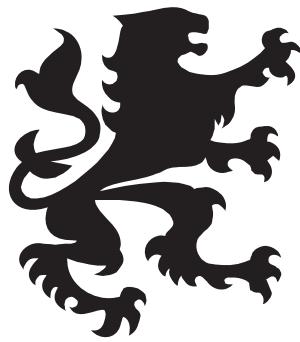


LAKSON ISLAMIC MONEY MARKET FUND
Quarterly Report (September 30, 2022)



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Fund's Information

Management Company

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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

Faysal Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan

Shari'ah Adviser

Al Hilal Shariah Advisors

Legal Adviser

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

Registrar

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

Distributors

BMA Capital Management Limited
Rabia Fida

Rating by PACRA

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

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

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

Fund Objective

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

Principal activities

The Fund is an open-end Shariah compliant money market fund and is listed on Pakistan Stock Exchange Limited. The Fund invests in Shariah compliant Government Securities, Shariah compliant placements, Term Deposit Receipts, and other Islamic short-term debt instruments. The weighted average maturity of the portfolio is kept below 3 months. LIMMF invests in only those securities that have been assigned at least an "AA" rating by a rating agency in Pakistan and are of less than 6 months maturity. An in-depth credit analysis is conducted before taking any exposure to any counter party to mitigate the credit risk. Short maturity of the portfolio protects the Unit Holders against interest rate movements while enhancing the liquidity of the Fund.

Fund performance

The LIMMF generated return of 13.18% in 1QFY23 compared to Benchmark (70% average 3M T-Bills yield + 30% average 3M TDR rate of minimum AA rated banks) return of 5.76%. The LIMMF outperformed the benchmark by 7.42%. Asset allocation was concentrated mainly in Cash at 99.20% and others as 0.8%. The weighted average maturity (WAM) of the LIMMF portfolio stands at 1 day and fund size as of 30th September 2022 is PKR 211mn.

Earning per Unit (EPU)

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

Economic Review

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

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

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

On the external front, during the first quarter of FY23, imports have declined by 12.7% YoY to \$16.3 billion while exports have grown by 1.8% to \$7 billion. Resultantly the current account deficit shrank for the second consecutive month in August to only \$0.7 billion almost half the level in July. It is

however important to consider that this improvement in the CAD has been artificially driven by squeezing imports through extreme care in issuance of LCs and negotiations. Moreover, oil imports were lower due to build up of inventory in the previous quarter. We foresee import curbs to continue till December, till such time imports will be low and the feel good factor will be stretched for a few months. Whenever this opens, we expect pent up demand to wash away all the gains on the current account balance and as such we expect CAD balance for FY23 to come in at USD 14bn. A decline in oil prices on account of global recessionary concerns may however, provide respite and will materially change our estimates.

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

Fixed Income Market Review

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

During the quarter 3 GOP Ijarah Sukuk auctions were held for the 5Y tenor. Total auction size across the three auctions was PKR 195 BN with an accepted amount of PKR 100 BN. The variable rate sukuks were issued at a coupon of 13.5279% as of 27th April 2022 and the cut-offs came in below par at 99.6 - 99.67.

Future Outlook

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

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

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

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

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

Acknowledgement

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

For and on Behalf of the Board

Director

Chief Executive Officer

Dated: October 31, 2022

لیکسون اسلامک منی مارکیٹ فنڈ

30 ستمبر 2022 کو ختم ہونے والی سماں کے لیے
میجنت کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسون اسلامک منی مارکیٹ فنڈ ("LIMMF" یا فنڈ) کی میجنت کمپنی، لیکسون افیٹسٹس لیمیٹڈ کے بروڈ آف ڈائریکٹرز کیلئے 30 ستمبر 2022 کو ختم ہونے والی سماں کے لیے اپنی جائزہ رپورٹ میں مختصر عبوری مالیاتی گوشوارے پیش کرنا باعث ہے۔

فنڈ کا مقصود

اس فنڈ کا مقصود کم اتار چڑھاؤ کے ساتھ مختصر اور مبالغی میانچے جات فراہم کرتا ہے جو میں مارکیٹ سے ہم آہنگ اور سماں کے تحفظ سے مطابقت رکھتے ہوں۔ اسی طرح یہ سرمایہ کم خطرات، مختصر مدتی سرمایہ کاری کے لیکو یہ رپورٹ فویکی پر مشتمل ہے۔

نمایاں سرگرمیاں

فنڈ ایک اپنے ایڈنڈ شریعہ سے مطابقت رکھنے والا منی مارکیٹ فنڈ ہے اور پاکستان اسٹاک اچیلچ لیمیٹڈ میں لیڈر ہے۔ فنڈ شریعہ سے مطابقت رکھنے والی گورنمنٹ سکیو ریٹریٹ، شریعہ کے مطابق Placements برم ڈپاٹ ریٹیٹس اور دیگر اسلامک مختصر مدتی انشرومنٹس میں سرمایہ کاری کرتا ہے۔ رپورٹ فویکی تجھیں شدہ اوسط میچورٹی 3 ماہ سے کم رکھی جاتی ہے۔ صرف ان سکیو ریٹریٹ میں سرمایہ کاری کرتا ہے جنہیں پاکستان میں کسی رینگ ایجنٹی نے کم از کم "AA" رینگ دے رکھی ہو اور جن کی میچورٹی 6 ماہ سے کم ہو۔ کریٹر سک کرنے کے لیے سرمایہ کاری سے پہلے مقابل پارٹی کا کریٹ کے حوالے سے باریک بینی سے تجویز کیا جاتا ہے۔ رپورٹ فویکی مختصر میچورٹی یونٹ ہوں ڈریز کو شرح سود کے اتار چڑھاؤ کے خلاف تحفظ دیتی ہے، جب کہ فنڈ کی لیکو یہی میں اضافہ کرتی ہے۔

فنڈ کی کارکردگی

LIMMF نے فنڈ مارک میانچے (سماں) A ڈبل کے اوسط میانچے جات کا 70% + کم از کم AA رینگ لیکسون کے اوسط سماں TDR ریٹ کا 5.76% (30%) کے مقابلے میں مالی سال 2023 کی اپنی سماں میں 13.18% 13.42% تجھیں شدہ اوسط میچورٹی (WAM) کا مظاہرہ کیا۔ اٹاؤں کی تفہیض بنیادی طور پر کیش میں 20% 99.20% اور دیگر میں 0.8% LIMMF۔ رپورٹ فویکی

فی شیئر آمدی (EPU)

فی شیئر آمدی (EPU) ظاہر نہیں کی گئی ہے کیون کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے موزوں اوسط یونٹس کا قیمت اپنے فنڈ کے لیے قابل عمل نہیں ہے۔

معاشی جائزہ

ماں سال 2023 کا آغاز مشکل صورتحال سے ہوا کیونکہ بکرا کناک معاملات پر سوتور تشویشناک تھے، ڈالر کے مقابلے میں روپے کی شرح مبادلہ سماں ہی پر 11.5% کی ساتھ 228.5 پر بند ہوئی تھی۔ آئی ایف کے ساتھ اسٹاف لیوں معاہدہ، جس کے نتیجے میں 1.2 ارب ڈالر ملنے کی راہ ہموار ہوئی کامیابی سے طے پا جانے کے باوجود ایسا ہوا۔ پنجاب میں ضمنی انتخابات کے بعد سیاسی شور شرایب میں اضافے، سیاہ سے اراضی اور فضلوں کی تباہی اور اب تک کے سب سے زیادہ آنکھ اپورٹنٹیٹیں سے سرمایہ کاری کی حوصلہ ٹھنڈی ہوئی اور ائمہ بینک کرنی مارکیٹ پر دباؤ آیا۔ اس کے نتیجے میں ہمارے زر مبادلہ ڈھنڈے 8.8 ارب ڈالر کے رہ گئے، جو 6.6 ملیار کی درآمدات کیلئے کافی تھے۔

حالیہ سیاہ سے جہاں اموات ہوئیں اور لوگ ڈھنڈھنے ہوئے، وہاں بینیادی ڈھنڈھنے کی نقصان پہنچنے والیں میں نقصانات کا اندازہ 3 ارب ڈالر سے زائد لگایا گیا ہے جو کہ پاکستان کی جی ڈی پی کے 10% سے زیادہ ہے۔ بالخصوص کپس اور چاول کی فضلوں کو پہنچنے والا نقصان ہمارے تجارتی خسارے پر فتنی اثر دے لے گا جبکہ بزریوں اور فضلوں کی پیداوار اور متراث ہونے کے باعث اشیائے خوارک کی قیمتیں بڑھ گئیں۔

کی پی آئی بیسٹ افراط از رکی شرح اگست میں بڑھ کر 27.3% تک جا پہنچی، جو 1975 کے بعد کسی ایک میں میں ریکارڈ کی جانے والی سب سے اوپری شرح تھی، سماں کے اختتام پر یہ شرح 23.2 پر آگئی۔ افراط از رکی شرح یخچے نے کی وجہ بینیادی طور پر انتظامی مداخلات کے نتیجے میں بچلی کے نزدیک میں ہونے والی کی تھی جبکہ کوارڈ فاؤنڈیشن میں ہر یا اپنے اسے سے اشیائے خوارک کی قیمتیں بڑھنے کے نتیجے میں آنے والے میں میں ہیں۔ اگر افراط از رکی اسٹریٹریک پر اضافی دباؤ کا خدشہ ہے۔ ہم میں سال 2023 میں افراط از رکی اوسٹریٹریک 26.3% رہنے کی توقع کرتے ہیں، آنے والے میں میں افراط از رکی شرح سب سے زیادہ رہنے کا مکان ہے۔

بیرونی معاذپر، میں سال 2023 کی پہلی سماں کے دوران، درآمدات سال پر سال 12.7% ارب ڈالر میں جبکہ درآمدات 1.8% اضافے کے ساتھ 7 ارب ڈالر ہو گئیں۔ نتیجے کے طور پر کرنٹ اکاؤنٹ خسارہ اگست میں مسلسل دوسرے ماہ کی کے ساتھ 0.7 ارب ڈالر رہ گی، جو لامی کے مقابلے میں تقریباً برابر ہے۔ تاہم یہ بات مدنظر رکھنا بھی ہم ہے کہ کرنٹ اکاؤنٹ خسارے میں یہ بہتری نہ کارکات اور ایلیس کے اجراء میں انتہائی احتیاط برنتے کے نتیجے میں درآمدات کم کر کے مصنوعی طور پر لائی گئی تھی۔ مزید برآں گز شہس ماہی کے دوران ڈھنڈھنے والی کی وجہ سے تیل کی درآمدات کم رہیں۔ ہم پیش گوئی کرتے ہیں کہ درآمدات پر پابندیاں دیکھ رہیں گی، اس وقت تک درآمدات کم رہیں گی اور طہرانیت کا حساس اگلے چند میں تک برقرار رہے گا۔ جب یہ ختم ہو گا تو خدشہ کے طلب میں اضافہ کرنٹ اکاؤنٹ بیٹیں کے حوالے سے تمام کامیابیاں بھالے جائے گا اور یوں امکان ہے کہ میں سال 2023 میں کرنٹ اکاؤنٹ خسارہ بیٹیں 14 ارب ڈالر تک جا پہنچے گا۔ تاہم عالمی کاساڈ بازاری سے متعلق خدشات کے باعث تیل کی قیمتوں میں کمی سے کچھ فائدہ ہو سکتا ہے اور ہمارے تینیوں میں واقعی تبدیلی آتی ہے۔

مالیاتی نظائرہ سے، پہلی سماں کے دوران، ایف بی آر کے تیون کردوہ مجموعات 1.6 تریلیون روپے تک پہنچ گئے، جو بدھ سے 27 ارب روپے زائد تھے۔ آگے چل کر درآمدات پر مسلسل پابندیوں اور سیاہ سے ہونے والی تباہی کے تناظر میں حکومت کے لیے مالیاتی ایکٹکام کا حصول مشکل ہو گا اور کسی بھی قسم کے مالی مسائل سے بچنے کے لیے یہ وہ ملک سے اضافی وسائل درکار ہوں گے۔

فکسڈ اکٹکام مارکیٹ کا جائزہ

ماں سال 2023 کی پہلی سماں میں، اسٹریٹ بینک آف پاکستان نے شرح سوکسی تبدیلی کے بغیر 15% پر برقرار رکی۔ یہ اندام معاشی سرگرمی میں

مسلسل ست روپی کے ساتھ ساتھ ہبہ لائن افراطریز میں کی اور کرنٹ اکاؤنٹ خسارے کے پیش نظر کیا گیا۔ سہ ماہی کے دوران، 3 ماہ، 6 ماہ اور 12 ماہ کی میعاد کے لیے Kibor کی سہ ماہی پر سہ ماہی شرح 0.60bps یا 0.06% 15.91%، 15.77% اور 15.21% T-bill میانچے جات میں بھی سہ ماہی پر سہ ماہی 1% اضافہ ہوا اور 3 ماہ، 6 ماہ اور 12 ماہ کی میعاد کے لیے شرح با ترتیب 15.97%، 15.95% اور 15.98% ہو گئی۔ اس کے برعکس، 3 سال اور 10 سالہ میعاد کے لیے PIB کے میانچے جات میں کمی واقع ہوئی۔ تیسرا سہ ماہی کے دوران پانچ سالہ میعاد کے لیے حکومت پاکستان کی اجارة صکوں بیلا میوں کا انتقاد ہوا۔ 100 ارب روپے کی منظور شدہ رقم کے ساتھ میں بیلا میوں کا مجموعی جم 195 ارب روپے تھا۔ مخفی شرح کے صکوں 27 اپریل 2022 کے مطابق 13.5279% کے کوپن پر جاری کیے گئے تھے اور کٹ آف توقع سے کم 99.6-99.67 رہے۔

مستقبل کی توقعات

اسٹیٹ میک نے مالی سال 2022 کی دوسری ششماہی میں اپنا پالیسی ریٹ بڑھا کر 13.75% کردار اور جو لوگی میں اس میں مزید 125bps کا اضافہ کر دیا۔ اس وقت پالیسی ریٹ 15.0% ہے۔ یہ افراطریز کی بڑھتی ہوئی شرح (جو 25% تک جا پہنچی ہے) اور کرنٹ اکاؤنٹ خسارے کی بڑھتی ہوئی صورت حال کا جواب تھا۔

پاکستان نے بالآخر تو سعی فذیلی کے 7 ویں اور 8 ویں چاہزے کے لیے آئی ایف بورڈ کی منظوری حاصل کر لی۔ سیاسی بیانی میں اضافے کی وجہ سے آئی ایف پرограм کا تسلیم اور اسکے پر اقدامات و معیار کا کردار گی کا نفاذ بدستور مسئلہ بننے ہوئے ہیں۔ عام انتخابات کا انعقاد جون 2023 میں متوقع ہے، تاہم حزب اختلاف کے ملک گیر جلسے جاری ہیں اور وہ قبضہ از وقت انتخابات کا مطالعہ کر رہی ہے۔

سیالاب نے بوجتنان اور سندھ کے سینچھے میں جاہی چائی اور اس کی وجہ سے تین کروڑ افراد مکانی پر مجبور ہو گئے۔ حالیہ ختوں کے دوران جاتی کی وسعت سامنے آنے کے بعد نقصانات کا بندائی تھیں تین گناہ بڑھ کر 10 ارب ڈالر سے 30 ارب ڈالر تک جا پہنچے۔ سیالاب سے زرعی اراضی کو بھی بڑے پیمانے پر نقصان پہنچا کیا گیا، پھر ان، پیاز، بیٹا اور دیگر اچناس کی فضیلیں متاثر ہوئی ہیں۔

آگے چل کر، مستقبل کی توقعات کا انحراف سیاست کی سمت، انتخابات کے وقت اور اس مشکل صورت حال میں آئی ایف پرограм کو جاری رکھنے پر ہو گا۔ پاکستان کے یوروبانڈز کے سودے بدستور میں منافع پر ہو رہے ہیں۔ اشیائے تجارت کی قیمتیں بدستور زیادہ ہیں؛ اگرچہ بلا گکوڈی میں اندر کیس میں حال ہی میں 20% کی آئی ہے، پھر بھی یہیں ازدواج سطح سے 50% اور پر ہے۔ اشیائے تجارت کی جاری پہنچائی یہ وہی اکاؤنٹ میں اتحاد کے کسی بھی امکان کو متاثر کر رکھتی ہے۔

عالیٰ طیار مالیاتی امور میں جنت گیری کا آغاز ہو چکا ہے۔ امریکی فیڈرل ریزرو 75 پیس پاؤنڈس کے اضافے سے شرح سوکو 3.25%-3% تک کے رخی میں لے جانے والا ہے۔ یہ 2 دہائیوں میں سب سے زیادہ شرح ہے جبکہ افراطریز کی شرح 4 دہائیوں میں بلند ترین سطح پر ہے۔ افراطریز کی بلند شرح کے باعث دنیا بھر میں سیاسی عدم اتحاد کا فراہمہ ہے۔ جیتن، روس اور امریکا اپنا اثر و نفع بڑھا رہا ہے ہیں، جس کی وجہ سے جو پونڈیکل کشیدگی میں اضافہ ہو گیا ہے۔ تاریخی طور پر گلوبالائزیشن کی لائے والی وقت سچھا جاتا رہا ہے؛ تاہم اب وقت ذی گلوبالائزیشن، سائل کوچیائے جانے اور عوامی خوتوں کے حق میں کوت لے چکا ہے۔ عالمی میشیٹ سے متعلق توقعات کا زیادہ تر انحراف ان ختوں کے ایک دوسرے کے ساتھ تعالیٰ، میں الاؤای سٹریٹ پر پہنچائی کی رفتار اور مالیاتی جنت گیری پر ہے۔

اطہار تکمیر

یہ بورڈ اپنے قابل قدر انویسٹر، سکیورٹیز ایڈا، کچھ کیشن آف پاکستان، اسٹریٹ پینک آف پاکستان، فنڈ کے ٹریشی سینڈل ڈپاٹیٹری کپنی آف پاکستان لمبیدا اور پاکستان اسٹاک اسٹھیچ لمبیدا کی میختہ کا، ان کے مسلسل تعاون اور مدد پر شرگزار ہے۔ میختہ کپنی کے ڈائریکٹر فیز کی ترقی اور داشت مندانہ انتظام و انصرام کے لیے میختہ کپنی کی ٹیم کی خدمت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے وظیفہ بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 31 اکتوبر 2022

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

	Note	September 30, 2022 (Rupees)
ASSETS		
Bank balances	6	210,610,000
Deferred Formation Cost	7	1,522,300
Accrued mark-up and other receivable		155,021
Secutiry Deposit		100,000
TOTAL ASSETS		212,387,321
LIABILITIES		
Payable to the Management Company	8	1,652,300
Payable to the Trustee		714
Annual fee payable to the Securities and Exchange Commission of Pakistan		230
Accrued expenses and other liabilities	9	2,880
TOTAL LIABILITIES		1,656,124
NET ASSETS		<u>210,731,197</u>
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		
		<u>210,731,197</u>
CONTINGENCIES AND COMMITMENTS		
Number of units in issue	10	(Number of units)
		<u>2,105,793</u>
		(Rupees)
Net assets value per unit		<u>100.0721</u>

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	Note	2022 (Rupees)
INCOME		
Markup on bank balances		155,021
Total Income		155,021
EXPENSES		
Remuneration to the Management Company	8.1	-
Sindh Sales tax on remuneration to the Management Company	8.2	-
Remuneration to the Trustee		632
Sindh Sales tax on remuneration to the Trustee		82
Annual fee to the Securities and Exchange Commission of Pakistan		230
SECP supervisory fee		18
Auditors' remuneration		1,442
Shariah Advisory Fee		1,238
Fees and subscription		182
Total Expenses		3,824
Net Income for the period before Taxation		151,197
Taxation	11	-
Net income for the period after taxation		151,197
Allocation of Net Income for the period		
Net income for the year after taxation		151,197
Income already paid on units redeemed		-
Accounting income available for distribution		151,197
-Relating to capital gains		-
-Excluding capital gains		151,197
Accounting income available for distribution		151,197

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

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

Chief Executive Officer

Chief Financial Officer

Director

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

	Note	2022 (Rupees)
Net income for the period after taxation		151,197
Other comprehensive income		-
Total comprehensive income for the period		<u>151,197</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

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

	September 2022		
	Capital value	Undistributed Income	Total
	----- (Rupees)-----		
Net assets at beginning of the period	-	-	-
Issuance of 2,105,793 units			
- Capital value	210,579,261	-	210,579,261
- Element of income	739	-	739
Total proceeds on issuance of units	210,580,000	-	210,580,000
Redemption of Nil units			
- Capital value	-	-	-
- Element of loss	-	-	-
Total payments on redemption of units	-	-	-
Total comprehensive income for the period	-	151,197	151,197
Net income for the period less distribution	-	151,197	151,197
Net assets as at end of the period	210,580,000	151,197	210,731,197
Undistributed income brought forward:			
- Realized income	-		
- Unrealized income	-		
Accounting income available for distribution:			
Relating to capital gains	-		
Excluding capital gains	151,197		
Undistributed income at end of the period		151,197	
Undistributed income carried forward			
- Realized income	151,197		
- Unrealized income	-		
Undistributed income at end of the period		151,197	
Net assets value per unit at beginning of the period			-
Net assets value per unit at end of the period			100.0721

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

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

Chief Executive Officer

Chief Financial Officer

Director

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

	Note	2022 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income for the period before Taxation		151,197
Adjustments for non-cash charges and other items:		
Mark-up receivable		(155,021)
		(3,824)
(Increase) in assets		
Investments - net		-
Security Deposit		(100,000)
Formation cost		(1,522,300)
		(1,622,300)
Increase in liabilities		
Payable to the Management Company		1,652,300
Payable to the Trustee		714
Annual fee to the Securities and Exchange Commission of Pakistan		230
Accrued expenses and other liabilities		2,880
		1,656,124
Net cash (used in) operating activities		30,000
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issue of units		210,580,000
Cash paid on redemption of units		-
Net cash flow from financing activities		210,580,000
Net (decrease) in cash and cash equivalent during the period		210,610,000
Cash and cash equivalent at the beginning of the period		-
Cash and cash equivalent at the end of the period		210,610,000

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

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

Chief Executive Officer

Chief Financial Officer

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

The Lakson Islamic Money Market Fund (the "Fund") was established under the Trust Deed executed on 29 September 2022 between the Lakson Investments Limited as its Management Company, a company incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017) and the Central Depository Company of Pakistan Limited (CDC) as its Trustee, also incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017). The Fund has been registered as a Notified Entity on 11 April 2022 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore, while the head office is in the Lakson Square Building No. 2, Karachi.

The Fund is an open end mutual fund. 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 "Shariah Compliant Islamic Money Market Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and is authorised to invest in Shariah-compliant investments within the limits prescribed in the offering document so as to ensure a riba-free return on investments. All investments of the Fund are as per the guidelines of the Shariah principles provided by the Shariah Advisor of the Fund and comprise of the investments permissible as 'Authorised Investments' under the Trust Deed.

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

Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 26 August 2022. On September 06, 2022, PACRA assigned AA(f) rating to the Fund

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

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

2.3 Comparative figures on statement of assets and liabilities, condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim movement in unit holder fund has not been presented as the fund launched on September 29, 2022.

2.3 Basis of measurement

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

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund. All amount have been rounded off to the nearest of rupees, unless otherwise indicated.

3. Significant judgement and estimates

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to financial statements for the year ended June 30, 2022.

4. SIGNIFICANT ACCOUNTING POLICIES

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

5. FINANCIAL RISK MANAGEMENT

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

			September 30, 2022 (Unaudited) (Rupees)
6. BANK BALANCES		Note	
In local currency			
In profit and loss sharing accounts	6.1		<u>210,610,000</u>
			<u>210,610,000</u>
6.1 These carry mark-up rates ranging from 11.00% to 13.50% per annum.			
7. DEFERRED FORMATION COST			
Formation cost incurred			1,522,300
Amortised to the income statement during the period			-
Unamortised cost at the end of the period			<u>1,522,300</u>

As per the offering document all preliminary and floatation expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred for announcing the Fund and other expenses during and up to the Initial Offering Period (IOP) subject to a maximum of one per cent (1.5%) of the net assets at the close of the IPO, shall be borne and reimbursed by the Fund to the Management Company subject to the audit of expenses. Such Formation Cost shall be amortized over a period of not less than five years.

September 30,
2022
(Unaudited)
(Rupees)

8. PAYABLE TO THE MANAGEMENT COMPANY	Note	
Remuneration payable to the Management Company	8.1	-
Sales tax payable on remuneration to the Management Company	8.2	-
Payable to Management Company on account of Security Deposit		130,000
Formation Cost Payable		1,522,300
		<u>1,652,300</u>

- 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 1% per annum of the average annual net assets of the Fund. The effective management fee rate for the quarter ended 30 September 2022 is Nil. 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% on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

9 ACCRUED AND OTHER LIABILITIES

Auditors' remuneration	1,442
Shariah advisory fee	1,238
SECP supervisory fee	18
PSX listing fee	182
	<u>2,880</u>

10. CONTINGENCIES AND COMMITMENTS

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

11. TAXATION

- 11.1 The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial statement.

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

12.1 Detail of balance with related parties / connected persons at the period end

	September 30, 2022 (Unaudited) (Rupees)
Lakson Investments Limited - Management Company	
Remuneration payable	-
Sindh Sales Tax payable on Management Company's remuneration*	-
Payable to Management Company on account of Security Deposit	130,000
Formation Cost Payable	<u><u>1,522,300</u></u>
Central Depository Company of Pakistan Limited - Trustee	
Remuneration payable	632
Sindh Sales Tax payable on Trustee remuneration*	82
Security Deposit	<u><u>100,000</u></u>

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

12.2 Detail of transaction with related parties / connected persons during the period

Lakson Investments Limited - Management Company of the Fund	-
Remuneration to the Management Company	-
Sindh Sales Tax on Management Company's remuneration*	-
Central Depository Company of Pakistan Limited - Trustee	
Remuneration for the period	632
Sindh Sales Tax on Trustee remuneration*	<u><u>82</u></u>

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



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

LAKSON ISLAMIC MONEY MARKET FUND

12.3 Details of transaction and balances with directors, key management personnel, employees, associated company/ undertaking of the Management Committee and persons connected therewith and their immediate family members.

Period ended September 30, 2022						Rupees			
Number of Units			Number of Holdings at the end of the period			Balance as at July 01, 2022	Units issued during the period	Units redeemed during the period	Balance at the end of the period
-	1,00,00,000	-	1,00,00,000	-	100,00,000	-	100,00,000	-	100,072,100
Number of Units as at July 01, 2022	Units issued during the period	Units redeemed during the period	Number of Holdings at the end of the period	Balance as at July 01, 2022	Units issued during the period	Units redeemed during the period	Number of Holdings at the end of the period	Balance as at July 01, 2022	Units issued during the period
-	13,040	-	13,040	-	1,304,000	-	-	1,304,940	-
-	15,330	-	15,330	-	1,533,000	-	-	1,534,105	-
-	18,380	-	18,380	-	1,838,000	-	-	1,839,325	-
-	178,290	-	178,290	-	178,29,000	-	-	178,41,355	-
-	165,850	-	165,850	-	16,585,000	-	-	16,595,558	-
-	162,650	-	162,650	-	16,265,000	-	-	16,276,727	-
-	193,950	-	193,950	-	19,395,000	-	-	19,408,384	-
-	84,700	-	84,700	-	8,470,000	-	-	8,476,107	-
-	50,440	-	50,440	-	5,044,000	-	-	5,047,537	-
-	2,290	-	2,290	-	229,000	-	-	229,165	-
-	10,680	-	10,680	-	1,068,000	-	-	1,068,170	-
-	21,610	-	21,610	-	2,161,000	-	-	2,162,558	-
-	11,340	-	11,340	-	1,134,000	-	-	1,134,818	-
-	46,540	-	46,540	-	4,654,000	-	-	4,657,356	-
-	9,820	-	9,820	-	982,000	-	-	982,708	-
-	18,483	-	18,483	-	1,849,000	-	-	1,849,665	-

13. TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required 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 quarter ended September 30, 2021 is 0.33% which includes 0.04% representing government levies (comprising of SECP fee, SECP Supervisory fee etc.). As per NBFC Regulation the total expense ratio of the Islamic Money Market Scheme shall be capped up to 2%. (excluding the government levies).

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

Quoted prices (unadjusted) in active markets for identical assets or liabilities 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); and

Unobservable inputs for the asset or liability (level 3).

As at September 30, 2022 there are no financial instruments under the fair value hierarchy.

15. GENERAL

15.1 The corresponding figures have been re-arranged wherever necessary

15.2 Figures have been rounded off to the nearest rupee

16. DATE OF AUTHORIZATION FOR ISSUE

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

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

Chief Executive Officer

Chief Financial Officer

Director



A Lakson Group Company

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