

LAKSON ISLAMIC MONEY MARKET FUND  
Quarterly Report (December 31, 2022)





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## **Fund's Information**

### **Management Company**

Lakson Investments Limited  
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Sarwar Shaheed Road,  
Karachi-74200, Pakistan.  
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E-mail: [info@li.com.pk](mailto: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**

Dubai Islamic Bank Pakistan Limited  
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 December 31, 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 half year ended December 31, 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 14.67% in 2QFY23 compared to Benchmark (Three (3) Months Average Deposit Rates Of Three (3) AA Rated Scheduled Islamic Banking Windows Of Conventional Banks Are Selected By Mutual Fund Association Of Pakistan ('MUFAP') return of 6.01%. The LIMMF outperformed the benchmark by 8.66%. Asset allocation was concentrated in cash at 92.60%, commercial paper 6.2% and others as 1.2%. The weighted average maturity (WAM) of the LIMMF portfolio stands at 165 days and fund size as of December 31st 2022 is PKR 1,599 million.

### **Earning per Unit (EPU)**

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

### **Income Distribution**

The Chief Executive Officer under the authority from Board of Directors of the Management Company during the period declared the interim payouts of PKR 2.6024 per unit (2.6024%) of face value of PKR 100/- amounting to PKR 2.7861 million distribution in cash during the period ended December 31, 2022.

### **Economic Review**

After a round of tightening in 1HCY22, SBP continued to increase the PR in 2HCY22, first to 15% and then to 16%. CPI increased substantially during the second half, from a run rate of 12 - 13% in 1HCY22 to 21% by June and 27% by August 2022. This was the result of reversal of subsidies on petrol & diesel and imposition of Petroleum Development Levy (PDL) to boost fiscal revenues. Rising transport costs led to a general rise in inflation and headline CPI continues to range from 23-25%.

Pakistan posted a CAD of USD 2.1 BN in June 2022; the CAD consistently improved since then with the November 2022 number at USD 276 MN. Improvement was achieved despite a drop in remittances and exports that was offset by import controls due to shortage of dollars. As a result of the dollar shortage, a parallel market for the greenback has emerged where exchange rates spread to the interbank range from 10-15%. The official exchange rate continues to hover around 224 - 228. The exchange differential has led to a drop in official remittances from a run rate of USD 2.8 - 3.0 BN dollars to USD 2.1 BN dollars as of November 2022.

Economic activity has been hit hard, once on the demand side due to contractionary fiscal and monetary policy and then again on the supply side due to import shortages. Pakistani companies rely on some form of raw material import to produce their desired goods. This has been difficult due to import shortages that have even led to temporary factory closures, mostly prevalent in the automobile assembler space.



Growth is expected to take a hit due to the current economic situation. Tight fiscal & monetary policy has led to a cost-of-living crisis for the populace and consequently, demand has struggled. The resumption of normal economic activity depends on Pakistan's ability to attract dollar inflows, and this has been hampered by the tense domestic political situation and the flight to quality phenomenon in global debt markets.

#### **Fixed Income Market Review**

In 2HCY22, the State Bank of Pakistan decided to raise the benchmark policy rate by 100bps to 16.0%. The decision to hike the policy rate was taken in lieu of the fact, that inflationary pressures have proven to be stronger and more persistent than expected. It is as such the aim of the Central bank, to ensure that inflation does not become entrenched and the risks to financial stability are contained.

During the second half of CY22, Kibor rates inched up by c.1.7% HoH to 17.00%, 17.04% and 17.34% for 3M, 6M and 12M rates. T-bill yields also increased by c.1.9% HoH with 3M/6M/12M rates clocking in at 16.96%/16.81%/16.81%. On the flip side, PIB yields saw a decrease for the 3 Year and 10 Year tenor.

During the half 7 GOP Ijarah Sukuk auctions were held for the 5Y tenor. Total auction size across the seven auctions was PKR 475 BN with an accepted amount of PKR 345 BN. The variable rate sukuks were issued at a coupon of 15.6903% as of 8th December 2022 and the cut-offs came in below par at 99.6 - 98.78.

#### **Future Outlook**

Inflation continues to average 25% YoY and is expected to remain in this range until the base effect kicks in during 4QCY23. However, new inflationary pressures are mounting such as the steep rise in prices of wheat & chicken. Furthermore, if Pakistan complies with IMF diktat as expected, electricity prices and gas prices will rise further, and new taxation measures may be imposed. These will be detrimental for the inflation outlook and may not allow monetary easing in the near term.

At the same time as we deal with a cost-of-living crisis, there is an external account crisis and significant dollar shortage. Reserves are now under USD 6 BN and while new commitments have been received by friendly countries, they are unlikely to stabilize reserves, let alone increase them. The situation is being exacerbated by the artificial control on the value of the USD/PKR at 224-228 while a parallel market has emerged which trades at a 10-15% premium. This measure is hurting exporters and leading to USD 500 - 1,000 MN lower remittances monthly. Currency devaluation and increase in energy rates are politically sensitive measures and these have been delayed due to the political stalemate between the ousted PTI and the ruling PDM coalition. Elections are on the horizon in October 2023.

The outlook for equities depends on quick resolution of the domestic political scenario and the dollar shortage. Both are somewhat linked with international actors waiting for political consensus to emerge before lending large sums to Pakistan. The case for equities is strong, provided these issues are resolved as the KSE100 trades a 3-4x P/E multiple i.e. a 25 - 33% earnings yield which is around 50% below the long term average

#### **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: February 20, 2023**



## لیکسن اسلامک منی مارکیٹ فنڈ 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لیے مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن اسلامک منی مارکیٹ فنڈ ("LIMMF") کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کیلئے 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

### فنڈ کا مقصد

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

### نمایاں سرگرمیاں

فنڈ ایک اوپن اینڈ شریعہ سے مطابقت رکھنے والا منی مارکیٹ فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ فنڈ شریعہ سے مطابقت رکھنے والی گورنمنٹ سیکیورٹیز، شریعہ کے مطابق Placements، ہرم ڈپازٹ ریٹس اور دیگر اسلامک مختصر مدتی انسٹرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی 3 ماہ سے کم رکھی جاتی ہے۔ LIMMF صرف ان سیکیورٹیز میں سرمایہ کاری کرتا ہے جنہیں پاکستان میں کسی ریٹنگ ایجنسی نے کم از کم "AA" ریٹنگ دے رکھی ہو اور جن کی میچورٹی 6 ماہ سے کم ہو۔ کریڈٹ رسک کم کرنے کے لیے سرمایہ کاری سے پہلے مقابل پارٹی کا کریڈٹ کے حوالے سے باریک بینی سے تجزیہ کیا جاتا ہے۔ پورٹ فولیو کی مختصر میچورٹی پوزٹ ہولڈرز کو شرح سود کے اتار چڑھاؤ کے خلاف تحفظ دیتی ہے، جب کہ فنڈ کی لیکویڈیٹی میں اضافہ کرتی ہے۔

### فنڈ کی کارکردگی

LIMMF نے منیج مارک منافع (3 AA ریٹڈ شیڈ پیلڈ اسلامک بینکنگ کنوینشنل بینکوں کی شاخوں کی تین ماہ کی اوسط ڈپازٹ ریٹس کی شرح کا انتخاب میوچل فنڈ ایسوسی ایشن آف پاکستان (MUFAP) کے ذریعے کیا جاتا ہے۔) 6.01% کے مقابلے میں مالی سال 2023 کی دوسری سہ ماہی میں 14.67% منافع کمایا۔ LIMMF نے منیج مارک کے مقابلے میں 8.66% بہتر کارکردگی کا مظاہرہ کیا۔ اثاثوں کی تفویض کیش میں 92.60%، کمرشل پیپر میں 6.2% اور دیگر میں 1.2% تک مرکوز رہی۔ LIMMF پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی (WAM)، 165 دن ہے اور 31 دسمبر 2022ء کے مطابق فنڈ کا حجم 1,599 ملین روپے ہے۔





فی شیئر آمدنی (EPU)

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

آمدنی کی تقسیم

چیف ایگزیکٹو آفیسر نے منجھٹ کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے دیئے گئے اختیار کے تحت 31 دسمبر 2022 کو ختم ہونے والی مدت کے لیے فی پونٹ 2.6024 روپے (100 روپے کی فیس ویلیو کا 2.6024%) کی عبوری کیش ادائیگی کا اعلان کیا ہے، جس کی مالیت 2.7861 ملین روپے بنتی ہے۔

معاشی جائزہ

سال 2022 کی پہلی ششماہی میں سخت اقدامات کے بعد اسٹیٹ بینک نے سال 2022ء کی دوسری ششماہی میں شرح سود میں اضافہ جاری رکھا، پہلے 15 فیصد اور پھر 16 فیصد تک۔ دوسری ششماہی کے دوران CPI میں خاطر خواہ اضافہ ہوا، سال 2022 کی پہلی ششماہی کا 12 سے 13 فیصد کارن ریٹ جون تک 21 فیصد اور اگست 2022 تک 27 فیصد ہو گیا۔ یہ پٹرول اور ڈیزل پر سبسڈی ختم کرنے اور مالی محصولات کو بڑھانے کے لیے پٹرولیم ڈیو پلینٹ لیوی (پی ڈی ایل) کے نفاذ کا نتیجہ تھا۔ ٹرانسپورٹ کے بڑھتے ہوئے اخراجات کی وجہ سے افراط زر میں عمومی اضافہ ہوا اور ہیڈ لائن سی پی آئی 23-25 فیصد کی رینج میں رہا۔

جون 2022 میں پاکستان کا ”سی اے ڈی“ 2.1 ارب ڈالر تھا۔ اس کے بعد سے CAD میں مسلسل بہتری آئی اور نومبر 2022 میں یہ 276 ملین امریکی ڈالر تھا۔ یہ بہتری ڈالر کی قلت کے باعث لاگو کی جانے والی درآمدی پابندیوں کی وجہ سے ترسیلات زر اور برآمدات میں آنے والی کمی کے باوجود حاصل کی گئی۔ ڈالر کی قلت کے نتیجے میں ایک متوازی مارکیٹ ابھر کر سامنے آئی، جہاں آپکھنچ ریٹ، انٹریٹنگ ریٹ 10-15 فیصد زائد ہے۔ سرکاری شرح تبادلہ 228-224 کے آس پاس رہی ہے۔ شرح تبادلہ کے فرق کی وجہ سے نومبر 2022 تک باضابطہ ترسیلات زر 3.0۲2.8 ارب ڈالر سے کم ہو کر 2.1 ارب ڈالر رہ گئیں۔

معاشی سرگرمیوں کو شدید دھچکا لگا ہے، ایک جانب تو سکڑتی ہوئی مالی اور زری پالیسی کے باعث طلب کے حوالے سے اور دوسری جانب درآمدات میں کمی کے نتیجے میں رسد کے حوالے سے۔ پاکستانی کمپنیاں اپنی مطلوبہ اشیاء کی پیداوار کے لئے کسی نہ کسی قسم کے خام مال کی درآمد پر انحصار کرتی ہیں۔ تاہم درآمدات میں کمی کی وجہ سے یہ مشکل ہو گیا ہے جس کی وجہ سے فیکٹریاں عارضی طور پر بند ہو گئیں، جن میں آٹوموبائل اسمبلر ز نمایاں ہیں۔

موجودہ معاشی صورتحال کی وجہ سے شرح نمو متاثر ہونے کا امکان ہے۔ سخت مالیاتی اور زری پالیسی کی وجہ سے عوام کے لیے مہنگائی کا



بحر انہید اہوا ہے اور اس کے نتیجے میں طلب متاثر ہوئی ہے۔ معمول کی معاشی سرگرمیوں کی بحالی کا انحصار پاکستان کی ڈالرز کے حصول کی صلاحیت پر ہے جو کشیدہ ملکی سیاسی صورتحال اور عالمی قرضہ جات مارکیٹ میں محتاط روی کے رجحان کی وجہ سے متاثر ہوئی ہے۔

فلسفہ انکم مارکیٹ کا جائزہ

سال 2022ء کی دوسری ششماہی میں اسٹیٹ بینک آف پاکستان نے بینچ مارک شرح سود کو 100 بی پی ایس بڑھا کر 16.0 فیصد کرنے کا فیصلہ کیا۔ شرح سود میں اضافے کا فیصلہ اس حقیقت کے تناظر میں کیا گیا کہ افراط زر کا دباؤ توقع سے زیادہ شدید اور دیر پا ثابت ہوا ہے۔ اس اقدام سے مرکزی بینک کا مقصد یہ یقینی بنانا ہے کہ افراط زر میں اضافہ نہ ہو اور مالی استحکام کو لاحق خطرات پر قابو پایا جاسکے۔

سال 2022ء کی دوسری ششماہی کے دوران 3 ماہ 6 ماہ اور 12 ماہ کی میعاد کے لیے Kibor کی شرح HoH 1.7% c. بڑھ کر بالترتیب 17.00%، 17.04% اور 17.34% ہو گئی۔ T-bill منافع جات میں بھی HoH 1.9% c. اضافہ ہوا اور 3 ماہ 6 ماہ اور 12 ماہ کی میعاد کے لیے شرح بالترتیب 16.96%، 16.81% اور 16.81% ہو گئی۔ اس کے برعکس، 3 سالہ اور 10 سالہ میعاد کے لیے PIB کے منافع جات میں کمی واقع ہوئی۔

مستقبل کی توقعات

افراط زر کی سال بہ سال شرح او۔ ط 25 فیصد ہے اور توقع ہے کہ یہ اسی رینج میں اس وقت تک برقرار رہے گی جب تک کہ سال 2023 کی چوتھی سہ ماہی کے دوران بنیادی اثر مرتب ہونا شروع نہیں ہو جاتا۔ تاہم افراط زر کے نئے دباؤ میں اضافہ ہو رہا ہے جیسے کہ گندم اور مرغی کی قیمتوں میں تیزی سے اضافہ ہوا ہے۔ مزید برآں اگر پاکستان نے توقع کے مطابق آئی ایم ایف کی شرائط پر عملدرآمد کیا تو بجلی اور گیس کی قیمتوں میں مزید اضافہ ہوگا اور محصولات سے متعلق نئے اقدامات کیے جاسکتے ہیں۔ یہ افراط زر کے نقطہ نظر سے نقصان دہ ہوں گے اور مستقبل قریب میں مالیاتی معاملات میں نرمی کی اجازت نہیں دیں گے۔

ایک ایسے وقت پر کہ جب ہم اخراجات زندگی کے بحران سے نمٹ رہے ہیں، ایکسٹرنل اکاؤنٹ کا بحران اور ڈالر کی نمایاں قلت بھی موجود ہے۔ زرمبادلہ ذخائر اب 6 ارب ڈالر سے کم ہیں، اگرچہ دوست ممالک کی جانب سے نئے وعدے کیے گئے ہیں لیکن ان سے زرمبادلہ ذخائر میں اضافہ تو دور کی بات، ان کے مستحکم ہونے کا بھی امکان نہیں ہے۔ مصنوعی کنٹرول کے ذریعے 228-224 روپے فی امریکی ڈالر کی شرح تبادلہ برقرار رکھنے کی وجہ سے صورتحال مزید خراب ہوئی جبکہ ایک متوازی مارکیٹ سامنے آگئی، جہاں 10-15 فیصد پریمیم پر ٹریڈنگ ہونے لگی۔ اس اقدام سے برآمد کنندگان کو نقصان پہنچ رہا ہے اور ترسیلات زر میں بھی مابانہ 500 سے 1000 ملین ڈالر کی کمی واقع ہو رہی ہے۔ کرنسی کی قدر میں کمی اور توانائی کے نرخوں میں اضافہ سیاسی طور پر حساس معاملات ہیں اور سابق حکمران جماعت پی ٹی آئی اور موجودہ حکمران ”پی ڈی ایم“ اتحاد کے درمیان سیاسی تھقل کی وجہ سے ان میں تاخیر ہوئی ہے۔ عام انتخابات اکتوبر 2023ء



میں متوقع ہیں۔

ایکویٹیز کے لیے امکانات کا انحصار داخلی سیاسی صورتحال میں بہتری اور ڈالر کی قلت پر قابو پانے پر ہے۔ یہ دونوں معاملات کسی حد تک بین الاقوامی عناصر سے جڑے ہوئے ہیں جو پاکستان کو بھاری رقوم دینے سے پہلے سیاسی اتفاق رائے کے ظاہر ہونے کا انتظار کر رہے ہیں۔ ایکویٹیز کا کیس مضبوط ہے، بشرطیکہ یہ مسائل حل کر لیے جائیں کیونکہ کے ایس ای 100 انڈیکس 3-4xP/E multiple پر ٹریڈ کر رہا ہے یعنی %25-33 آمدنی جو طویل مدتی اوسط سے تقریباً 50 فیصد کم ہے۔

اظہار تشکر

بورڈ اپنے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ انکیسٹمنٹ کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک انکیسٹمنٹ لمیٹڈ کی انتظامیہ کا ان کے مسلسل تعاون اور مدد پر شکریہ ادا کرتا ہے۔ منجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانشمندانہ انتظام و انصرام کے لیے منجمنٹ کمپنی کی ٹیم کی کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و مخائب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 20 فروری 2023ء

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED****Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahr-e-Faisal  
Karachi - 74400, Pakistan.  
Tel : (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)

**TRUSTEE REPORT TO THE UNIT HOLDERS****LAKSON ISLAMIC MONEY MARKET FUND****Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance  
Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Lakson Islamic Money Market Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund from September 29, 2022 to December 31, 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: February 22, 2023



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Pakistan

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **LAKSON ISLAMIC MONEY MARKET FUND** ("the Fund") as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information from September 29, 2022 to December 31, 2022 (hereinafter referred to as "condensed interim financial information"). Lakson Investments Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and from September 29, 2022 to December 31, 2022 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

KARACHI

DATED: February 24, 2023

UDIN: AR202210067ESI62MXps

CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

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

**Condensed Interim Statement of Assets and Liabilities  
As at December 31, 2022**

	Note	December 31, 2022 (Rupees)
<b>ASSETS</b>		
Bank balances	4	1,483,805,371
Investments	5	100,000,000
Deferred Formation Cost	6	1,519,802
Accrued mark-up and other receivable		17,560,039
Secutiry Deposit		100,000
<b>TOTAL ASSETS</b>		<b>1,602,985,212</b>
<b>LIABILITIES</b>		
Payable to the Management Company	7	1,740,265
Remuneration payable to the Trustee		69,573
Annual fee payable to Securities and Exchange Commission of Pakistan		42,217
Accrued expenses and other liabilities	8	2,223,669
<b>TOTAL LIABILITIES</b>		<b>4,075,724</b>
<b>NET ASSETS</b>		<b>1,598,909,488</b>
<b>UNIT HOLDERS' FUND</b>		<b>1,598,909,488</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	
		(Number)
<b>NUMBER OF UNITS IN ISSUE</b>		<b>15,816,686</b>
		(Rupees)
<b>NET ASSETS VALUE PER UNIT</b>		<b>101.0900</b>

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

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

Chief Executive Officer

Chief Financial Officer

Director



## Condensed Interim Income Statement (Unaudited) For the quarter ended December 31, 2022

For the Period from  
29 September 2022  
to 31 December 2022  
Rupees

**Income**

Return / mark up on :	
-bank balances - at amortised cost	31,446,585
<b>Total income</b>	<b>31,446,585</b>

**Expenses**

Remuneration to the Management Company	7.1	77,845
Sindh Sales tax on remuneration to the Management Company		10,120
Remuneration to the Trustee		116,096
Sindh Sales tax on remuneration to the Trustee		15,093
Annual fee to the Securities and Exchange Commission of Pakistan		42,217
SECP supervisory fee		846
Auditors' remuneration		72,670
Shariah Advisory Fee		3,090
Legal and Professional Charges		1,640
Bank charges		2,260
Amortization of deferred formation cost		2,498
Fees and subscription		43,954
		<b>388,329</b>
<b>Net income from the operating activities</b>		<b>31,058,256</b>
Sindh Workers' Welfare Fund (SWWF)		-
<b>Net income for the period before taxation</b>		<b>31,058,256</b>
<b>Taxation</b>	11	-
<b>Net income for the period after taxation</b>		<b>31,058,256</b>

**Allocation of net income for the period after taxation**

Net income for the period after taxation	31,058,256
Income already paid on units redeemed	(15,147,508)
	<b>15,910,748</b>
<b>Accounting income available for distribution</b>	
Relating to capital gains	-
Excluding capital gains	15,910,748
	<b>15,910,748</b>

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

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For the quarter ended December 31, 2022**

For the Period from  
29 September 2022  
to 31 December 2022  
Rupees

Net income for the period	31,058,256
Other comprehensive income for the period	-
Total comprehensive income for the period	<u>31,058,256</u>

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

**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 December 31, 2022**

	For the Period from 29 September 2022 to 31 December 2022		
	Capital value	Undistributed Income	Total
	----- (Rupees) -----		
<b>Net assets at beginning of the period</b>			
<b>Issuance of 35,053,867 units</b>			
Capital value	3,498,993,812	-	3,498,993,812
Element of income	19,694,487	-	19,694,487
Total proceeds on issuance of units	3,518,688,300	-	3,518,688,300
<b>Redemption of 19,237,181 units</b>			
Capital value	(1,923,718,127)	-	(1,923,718,127)
Element of income	(9,185,360)	(15,147,508)	(24,332,868)
Total payments on redemption of units	(1,932,903,487)	(15,147,508)	(1,948,050,995)
Total comprehensive income for the period	-	31,058,256	31,058,256
Distribution during the period:		(2,786,073)	(2,786,073)
<b>Net assets as at end of the period</b>	<u>1,585,784,813</u>	<u>13,124,675</u>	<u>1,598,909,488</u>
<b>Undistributed income brought forward:</b>			
Realized income at beginning of the period		-	
Unrealized income at beginning of the period		-	
		-	
Accounting income available for distribution:			
Relating to capital gains		-	
Excluding capital gains		<u>15,910,748</u>	
		15,910,748	
Distribution during the period		(2,786,073)	
<b>Undistributed income at end of the period</b>		<u>13,124,675</u>	
<b>Represented by:</b>			
Realized loss at end of the period		13,124,675	
Unrealized income at end of the period		-	
<b>Undistributed income at end of the period</b>		<u>13,124,675</u>	
Net assets value per unit at beginning of the period			-
Net assets value per unit at end of the period			<u>101.0900</u>

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

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

**Chief Executive Officer**

**Chief Financial Officer**

**Director**

## Condensed Interim Cash Flow Statement (Unaudited)

### For the quarter ended December 31, 2022

For the Period from  
29 September 2022  
to 31 December 2022

Rupees

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period

31,058,256

31,058,256

**Increase in assets**

Investments

(100,000,000)

Deferred Formation Cost

(100,000)

Accrued mark-up and other receivable

(17,560,039)

Deferred Formation Cost

(1,519,802)

(119,179,841)

**Increase in liabilities**

Payable to the Management Company

1,740,265

Remuneration payable to the Trustee

69,573

Annual fee payable to Securities and Exchange

42,217

Commission of Pakistan

2,223,669

Accrued expenses and other liabilities

4,075,724

(84,045,861)

**Net cash used in from operating activities**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Amount received on issuance of units

3,518,688,300

Amount paid against redemption of units

(1,948,050,995)

Cash dividend paid

(2,786,073)

Net cash flows from financing activities

1,567,851,232

Net increase in cash and cash equivalents during the period

1,483,805,371

Cash and cash equivalents at beginning of the period

-

Cash and cash equivalents at end of the period

1,483,805,371

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

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 December 31, 2022**

### **1. LEGAL STATUS AND NATURE OF BUSINESS**

1.1 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).

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. 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 CDC 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 26 August 2022. On September 06, 2022, PACRA assigned AA(f) rating to the Fund.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.



- 2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'.
- 2.1.3 This condensed interim financial information is unaudited but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 have not been reviewed.
- 2.1.4 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 December 31, 2022.
- 2.1.5 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.

## **2.2 Basis of measurement**

This condensed interim financial information have been prepared under the historical cost convention, except that investment are stated at fair values. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

## **2.3 Functional and presentation currency**

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency.

- 2.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments which are effective from annual period beginning on or after July 1, 2022. These amendments are not likely to have an impact on the Fund's financial position. Therefore these are not stated in this condensed interim financial information.

## **3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES AND JUDGEMENTS**

- 3.1 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.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.



		December 31, 2022 (Unaudited) (Rupees)
<b>4</b>	<b>BANK BALANCES</b>	<b>Note</b>
	Local Currency	
	Profit and loss sharing accounts	4.1
		<u>1,483,805,371</u>
		<u>1,483,805,371</u>
4.1	These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 11% to 13.5% per annum	
<b>5</b>	<b>INVESTMENTS</b>	
	<b>At fair value through profit or loss</b>	
	Debt Securities	
	- Short Term Sukuk	5.1
		<u>100,000,000</u>
5.1	Lucky Electric Power Company (short term sukuk) with maturity period of upto 6 months having long term rating 'AA'. The Profit amount will be paid at maturity on 6 month KIBOR + 135bps as spread. The effective coupon rate is 18.31%.	
<b>6</b>	<b>DEFERRED FORMATION COST</b>	
	Formation cost incurred	6.1
	Amortised to the income statement during the period	<u>1,522,300</u>
	Unamortised cost at the end of the period	<u>(2,498)</u>
		<u>1,519,802</u>
6.1	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.	
<b>7</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>	
	Remuneration payable to the Management Company	7.1
	Sindh sales tax on Management Company's remuneration	7.2
	Security deposit payable to the Management Company	<u>130,000</u>
	Formation Cost Payable	<u>1,522,300</u>
		<u>1,740,265</u>
7.1	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 period ended 31 December 2022 is 0.04. Remuneration is paid to the Management company in arrears on a monthly basis.	
7.2	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.	



	December 31, 2022 (Unaudited) (Rupees)
<b>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	
Auditors' remuneration	72,670
SECP supervisory fee	846
Shariah advisor fee payable	3,090
PSX listing fee	43,954
Legal and professional charges	1,640
Wht Tax payable	2,101,469
	<u><u>2,223,669</u></u>

**9 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 period ended December 31, 2022 is 0.18% which includes 0.03% 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).

**10 CONTINGENCIES AND COMMITMENTS**

The Fund had no contingency or commitment at the period end except as those mentioned elsewhere in these condensed interim financial information.

**11 TAXATION**

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute at least 90% of the income earned (if any) during the year by the Fund to the unit holders.

	December 31, 2022 (Unaudited) (Rupees)
<b>12 DISTRIBUTIONS DURING THE PERIOD</b>	
<b>Interim Distributions</b>	
Rs. 1.5638 per unit declared on Nov 11, 2022	
- Cash Distribution	1,352,379
- Refund of Capital	3,538,097
Rs. 1.0386 per unit declared on Dec 08, 2022	
- Cash Distribution	1,433,694
- Refund of Capital	2,858,473

**13 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, 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 December 31, 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:

		<b>December 31, 2022 (Unaudited) (Rupees)</b>
<b>13.1</b>	<b>Details of balances with related parties / connected persons at the period end</b>	<b>Note</b>
	<b>Lakson Investments Limited - Management Company of the Fund</b>	
	Remuneration and other payables (including the Sindh sales tax and federal excise duty amounting to Rs. 10,120.	13.4 <u>87,965</u>
	Security deposit payable to the Management Company	<u>130,000</u>
	Formation Cost Payable	<u><u>1,522,300</u></u>
	<b>Central Depository Company of Pakistan Limited - Trustee of the Fund</b>	
	Remuneration payable (Including Sindh sales tax amounting to Rs. 8,005.	13.4 <u>69,573</u>
	Security deposit	<u>100,000</u>
	Settlement charges payable	<u><u>-</u></u>
		<b>For the Period from 29 September 2022 to 31 December 2022 Rupees</b>
<b>13.2</b>	<b>Details of transaction with related parties / connected persons at the period end</b>	<b>Note</b>
	<b>Lakson Investments Limited - Management Company of the Fund</b>	
	Remuneration for the period	13.4 <b>77,845</b>
	Sindh sales tax on remuneration of Management Company *	<b>10,120</b>
	<b>Central Depository Company Limited Trustee of the Fund</b>	
	Remuneration for the period	13.4 <b>116,096</b>
	Sindh Sales Tax on Management Company's remuneration*	<b>15,093</b>
	Settlement Charges	<b>-</b>

\*Sales tax and FED is paid / payable to the management company for onward payment to the Government.

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

Half year ended December 31, 2022 (Unaudited)								
Number of Units				Rupees				
Number of Units as at July 01, 2022	Units issued during the period	Refund of capital	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	Gross Dividend Amount before tax
-	3,015,632	26,172	2,015,631	1,026,172	-	304,221,835	204,221,835	103,735,811
Lakson Investments Limited - Management Company of the Fund								
Associated companies / undertakings of the Management Company								
-	39,324	341	26,283	13,381	-	3,967,053	2,663,052	1,352,715
-	46,230	401	30,899	15,731	-	4,663,721	3,130,720	1,590,270
Accury Surgical Limited Employees Contributory Provident Fund								
-	55,427	481	37,047	18,861	-	5,591,597	3,753,597	1,906,664
-	392,729	1,155	-	393,884	-	39,397,105	-	39,817,822
-	170,191	-	-	170,191	-	17,019,301	-	17,204,584
-	566,475	2,200	-	568,675	-	56,883,737	-	57,487,418
-	199,026	-	-	199,026	-	19,902,884	-	20,119,561
-	196,798	605	-	197,403	-	19,744,823	-	19,955,490
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT								
-	101,412	788	50,440	51,760	-	10,220,084	5,122,878	5,232,434
-	6,906	60	4,615	2,350	-	696,668	467,667	237,555
-	32,207	280	21,526	10,960	-	3,245,089	2,181,089	1,107,898
Lakson Investments Limited ECPT								
-	65,168	566	43,557	22,176	-	6,574,234	4,413,233	2,241,731
-	34,197	297	22,857	11,637	-	3,449,876	2,315,876	1,176,364
Merit Packaging Limited Employees Contributory Provident Fund								
-	140,348	1,218	93,808	47,758	-	14,158,484	9,504,484	4,827,865
Miza Services Private Limited Employees Contributory Provident Fund								
-	29,614	257	19,794	10,077	-	2,987,458	2,005,458	1,018,686
-	55,739	484	37,256	18,967	-	5,623,699	3,774,699	1,917,383
Miza Foods Private Limited Employees Contributory Provident Fund								
-	148,506	-	-	148,506	-	15,000,000	-	15,012,460
Miza Services Private Limited Employees Contributory Provident Fund								
-	5,489,826	-	1,950,003	3,499,823	-	551,346,971	201,625,441	353,797,428
-	15,004,936	-	9,953,483	5,051,453	-	1,507,035,765	1,008,478,346	510,651,881
Shakoo Private Limited								
-	1,986,783	-	-	1,986,784	-	200,000,000	-	200,844,184
Bulk Management Pakistan Private Limited								
-	1,986,783	-	-	1,986,784	-	200,000,000	-	200,844,184
Systems Limited								
Holding more than 10% units								





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

## 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. Consequently, differences can arise between carrying values and the fair value estimates.

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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Unobservable inputs for the asset or liability (level 3).

As at December 31, 2022 there are no financial instruments under the fair value hierarchy.

		December 31, 2022 (Un-Audited)						
		Carrying amount			Fair Value			
		Fair Value through profit or loss	Amortized cost	Other Financial Liabilities	Total	Level 1	Level 2	Total
On-balance sheet financial instruments		(Rupees)						
	Note							
Financial assets measured at fair value								
Debt Securities		100,000,000	-	-	100,000,000	-	100,000,000	100,000,000
		100,000,000	-	-	100,000,000	-	100,000,000	100,000,000
Financial assets not measured at fair value	14.1							
Bank balances - Held at amortized cost		-	1,483,805,371	-	1,483,805,371	-	-	-
Deferred Formation Cost		-	1,519,802	-	1,519,802	-	-	-
Accrued mark-up and other receivable		-	17,560,039	-	17,560,039	-	-	-
Securities Deposit		-	100,000	-	100,000	-	-	-
		-	1,502,985,212	-	1,502,985,212	-	-	-
Financial liabilities not measured at fair value	14.1							
Payable to the Management Company		-	-	1,600,145	1,600,145	-	-	-
Remuneration payable to the Trustee		-	-	61,568	61,568	-	-	-
Accrued expenses and other liabilities		-	-	2,223,669	2,223,669	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	42,217	42,217	-	-	-
		-	-	3,927,599	3,927,599	-	-	-

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



**15 DATE OF AUTHORIZATION OF ISSUE**

This condensed interim financial information were authorised for issue on **February 20, 2023** by the Board of Directors of the Management Company.

**16 GENERAL**

16.1 Figures have been rounded off to the nearest rupee, unless otherwise stated.

16.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure, the effect of which is not material.

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

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**Chief Executive Officer**

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**Chief Financial Officer**

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**Director**

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A Lakson Group Company

**Lakson Investments Limited**

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