4.2 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognized at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.4 Issue and redemption of units

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

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

4.5 Net assets value per unit

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

4.6 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which transactions take place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit on bank deposits, term deposit receipts, mark-up / return on investments in debt securities is recognised using the effective interest method.

- Dividend income is recognised on an accrual basis when right to receive for the same is established

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

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

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

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

4.8 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realized or unrealized 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.

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.

4.9 Provisions

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

4.10 Dividend distribution and appropriations

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. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

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

4.11 Other assets

Other assets are stated at cost less impairment losses, if any.

4.12 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the conversion of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in the income statement.

4.13 Earnings per unit (EPU)

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

4.14 Expenses

All expenses including NAV based expenses are recognised in the income statement on a time apportionment basis.

4.15 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

		2022	2021
5	BANK BALANCES	Note	(Rupees)
	Local currency		
	In current accounts		8,504
	In profit and loss sharing accounts	5.1	700,575,169
			<u>7,480,759</u>
	Foreign currency		
	In current account	5.2	57,395,045
			<u>156,385,700</u>
			<u>757,978,718</u>

5.1 These carry mark-up rates ranging from 5.12% to 8.7% (June 30, 2021: from 5.0% to 8.0%) per annum.

5.2 This represents USD denominated current account maintained in a foreign country amounting to USD 726,471 (2021: USD 362,326).

6 INVESTMENTS

At fair value through profit or loss	6.1	675,761,355	-
Government Securities - Pakistan	6.2	-	-
Investment Bonds	6.3	206,248,019	271,086,975
		<u>882,009,374</u>	<u>271,086,975</u>

6.1 Government securities - Market Treasury Bills - at fair value through profit or loss

Name of Investee Company	Date of Maturity	Holding as at 01 July 2021	Purchases during the year	Disposed / matured during the year	Holding as at 30 June 2022	Carrying value as of the year ended 30 June 2022 before revaluation	Market value as of the year ended 30 June 2022 (After revaluation)	Unrealised gain / (loss)	Market value as % of total investments (based on market value)	Market value as % of net assets (based on market value)
						(Number of Certificates)	(Rupees)			
12 months Treasury Bills	April 6, 2023	-	750,000	375,000	375,000	33,577,713	33,573,563	(4,150)	3.81%	3.31%
12 months Treasury Bills	May 18, 2023	-	850,000	-	850,000	75,402,729	74,919,170	(483,559)	8.49%	7.38%
12 months Treasury Bills	April 20, 2023	-	1,134,000	567,000	567,000	50,504,425	50,497,871	(6,554)	5.73%	4.98%
12 months Treasury Bills	May 4, 2023	-	3,000,000	-	3,000,000	265,831,181	265,795,500	(35,681)	30.14%	26.19%
6 months Treasury Bills	October 6, 2022	-	2,610,000	-	2,610,000	251,421,870	250,975,251	(446,619)	28.45%	24.73%
12 months Treasury Bills	April 27, 2023	-	1,500,000	1,500,000	-	-	-	-	0.00%	0.00%
12 months Treasury Bills	April 27, 2023	-	1,776,000	1,776,000	-	-	-	-	0.00%	0.00%
12 months Treasury Bills	April 27, 2023	-	1,500,000	1,500,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	July 29, 2021	-	4,180,000	4,180,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	April 7, 2022	-	6,230,000	6,230,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	April 7, 2022	-	7,455,000	7,455,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	September 9, 2021	-	30,000	30,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	December 15, 2021	-	310,000	310,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	September 9, 2021	-	2,820,000	2,820,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	December 15, 2021	-	6,350,000	6,350,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	May 19, 2022	-	3,000,000	3,000,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	March 24, 2022	-	50,000	50,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	March 24, 2022	-	6,235,000	6,235,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	December 30, 2021	-	6,500,000	6,500,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	December 1, 2021	-	70,000	70,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	December 1, 2021	-	30,000	30,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	December 1, 2021	-	570,000	570,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	December 1, 2021	-	6,070,000	6,070,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	October 19, 2022	-	260,000	260,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	September 22, 2021	-	2,800,000	2,800,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	September 22, 2021	-	4,190,000	4,190,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	July 28, 2022	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	April 21, 2022	-	5,750,000	5,750,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	April 21, 2022	-	1,620,000	1,620,000	-	-	-	-	0.00%	0.00%
6 months Treasury Bills	January 26, 2022	-	1,250,000	1,250,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	March 10, 2022	-	6,280,000	6,280,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	February 10, 2022	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	February 24, 2022	-	4,840,000	4,840,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	May 5, 2022	-	6,700,000	6,700,000	-	-	-	-	0.00%	0.00%
3 months Treasury Bills	August 12, 2021	-	2,800,000	2,800,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2022						676,737,918	675,761,355	(976,563)	76.62%	66.60%
Total as at June 30, 2021						-	-	-	-	-

6.2 Government securities - Pakistan Investment Bonds - at fair value through profit or loss

Name of Investee Company	Date of Maturity	Holding as at 01 July 2021	Purchases during the year	Disposed during the year	Holding as at 30 June 2022	Carrying value as of the year ended 30 June 2022 before revaluation	Market value as of the year ended 30 June 2022 (After revaluation)	Unrealised gain / (loss)	Market value as % of total investments (based on market value)	Market value as % of net assets (based on market value)
						(Number of Certificates)	(Rupees)			
3 years Pakistan Investment Bond	August 20, 2023	-	4,175	4,175	-	-	-	-	0.00%	0.00%
Total as at June 30, 2022						-	-	-	-	-
Total as at June 30, 2021						-	-	-	-	-

6.3 Exchange Traded Funds (foreign investment) - at fair value through profit or loss

Name of Investee Company	Holding as at 01 July 2021	Purchases during the year	Disposal during the year	Holding as at 30 June 2022	Carrying value as of the year ended 30 June 2022 before revaluation	Market value as of the year ended 30 June 2022 (After revaluation)	Unrealised gain - net	Market value as % of total investments	Market value as % of net assets
					(Number of Certificates)	(Rupees)			
Power shares QQQ Trust Series 1 (notes 6.3.1 & 6.3.8)	2,840	910	2,650	1,100	62,200,732	63,155,876	955,144	7.16%	6.22%
Vanguard Funds Plc Vanguard S&P 500 (notes 6.3.2 & 6.3.8)	8,772	5,243	8,145	5,870	81,987,376	86,155,552	4,168,176	9.77%	8.49%
SPDR S&P Global Natural Resources ETF (notes 6.3.3 & 6.3.8)	-	800	400	400	4,842,207	4,268,186	(574,021)	0.48%	0.42%
Horizon Kinetics Inflation Beneficiaries ETF (notes 6.3.4 & 6.3.8)	-	1,500	750	750	4,801,025	4,384,744	(416,281)	0.50%	0.43%
iShares V PLC - iShares Agribusiness UCITS ETF USD (notes 6.3.5 & 6.3.8)	-	2,057	-	2,057	22,691,709	20,284,735	(2,406,974)	2.30%	2.00%
FlexShs Morningstar Gbl Upstream Ntrl Res I (notes 6.3.6 & 6.3.8)	-	1,000	500	500	4,518,885	4,063,134	(455,751)	0.46%	0.40%
Energy Select Sector SPDR Fund (notes 6.3.7 & 6.3.8)	-	1,634	-	1,634	26,257,176	23,935,792	(2,321,384)	2.71%	2.36%
Total as at June 30, 2022					207,299,110	206,248,019	(1,051,091)	23.38%	20.33%
Total as at June 30, 2021					219,405,708	271,086,975	51,681,267	100%	26.78%

- 6.3.1 Power shares QQQ Trust Series 1 is an Exchange Traded Fund incorporated in the USA. It tracks the performance of the Nasdaq 100 Index and holds large cap U.S. stocks. Its investments exclude the financial sector and therefore, tend to be focused on the technology and consumer sector. These are valued at the rate quoted on a daily basis by NASDAQ 100 Index. Total value of the units at USD 280.28 per unit as at the year-end amounted to USD 308,308 (June 30, 2021: 1,006,581 units).
- 6.3.2 Vanguard Funds Plc Vanguard S&P 500 is also an Exchange Traded Fund, incorporated in Ireland. The Fund seeks to track the performance of the S&P 500 Index, comprising of the stocks of large U.S. companies. These are valued at the rates quoted on a daily basis by the London Stock Exchange. Total value of the units at USD 71.65 per unit as at the year-end amounted to USD 420,586 (June 30, 2021: 714,129 units).
- 6.3.3 SPDR S&P Global Natural Resources ETF is also an Exchange Traded Fund, incorporated in USA. The Fund seeks to track the performance of 90 of the largest U.S. and foreign publicly traded companies. These are valued at the rates quoted on a daily basis by the New York Stock Exchange. Total value of the units at USD 52.09 per unit as at the year-end amounted to USD 20,836 (June 30, 2021: Nil units).
- 6.3.4 The Horizon Kinetics Inflation Beneficiaries is an Exchange Traded Fund, incorporated in USA. The Fund seeks to achieve its investment objective by investing primarily in domestic and foreign equity securities of companies that are expected to benefit, either directly or indirectly, from rising prices of real assets. These are valued at the rates quoted on a daily basis by the New York Stock Exchange. Total value of the units at USD 28.54 per unit as at the year-end amounted to USD 21,405 (June 30, 2021: Nil units).
- 6.3.5 iShares Agribusiness UCITS ETF is also an Exchange Traded Fund, incorporated in Ireland. The Fund seeks to track the performance of an index composed of companies related to global agriculture businesses. These are valued at the rates quoted on a daily basis by the Berne Stock Exchange. Total value of the units at USD 48.14 per unit as at the year-end amounted to USD 99,024 (June 30, 2021: Nil units).
- 6.3.6 FlexShares Morningstar Global Upstream Natural Resources Index Fund is also an Exchange Traded Fund, incorporated in USA. The Fund invests at least 80% of its total assets (exclusive of collateral held from securities lending) in the securities of the index and in ADRs and GDRs based on the securities in the index. These are valued at the rates quoted on a daily basis by the New York Stock Exchange. Total value of the units at USD 39.67 per unit as at the year-end amounted to USD 19,835 (June 30, 2021: Nil units).
- 6.3.7 The Energy Select Sector SPDR Fund is also an Exchange Traded Fund, incorporated in USA. The Fund seeks to provide precise exposure to companies in the oil, gas and consumable fuel, energy equipment and services industries. These are valued at the rates quoted on a daily basis by the New York Stock Exchange. Total value of the units at USD 71.51 per unit as at the year-end amounted to USD 116,847 (June 30, 2021: Nil units).
- 6.3.8 Above units are held by Habib Bank AG Zurich as a custodian.

		June 30, 2022	June 30, 2021
7	ACCRUED MARK-UP AND ADVANCE	Note	(Rupees)
	Markup Receivable on:		
	Profit and loss sharing bank balances	540,823	230,449
	Pakistan Investment Bonds	-	-
	Advance tax	794,891	789,377
		<u>1,335,714</u>	<u>1,019,826</u>

- 7.1 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. The amount of withholding tax deducted on markup on bank deposits has been shown as advance tax as at June 30, 2022, as in the opinion of the management, the amount of tax deducted at source will be refunded.

		June 30, 2022	June 30, 2021	
8	PAYABLE TO THE MANAGEMENT COMPANY	Note	(Rupees)	
	Remuneration of the Management Company	8.1	1,395,220	1,305,896
	Sindh Sales Tax on remuneration of the Management Company	8.2	820,266	169,764
	Federal Excise Duty on:			
	Management Company's remuneration	8.3	4,184,410	4,823,301
	Sales load payable to the Management Company		2,959	2,959
			6,402,855	6,301,920

- 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 2% per annum of the average annual net assets of the Fund. However, the Management Company is currently charging fee at 15% of the gross earnings of the scheme earned on a daily basis. The fee is subject to a minimum of 1.25% and maximum of 2% of the average annual net assets of the Fund. The effective management fee rate for the year ended June 30, 2022 is 1.54% of the average 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% (June 30, 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 June 30 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 prudence the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 4.184 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, 2022 would have been higher by Rs. 0.63 (June 30, 2021: Rs.0.73) 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 as follows:

Net assets up to 1 billion 0.20% per annum of the daily average net assets of the Fund.

Net assets exceeding Rs 1 billion Rs 2 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs 1 billion.

10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the NBFC Regulations, whereby the Company 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.

		June 30, 2022	June 30, 2021
	Note	(Rupees)	
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	11.1	-	5,089,762
Brokerage payable		36,620	18,580
Auditors' remuneration		303,372	264,517
Custody fee payable		651,690	646,415
Rating fee payable		307,950	307,950
Professional fees payable		652,183	500,000
Payable against redemption of units		2,435,120	-
Withholding tax payable on dividend		10,331,629	-
Other liabilities		4,360,332	4,381,619
		<u>19,078,896</u>	<u>11,208,843</u>

- 11.1 The Government of Sindh introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan (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. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has 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 in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 5.089 million for the period from July 1, 2014 till August 12, 2021.

12 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, require that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the year ended June 30, 2022 is 2.28% which includes 0.25% representing government levies (comprising of Workers Welfare Fund and SECP fee, etc). As per the NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be capped up to 4.5% (excluding the government levies).

13 CONTINGENCIES AND COMMITMENTS

Other than the tax contingency disclosed in note 16.2 to the financial statements, there were no contingencies and commitments as at June 30, 2022.

	June 30, 2022	June 30, 2021
14 NUMBER OF UNITS IN ISSUE	(Rupees)	
Total outstanding as of July 01	6,581,612	12,962,555
Issued during the year	8,932,683	372,368
Redemptions during the year	(8,833,551)	(6,753,311)
Total units in issue as of June 30	<u>6,680,744</u>	<u>6,581,612</u>

15 AUDITORS' REMUNERATION

Annual audit fee	296,697	235,000
Fee for the review of half yearly financial statements	104,160	82,500
Report on agreed upon procedures in respect of investment abroad	50,502	40,000
Out of pocket and sales tax expenses	20,964	24,904
	<u>472,323</u>	<u>382,404</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 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, 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 management has distributed at least 90% of income earned during current year as reduced by capital gains, whether realised or unrealised, to its unit holders, therefore, no provision for taxation has been recorded in these financial statements.

- 16.2 During the year ended June 30, 2014 FBR had issued show cause notices to the Fund under section 122(9) for the amendment of assessment on the grounds that exemption from tax claimed under clause 99 of Part-I of the Second Schedule is not as per law. Total tax including Workers' Welfare Fund payable as per the amended assessment is Rs. 7.203 million and Rs 19.001 million for the tax years 2012 and 2013 respectively. A suit has been in the High Court of Sindh for declaration and permanent injunction for which a stay order has been granted by the Sindh High Court. The management expects a favorable outcome and accordingly, no provision has been recorded in respect of this matter.

17 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, Habib Bank AG Zurich Switzerland being the Custodian, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company and the holding company, key management personnel, other funds being managed by the Management Company and entities having holding 10% or more in the units of the Fund as at June 30, 2022. It also includes staff retirement funds of the above related parties / connected persons.

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

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

		2022	2021
Lakson Investments Limited - Management Company of the Fund		(Rupees)	
Remuneration payable	17.4	<u>1,395,220</u>	<u>1,305,896</u>
Sindh Sales Tax on Management Company's remuneration*		<u>820,266</u>	<u>169,764</u>
Federal Excise Duty			
Management Company's remuneration*		<u>4,184,410</u>	<u>4,823,301</u>
Sales load payable to the Management Company*		<u>2,959</u>	<u>2,959</u>

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

Central Depository Company of Pakistan Limited - Trustee of the Fund

Remuneration payable (including Sindh Sales tax of Rs. 22,554 (2021: Rs. 31,311))	17.4	<u>196,065</u>	<u>186,755</u>
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Habib Bank AG Zurich - Custodian

Bank Deposits		<u>148,904,941</u>	<u>57,395,045</u>
Custodian fee payable		<u>651,690</u>	<u>263,740</u>

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

	2022	2021
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration for the year	16,099,206	19,949,642
Sindh sales tax on remuneration of Management Company *	2,092,897	2,593,454
Dividend paid	543,236	-
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the year (including Sindh Sales tax of Rs. 264,753 (2021: 211,672)*)	2,301,316	2,638,815
Habib Bank AG Zurich - Custodian		
Brokerage and settlement charges	1,343,718	217,191
Custody charges	684,815	492,769
Directors, Chief Executive and their spouse and minors		
Dividend paid	67,735,624	27,738,770
Key management personnel, employees and connected persons of the Management Company		
Dividend paid	4,009	-
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust		
Dividend paid	22,066	6,044
Lakson Investments Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	16,465
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	507
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	362
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	876,463

	2022	2021
	(Rupees)	
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund		
Dividend paid	-	1,175,876
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	482,427
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	136
Merit Packaging Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	183
Merit Packaging Limited - Employees Gratuity Fund		
Dividend paid	-	97
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	959,014
Century Paper & Board Mills Limited - Employees Gratuity Fund		
Dividend paid	-	949,268
Century Insurance Company Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	90,157
Sybrid Private Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	170
Century Insurance Company Limited - Employees Gratuity Fund		
Dividend paid	-	78,125
Siza Services Private Limited - Employees Contributory Provident Fund Trust		
Dividend paid	-	91
Hasanali Karabhai Foundation - Employees Contributory Provident Fund Trust		
Dividend paid	-	30

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



17.3 Details of units held, issued and redeemed by the related parties / connected persons.

		Year ended June 30, 2022				Rupees	
		Number of Units		Number of holdings at the year ended 30 June 2022			
Number of Units as at July 01, 2021	Units issued during the year	Units redeemed during the year			Balance as at July 01, 2021	Units issued during the year	Balance at the year end 30 on June 2022 (Investment at current NAV)
Lakson Investment Limited - Management							
Company of the Fund							
Directors, Chief Executive and their spouse and minors							
Key management personnel, employees and connected persons of the Management Company							
Other key management personnel							
1	-	1	-	-	150	-	150
Associated companies / undertakings of the Management Company							
Lakson Business Solutions Limited - Employees							
1,176	101	-	1,277	-	180,867	15,446	193,932
Lakson Investments Limited - Employees							
3,219	75,926	51,851	27,294	-	495,078	8,315,513	4,145,539
GAM Corporation (Private) Limited - Employees							
59,580	394,159	320,343	133,395	-	9,163,327	39,291,894	20,260,774
SIZA Foods (Private) Limited - Employees							
42,523	361,076	282,829	120,770	-	6,539,982	36,913,497	18,343,143
Provident Fund Trust							
Colgate Palmolive (Pakistan) Limited - Employees							
172,265	1,318,421	1,057,465	433,221	-	26,494,133	132,437,918	65,799,900
231,113	1,452,474	1,202,451	481,136	-	35,544,879	146,876,087	73,077,434
Cyber Internet Services (Private) Limited - Employees							
94,819	642,459	518,535	218,743	-	14,583,039	66,847,742	33,223,877
Contributory Provident Fund Trust							
Accuracy Surgicals Limited - Employees							
16,028	101,331	83,544	33,814	-	2,465,086	10,335,673	5,135,904
Provident Fund Trust							
Mert Packaging Limited - Employees							
21,499	158,629	123,104	57,024	-	3,306,518	17,417,497	8,661,049
11,348	89,924	71,645	29,627	-	1,745,308	10,057,710	4,493,845
Century Paper & Board Mills Limited - Employees							
188,490	1,378,078	1,099,352	462,217	-	28,989,517	141,268,211	70,203,892
186,573	1,217,823	990,349	414,047	-	28,694,685	126,534,002	62,887,647
Contributory Provident Fund Trust							
Century Paper & Board Mills Limited - Employees							
17,719	134,522	105,067	47,174	-	2,725,159	14,412,148	7,165,024
-	36,555	36,555	-	-	-	3,573,437	6,269,750
Century Insurance Company Limited - Employees							
20,015	181,347	153,376	47,986	-	3,078,281	14,681,987	7,288,292
15,354	112,019	86,866	40,507	-	2,361,425	12,371,734	6,152,391
Century Insurance Company Limited							
Sybird Private Limited - Employees							
10,682	72,644	59,019	24,307	-	1,642,878	7,429,592	3,691,890
Provident Fund Trust							
3,512	19,240	16,317	6,435	-	540,141	1,966,782	977,392

	Year ended June 30, 2021						
	Number of Units			Rupees			
Number of Units as at July 01, 2020	Units issued during the year	Units redeemed during the year	Number of holdings at the year ended 30 June 2021	Balance as at July 01, 2020	Units issued during the year	Units redeemed during the year	Balance at the year end 30 on June 2021 (Investment at current NAV)
11,074,844	558,725	6,171,026	5,462,543	1,661,212,403	85,140,994	935,886,752	840,132,012
177,525	-	-	177,525	20,727,393	1,069,237,007	-	20,727,393
1	-	1	-	150	-	150	-
Associated companies / undertakings of the Management Company							
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	1,148	28	-	1,176	172,297	4,231	180,867
Lakson Investments Limited - Employees Contributory Provident Fund Trust	3,128	91	-	3,219	469,266	13,995	495,078
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust	76,806	59,579	76,805	59,580	11,520,824	9,144,639	9,163,327
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	54,819	42,523	54,819	42,523	8,222,810	6,526,724	6,539,982
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust	381,463	5,710	214,908	172,265	57,219,034	876,463	32,189,711
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	323,256	7,660	99,803	231,113	48,488,065	1,175,876	14,941,758
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	140,269	3,143	48,593	94,819	21,040,291	482,427	7,275,889
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust	34,628	16,029	34,629	16,028	5,194,280	2,460,422	2,465,086
Merit Packaging Limited - Employees Contributory Provident Fund Trust	57,810	21,499	57,810	21,499	8,671,520	3,299,968	8,845,645
Merit Packaging Limited - Employees Gratuity Fund	23,927	11,349	23,928	11,348	3,589,156	-	1,940,128
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	363,323	6,248	181,081	188,490	54,497,993	959,014	27,113,180
Century Paper & Board Mills Limited - Employees Gratuity Fund	294,272	6,184	113,883	186,573	44,140,550	949,268	17,046,745
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	28,787	587	11,655	17,719	4,318,150	90,157	1,745,363
Sybird Private Limited - Employees Contributory Provident Fund Trust	31,647	20,015	31,647	20,015	4,747,119	3,072,128	4,913,125
Century Insurance Company Limited - Employees Gratuity Fund	21,679	508	6,833	15,354	3,251,858	-	1,023,003
Sisa Services Private Limited - Employees Contributory Provident Fund Trust	16,510	10,682	16,510	10,682	2,476,565	1,639,681	2,565,235
Hasanali Karabhai Foundation - Employees Contributory Provident Fund Trust	11,740	3,512	11,740	3,512	1,761,046	539,131	1,796,591

- 17.4 Remuneration payable to the Management Company and the Trustee have been determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.
- 17.5 Dividend income is recognized at the amount declared by the investee company. Dividend distributed by the fund is recognized at the amount/units declared to all the unit holders.
- 17.6 Purchase and redemption of the Fund's unit by related parties / connected persons are recorded at the applicable net asset value per unit. Other transactions are at agreed rates.

18 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Introduction and overview

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

- credit risk (refer note 18.1)
- liquidity risk (refer note 18.2)
- market risk (refer note 18.3)
- operational risk (refer note 18.4)

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 the limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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

18.1 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 deposits with banks and financial institutions, investments in equity traded funds and as a result of dividend receivable on equity securities and markup receivable.

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 and guidelines issued from SECP from time to time. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

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

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analysing of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Credit risk on dividend receivable is minimal due to statutory protection.

Exposure to credit risk

The maximum exposure to credit risk as at 30 June 2022 was as follows:

	2022		2021	
	Balance as per the Statement of Asset and Liabilities	Maximum exposure	Balance as per the Statement of Asset and Liabilities	Maximum exposure
	(Rupees)		(Rupees)	
Bank balances (including profit due)	156,926,523	156,926,523	758,209,167	758,209,167
Investments	882,009,374	-	271,086,975	-
Mark-up receivable	-	-	-	-
Dividend receivable	863,139	863,139	122,881	122,881
Prepayments	-	-	-	-
Deferred formation cost	-	-	-	-
	<u>1,039,799,036</u>	<u>157,789,662</u>	<u>1,029,419,023</u>	<u>758,332,048</u>

Bank balances (including profit)

The Fund's cash and cash equivalents at June 30 2022 with banks had following credit ratings:

	2022	2021	2022	2021
Rating	(Rupees)		(%)	
AAA	7,453,841	428,180,299	4.77	56.47
AA	10,000	10,000	0.006	0.00
AA+	16,918	272,623,823	0.01	35.96
Other*	148,904,941	57,395,045	95.22	7.57
Total balance	<u>156,385,700</u>	<u>758,209,167</u>	<u>100</u>	<u>100</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited (Formerly JCR-VIS Credit Rating Company Limited) as of June 30 2022.

* The reported balance is in Habib Bank AG Zurich Switzerland. Rating of the bank is not available, however, the management consider that this is a reputable bank of good credit standing.

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:

	2022		2021	
	(Rupees)	(%)	(Rupees)	(%)
Commercial banks	156,926,523	99.45	758,209,167	99.98
Government securities	-	0.00	-	0.00
Dividend receivable -				
Exchange Traded Funds	863,139	0.55	122,881	0.02
	<u>157,789,662</u>	<u>100</u>	<u>758,332,048</u>	<u>100</u>

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 2022.

Settlement risk

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

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

18.2

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 are 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 net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement.

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 with in 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, can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, during the period no such option was exercised or considered necessary.

Maturity analysis for financial liabilities

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

	2022	
	Contractual cash flows	
	Carrying amount	Less than 3 month
	----- (Rupees) -----	
Financial liabilities		
Payable to the Management Company *	1,395,220	1,395,220
Remuneration payable to the Trustee *	174,583	174,583
Accrued expenses and other liabilities *	2,128,325	2,128,325
	<u>3,698,129</u>	<u>3,698,129</u>
Unit holders' fund	<u>1,014,707,311</u>	<u>1,014,707,311</u>
	2021	
	Contractual cash flows	
	Carrying amount	Less than 3 month
	----- (Rupees) -----	
Financial liabilities		
Payable to the Management Company *	1,305,896	1,305,896
Remuneration payable to the Trustee *	165,273	165,273
Accrued expenses and other liabilities *	1,935,259	1,935,259
	<u>3,406,428</u>	<u>3,406,428</u>
Unit holders' fund	<u>1,012,243,654</u>	<u>1,012,243,654</u>

* excluding provision for Sindh workers' welfare fund, federal excise duty on Management Company's remuneration, annual fee payable to the Securities and Exchange Commission of Pakistan and Sindh Sales Tax payable on Management Company's remuneration income for the year and trustee fee.

Above financial liabilities do not carry any mark-up.

18.3 Market risk

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

The Fund is exposed to currency risk, interest rate risk and equity price risk.

18.3.1 Foreign Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund has a bank balance and investments in foreign exchange traded funds which are exposed to foreign exchange risk. The fund has no foreign currency denominated liability.

As per the approval accorded by the Securities and Exchange Commission of Pakistan and State Bank of Pakistan the Fund's exposure in foreign currency shall not exceed 30% of the aggregate funds mobilised subject to cap of US\$ 15 million. Investment Committee monitors and reviews the investment performance and makes necessary adjustment in light of the current economic scenario and currency valuation outlook to mitigate the risk.

The Fund's total exposure to foreign exchange at June 30 are as follows:

	2022	
	(Rupees)	(USD)
Financial assets		
Bank balance	148,904,941	726,909
Exchange traded funds (foreign investments)	206,248,019	1,006,841
Dividend receivable	863,139	4,214
On balance sheet gap in foreign currency exposure	<u>356,016,098</u>	<u>1,737,963</u>
	2021	
	(Rupees)	(USD)
Financial assets		
Bank balance	57,395,045	364,312
Exchange traded funds (foreign investments)	271,086,975	1,720,710
Dividend receivable	122,881	780
On balance sheet gap in foreign currency exposure	<u>328,604,901</u>	<u>2,085,802</u>

The following significant exchange rates applied during the year:

	Average rates		Balance sheet date rate	
	2022	2021	2022	2021
Rupees / US Dollars	<u>161.22</u>	<u>160.33</u>	<u>204.85</u>	<u>157.54</u>

A five percent strengthening of Pakistani Rupee against US dollar would have decreased the net assets of the fund by Rs. 7.445 million (2021: Rs. 2.869 million). This analysis assumes that all other variables in particular interest rate remain constant. Weakening of Pakistani Rupee by the same percentage would have a vice versa impact.

18.3.2 Interest rate risk

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

Exposure to interest rate risk

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

		2022	2021
		(Rupees)	
Variable-rate instrument			
Financial assets (Pakistan Investment Bonds)	6.2	-	-
Financial assets (bank balances)	5.1	<u>7,472,255</u>	<u>700,575,169</u>
Total		<u><u>7,472,255</u></u>	<u><u>700,575,169</u></u>

Cash flow 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. 74,722 (2021: Rs. 7,005,751). The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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

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

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

		June 30, 2022		
		Exposed to interest rate risk no later than one month	Not exposed to interest rate risk	Total
		Rupees		
On balance sheet financial instruments				
Financial assets	Note			
Investments - Exchange Trade Units		-	206,248,019	206,248,019
Dividend receivables		-	863,139	863,139
Bank balances (including profit due)	5.1	<u>7,472,255</u>	<u>149,454,268</u>	<u>156,926,524</u>
Total financial assets		<u><u>7,472,255</u></u>	<u><u>356,565,425</u></u>	<u><u>364,037,681</u></u>
Financial liabilities				
Payable to the Management Company		-	1,395,220	1,395,220
Remuneration payable to the Trustee		-	174,583	174,583
Accrued expenses and other liabilities		-	2,128,325	2,128,325
Total financial liabilities		-	<u>3,698,129</u>	<u>3,698,129</u>
On balance sheet gap		<u><u>7,472,255</u></u>	<u><u>352,867,297</u></u>	<u><u>360,339,552</u></u>

		June 30, 2021		
		Exposed to interest rate risk no later than one month	Not exposed to interest rate risk	Total
On balance sheet financial instruments				
Financial assets	Note	Rupees		
Investments - Exchange Trade Units		-	271,086,975	271,086,975
Dividend receivables		-	122,881	122,881
Bank balances (including profit due)	5.1	700,575,169	57,633,998	758,209,167
Total financial assets		<u>700,575,169</u>	<u>328,843,854</u>	<u>1,029,419,023</u>
Financial liabilities				
Payable to the Management Company		-	1,305,896	1,305,896
Remuneration payable to the Trustee		-	165,273	165,273
Accrued expenses and other liabilities		-	1,935,259	1,935,259
Total financial liabilities		-	3,406,428	3,406,428
On balance sheet gap		<u>700,575,169</u>	<u>325,437,426</u>	<u>1,026,012,595</u>

18.3.3 Price risk

Price risk is the risk of unfavorable changes in the fair value of Exchange Traded Funds as the result of changes in the levels of respective indices and the value of individual securities. This arises from the investment held by the Fund for which prices in the future are uncertain.

As per the approval accorded by the Securities and Exchange Commission of Pakistan and State Bank of Pakistan the Fund's exposure in foreign currency shall not exceed 30% of the aggregate funds mobilised subject to cap of US\$ 15 million. Investment Committee monitors and reviews the investment performance and makes necessary adjustment in light of the current economic scenario and currency valuation outlook to mitigate the risk.

Details of the Fund's investment in industrial / economic sector are given in note 6.3.

Sensitivity analysis - Price risk

In respect of the investments classified as at fair value through profit or loss the impact on income statement and unit holders' fund, due to a 5% increase or decrease in the fair values of the investments, would have been decrease of Rs. 10.312 million (2021: 13.554).

18.4 Operational risks

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 behavior. 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. 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.

18.5 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.

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

18.6 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:

		2022					
		Carrying amount			Fair Value		
		At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Total
On-balance sheet financial instruments		(Rupees)					
	Note						
Financial assets measured at fair value							
Government Securities - Market Treasury Bills	6.1	675,761,355	-	675,761,355	-	675,761,355	675,761,355
Government Securities - Pakistan							
Investment Bonds	6.2	-	-	-	-	-	-
Exchange Traded Funds (foreign investments)	6.3	206,248,019	-	206,248,019	-	206,248,019	206,248,019
		882,009,374	-	882,009,374	-	882,009,374	882,009,374
Financial assets not measured at fair value							
Bank balances	5	-	156,385,700	156,385,700	-	-	-
Dividend receivable		-	863,139	863,139	-	-	-
Accrued mark-up, advance and other receivable	7	-	540,823	540,823	-	-	-
		-	157,789,662	157,789,662	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	8	-	1,395,220	1,395,220	-	-	-
Payable to the Trustee	9	-	174,583	174,583	-	-	-
Accrued expenses and other liabilities	11	-	2,128,325	2,128,325	-	-	-
		-	3,698,129	3,698,129	-	-	-
		2021					
		Carrying amount			Fair Value		
		At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Total
On-balance sheet financial instruments		(Rupees)					
	Note						
Financial assets measured at fair value							
Government Securities - Market Treasury Bills	6.1	-	-	-	-	-	-
Government Securities - Pakistan Investment Bonds	6.2	-	-	-	-	-	-
Exchange Traded Funds (foreign investments)	6.3	271,086,975	-	271,086,975	-	271,086,975	271,086,975
		271,086,975	-	271,086,975	-	271,086,975	271,086,975
Financial assets not measured at fair value							
Bank balances	5	-	757,978,718	757,978,718	-	-	-
Dividend receivable		-	122,881	122,881	-	-	-
Accrued mark-up, advance and other receivable	7	-	230,449	230,449	-	-	-
		-	758,332,048	758,332,048	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	8	-	1,305,896	1,305,896	-	-	-
Payable to the Trustee	9	-	165,273	165,273	-	-	-
Accrued expenses and other liabilities	11	-	1,935,259	1,935,259	-	-	-
		-	3,406,428	3,406,428	-	-	-

* excluding income tax recoverable and prepaid annual listing fee.

** excluding provision for workers' welfare fund, federal excise duty on Management Company's remuneration, Sindh sales tax payable on Management Company remuneration, Sindh sales tax payable on Trustee remuneration and withholding tax payable.

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

19. RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Payable against dividend	Receivable against issuance of units	Payable against redemption of units	Total
	----- (Rupees in '000) -----			
Opening balance as at 1 July 2020	-	-	-	-
Receivable against issuance of units	-	(1,453,468,918)	-	(1,453,468,918)
Payable against redemption of units	-	-	1,491,460,364	1,491,460,364
Dividend payable	68,834,010	-	-	68,834,010
	68,834,010	(1,453,468,918)	1,491,460,364	106,825,456
Amount received on issuance of units	-	(1,453,468,918)	-	(1,453,468,918)
Amount paid on redemption of units	-	-	(1,491,460,364)	(1,491,460,364)
Dividend paid	(68,834,010)	-	-	(68,834,010)
	(68,834,010)	(1,453,468,918)	(1,491,460,364)	(106,825,456)
Closing balance as at 30 June 2021	-	-	-	-

20. 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:

20.1 Unit holding pattern of the Fund

	2022		
Category	No. of unit holders	Investment amount	% of total
	----- (Rupees) -----		
Individuals	16	4,275,511	0.42
Associated Companies and Directors	21	503,797,900	49.65
NBFC's (Management Company)	1	11,323,800	1.12
Director	3	495,310,100	49
	41	1,014,707,311	100.00
	----- (Rupees) -----		
	2021		
	No. of unit holders	Investment amount	% of total
	----- (Rupees) -----		
Individuals	10	3,558,596	0.35
Associated Companies and Directors	24	1,008,685,057	99.65
	34	1,012,243,653	100.00

20.2 List of top 10 brokers by percentage of commission paid

Broker Name	2022	2021
	Commission paid (Percentage)	
Habib Bank AG Zurich	95.73%	92.82%
Optimus Markets (Pvt.) Limited	-	0.41%
Continental exchange	3.14%	4.40%
Magenta Capital	0.38%	1.87%
Vector Capital	0.17%	-
Invest One Market Securities (Private) Limited	0.58%	0.50%

20.3 Particulars of 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. Syavash Pahore
- Mr. Hassan Bin Nasir
- Mr. Abdul Samad Khanani
- Mr. Umair Bin Hassan
- Ms. Nada Uzair

Mr. Babar Ali Lakhani - Chief Executive Officer

Mr. Lakhani has over twenty one 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. Umair and 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 thirteen 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 thirteen 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.

Mr. Hassan Bin Nasir - Fund Manager

Mr. Pasha has over thirteen 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. Syavash Pahore

Syavash is currently working in the capacity of Head of Research at Lakson Investments. He has over five years of experience in Research. He was previously associated with organizations such as Optimus Capital, Elixir Securities and JS Investments. Syavash has completed his Bachelor of Arts in Finance, Accounting and Management from the University of Nottingham, and has also cleared CFA Level II.

Mr. Hassan Bin Nasir

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. Abdul Samad Khanani - Fund Manager

Mr. Khanani has over six years of experience in equity research. He did his Bachelors in Finance from IoBM in 2014 and is also perusing CFA. Before joining LI, Mr. Khanani was heading the research team at KASB Securities. He also worked at Intermarket Securities (local partner of Tellimer Research) and Fortune Securities.

At Lakson, he is responsible for deriving the overall equity strategy of equity portfolios by working closely with the research team and ensure smooth execution. Currently he is managing:

- Lakson Equity Fund
- Lakson Tactical Fund
- Lakson Islamic Tactical Fund

Mr. Umair Bin Hassan

Mr. Hassan has a Bachelors degree in Computational Finance from NED, and is pursuing MS in Economics from IBA. He was previously associated with MCB Arif Habib as Deputy Manager Risk. Mr Umair brings an overall work experience of three years and currently looking after the risk department of Lakson Investments.

Ms. Nada Uzair

Ms. Uzair is an ACCA Member, with over eight years of experience in asset management and investment advisory industry. She has knowledge base in NBFC Rules & Regulations, AML Regulations, corporate governance, formulation of internal policies/mechanisms, development and execution of multi-faceted compliance and audit programs.

She started her career with Deloitte Yusuf Adil, specializing in Internal Audit and performed outsourced assignments for PSX, Alfalah GHP, BMA and Askari Investment Management Limited. Prior to joining the Compliance department at Lakson Investments, she was associated with Pak Oman AMC managing the Internal Audit department and subsequently the Compliance department.

20.4 Directors meeting attendance

2022

Name of directors	Designation	Meeting Attended	31 Aug 21	26 Oct 21	17 Feb 22	29 Apr 22
- Mr. Iqbal Ali Lakhani	Chairman	3	✓	✓	✓	✓
- Mr. Babar Ali Lakhani	CEO	4	✓	✓	✓	✓
- Mr. Jacques John Vesser	Director	4	✓	✓	✓	✓
- Mr. Amin Mohammed Lakhani	Director	3	✓	✓	✓	✓
- Mr. Jamil Ahmed Mughal	Director	4	✓	✓	✓	✓
- Ms. Kathleen Kennedy Townsend	Director	2	✓	✓	X	X
- Ms. Roxanne Davies	Director	4	✓	✓	✓	✓
			7	7	6	6

20.5 Rating of the Fund and the management company

Details of the ratings of the Fund and the management company are given in note 1.4.

21 GENERAL

These financial statements were authorised for issue on September 22, 2022 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

Performance Table	FY22	FY21	FY20	FY19	FY18
Net Assets - Beginning (PKR Mil.)	1,012	1,944	562	278	290
Net Assets - Ending (PKR Mil.)	1,015	1,012	1944	562	278
Net Asset value per share	151.8853	153.7987	149.9987	150.9151	134.4997
Selling Price for units	155.6825	157.6437	153.7487	154.688	137.8622
Repurchase Price for units	151.8853	153.7987	149.9987	150.9151	134.4997
Highest Offer Price (PKR)	177.4092	162.7326	170.4251	161.3447	138.855
Lowest Offer Price (PKR)	155.6825	108.426	152.4028	135.1807	121.8366
Highest Redemption Price (PKR)	173.0821	158.7635	166.2683	157.4094	135.4682
Lowest Redemption Price (PKR)	151.8853	106.8236	148.6856	131.8836	118.8649
Beginning NAV - Ex-Div. (PKR)	153.7987	149.9987	150.9151	134.4997	118.9544
Interim Distributions (PKR)	18.7605	5.2623	3.8095	5.2625	Nil
Final Distribution (PKR)	Nil	Nil	Nil	Nil	2.3801
Ending NAV - Ex-Div. (PKR)	135.0382	153.7987	149.9987	150.9151	132.1196
Return	10.80%	6.05%	12.72%	8.69%	5.45%
Net Income (PKR Mil.)	109	67	1204	463	212
Income Distribution	68	32	1,197	454	202
Accumulated Capital Growth	152	111	76	76	46
Average Annual return of the Fund					
One Year	10.80%	6.05%	1.92%	18.16%	13.06%
Two year	17.50%	8.08%	18.31%	33.62%	23.25%
Three year	19.76%	27.73%	36.18%	42.00%	33.10%
Since inception	161.77%	136.25%	122.78%	118.53%	84.95%
Distributions	FY22	FY21	FY20	FY19	FY18
Interim Distribution	18.7605	5.2623	3.8095	5.2625	Nil
Final Distribution	Nil	Nil	Nil	Nil	Nil
NAV before Distribution	172.5592	158.7388	153.8394	157.4094	Nil
NAV after Distribution	153.7987	153.5054	150.0299	152.1469	Nil
Distribution Date	27-Jun-22	27-Jun-21	29-Jun-20	27-Jun-19	Nil

Disclaimer

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

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