

LAKSON MONEY MARKET FUND
Half Yearly Report (December 31, 2022)



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

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Fund's Information

Management Company

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

Board of Directors of the Management Company

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

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

Yousuf Adil Chartered Accountants
Cavish Court, A-35 Shahrah-e-Faisal,
K.C.H.S.U Block 7 & 8 Bangalore Town,
Karachi, Pakistan.

Bankers to the Fund

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

**Legal Adviser**

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

Registrar

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

Distributors

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

Rating by PACRA

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

Review Report of the Directors of the Management Company for the half year ended December 31, 2022

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

Fund performance

The LMMF generated return of 15.24% in 2QFY23 compared to Benchmark (70% average 3M T-Bills yield + 30% average 3M TDR rate of minimum AA rated banks) return of 14.72%. The LMMF outperformed the benchmark by 0.52%. Asset allocation was concentrated in T-bills at 51.3%, Commercial paper at 0.1%, Cash at 22.5%, placements with DFIs at 25.7% and others at 0.4%. The weighted average maturity (WAM) of the LMMF portfolio stands at 13 days and fund size as of December 31st 2022 is PKR 20,487mn.

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 6.2126 per unit (6.2126%) of face value of PKR 100/- amounting to PKR 723.374 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 spreads 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.

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

Chief Executive Officer

Director

Dated: February 20, 2023



لیکسن منی مارکیٹ فنڈ

31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لیے

میںجنت کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن منی مارکیٹ فنڈ ("LMMF") کی میںجنت 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 سرمایہ کم خطرات، مختصر مدتی سرمایہ کاری کے لیکویڈ پورٹ فولیو پر مشتمل ہے۔

نمایاں سرگرمیاں

فنڈ ایک اوپن اینڈ منی مارکیٹ فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ فنڈ گورنمنٹ سیکیورٹیز، سرٹیفکیٹس آف انویسٹمنٹ، Clean Placements، ٹرم ڈپازٹ ریسلنس اور دیگر مختصر مدتی انسٹرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی 3 ماہ سے کم رکھی جاتی ہے۔ LMMF صرف ان 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 یونٹ ہولڈرز کو شرح سود کے اتار چڑھاؤ کے خلاف تحفظ دیتی ہے، جب کہ فنڈ کی لیکویڈیٹی میں اضافہ کرتی ہے۔ LMMF کوریڈیٹیشن کی تکمیل کے لیے خالص اثاثوں کے 15% تک قرض لینے کی اجازت ہے، تاہم LMMF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی

LMMF نے بیسٹ مارک منافع (سمہ ماہی T بلز کے اوسط منافع جات کا 70% + کم از کم AA ریٹڈ بیکس کے اوسط سمہ ماہی TDR ریٹ کا 30%) 14.72% کے مقابلے میں مالی سال 2023 کی دوسری سمہ ماہی میں 15.24% منافع کمایا۔ فنڈ نے بیسٹ مارک کے مقابلے میں 0.52% بہتر کارکردگی کا مظاہرہ کیا۔ اثاثوں کی تقویض 51.3% فی بلز میں، 0.1 فیصد کمرشل پیپر میں 22.5% کیش میں، 25.7% ڈی ایف آئی، 0.4% دیگر میں مرکوز رہی۔ LMMF پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی 13 دن ہے اور 31 دسمبر 2022ء کے مطابق فنڈ کا حجم 20,487 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 2022ء کو ختم ہونے والی مدت کے لیے فی پونٹ 6.2126 روپے (100 روپے کی فیس ویلیو کا 6.2126%) کی عبوری کیش ادائیگی کا اعلان کیا ہے، جس کی مالیت 723.374 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 ڈیولپمنٹ 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 25-23 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 ایکسچینج ریٹ، انٹر بینک ریٹ سے 15-10 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 2.8 تا 3.0 ارب ڈالر سے کم ہو کر 2.1 ارب ڈالر رہ گئیں۔

معاشی سرگرمیوں کو شدید چھکا لگا ہے، ایک جانب توسیعی ہوئی مالی اور زرری 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 زرری پالیسی کی وجہ سے عوام کے لیے مہنگائی کا بحران



پیدا ہوا 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 بیچ 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 اوسط 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 محسولات 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 پریڈنگ ہونے لگی۔ اس اقدام سے برآمد کنندگان کو نقصان پہنچ رہا ہے اور ترسیلات زر میں بھی ماہانہ 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 قحط 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 ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کا ان کے مسلسل تعاون اور مدد پر شکریہ ادا کرتا ہے۔ مینجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانشمندانہ انتظام و انصرام کے لیے مینجمنٹ کمپنی کی ٹیم کی کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و منجانب 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 Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

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

We Central Depository Company of Pakistan Limited, being the Trustee of Lakson Money Market Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended 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.

Badruddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 24, 2023



 **YOUSUF ADIL**

Yousuf Adil
Chartered Accountants

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

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

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE UNIT HOLDERS' OF LAKSON MONEY MARKET FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Lakson 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 movement in unit holders' fund, condensed interim statement of cash flow and notes to the condensed interim financial information for the half year ended December 31, 2022 (here-in-after referred to as the condensed interim financial information). The Management Company Lakson Investments Limited (the Management Company) is responsible for the preparation and 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. The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

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.

Emphasis of Matter

We draw attention to note 7.1 of the financial statements which describes the effects of excess profit on bank deposit credited to the Fund's account by a bank which has been recorded as liability. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the engagement resulting in this independent auditor's review report is Arif Nazeer.


Chartered Accountants

Place: Karachi
Date: February 23, 2023
UDIN: RR202210099wp4xyOAJ5

Independent Correspondent Firm:
Deloitte Touche Tohmatsu Limited

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

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
ASSETS	Note	----- (Rupees) -----	
Bank balances	4	4,632,942,276	17,970,529,578
Investments	5	15,931,928,133	475,132,374
Profit receivable on bank deposits		46,519,159	213,851,914
Advance tax		7,822,244	7,822,244
Receivable against sale of units		-	2,435,120
Deposit and other receivables		203,969	190,268
TOTAL ASSETS		20,619,415,781	18,669,961,498
LIABILITIES			
Payable to the Management Company	6	43,891,845	43,356,575
Payable to the Trustee		997,017	917,618
Payable to the Securities and Exchange Commission of Pakistan		1,556,945	2,482,710
Payable against redemption of units		-	3,000,000
Accrued expenses and other liabilities	7	86,328,852	123,240,193
TOTAL LIABILITIES		132,774,659	172,997,096
NET ASSETS		20,486,641,122	18,496,964,402
UNIT HOLDERS' FUND (AS PER CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)		20,486,641,122	18,496,964,402
CONTINGENCIES AND COMMITMENTS	8		
		----- (Number of units) -----	
Number of units in issue		199,303,116	182,337,620
		----- (Rupees) -----	
Net assets value per unit		102.7914	101.4435

The annexed notes from 1 to 17 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 half year and quarter ended December 31, 2022

		Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
	Note	------(Rupees)-----			
INCOME					
Profit / Markup income	9	1,188,335,621	495,104,171	635,148,114	235,382,025
Capital and unrealised gain / (loss) on sale of investments - net		1,727,772	(2,530,648)	493,253	(2,244,265)
		<u>1,190,063,393</u>	<u>492,573,523</u>	<u>635,641,367</u>	<u>233,137,760</u>
EXPENSES					
Remuneration of the Management Company		33,648,200	21,496,324	17,045,625	9,030,998
Sindh Sales tax on remuneration of the Management Company		4,374,276	2,794,519	2,215,939	1,174,027
Remuneration of the Trustee		4,838,284	4,125,588	2,559,347	1,658,979
Annual fee to Securities and Exchange Commission of Pakistan		1,556,970	1,205,506	823,603	533,863
Brokerage, settlement and bank charges		963,408	604,998	415,004	376,203
SECP supervisory fee		1,288	1,260	644	630
Auditors' remuneration		456,766	311,898	248,013	155,949
Fee and subscription		608,613	813,673	237,177	454,240
		<u>46,447,805</u>	<u>31,353,766</u>	<u>23,545,352</u>	<u>13,384,889</u>
Net income from the operating activities		<u>1,143,615,588</u>	<u>461,219,757</u>	<u>612,096,015</u>	<u>219,752,871</u>
Reversal of Sindh Workers' Welfare Fund		-	71,397,891	-	-
Net income for the period before taxation		<u>1,143,615,588</u>	<u>532,617,648</u>	<u>612,096,015</u>	<u>219,752,871</u>
Taxation	10	-	-	-	-
Net income for the period after taxation		<u>1,143,615,588</u>	<u>532,617,648</u>	<u>612,096,015</u>	<u>219,752,871</u>
Allocation of net income for the period after taxation					
Net income for the period after taxation		1,143,615,588	532,617,648	612,096,015	219,752,871
Income already paid on units redeemed		(200,213,882)	(44,492,104)	(123,514,998)	(34,163,500)
		<u>943,401,706</u>	<u>488,125,544</u>	<u>488,581,017</u>	<u>185,589,372</u>
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		943,401,706	488,125,544	488,581,017	185,589,372
		<u>943,401,706</u>	<u>488,125,544</u>	<u>488,581,017</u>	<u>185,589,372</u>
Earnings per unit	11				

The annexed notes from 1 to 17 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 half year and quarter ended December 31, 2022

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	----- (Rupees) -----			
Net income for the period after taxation	1,143,615,588	532,617,648	612,096,015	219,752,871
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,143,615,588</u>	<u>532,617,648</u>	<u>612,096,015</u>	<u>219,752,871</u>

The annexed notes from 1 to 17 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 half year ended December 31, 2022**

	Half year ended 31 December 2022		Half year ended 31 December 2021	
	Capital value	Undistributed income	Capital value	Undistributed income
	----- (Rupees) -----			
Net assets at beginning of the period	18,351,100,752	145,863,650	12,266,819,972	58,628,557
Issuance of 332,752,147 units (2021: 122,851,075 units)				
- Capital value	33,611,109,403	-	12,386,435,123	-
- Element of income	262,638,709	262,638,709	36,874,901	36,874,901
Total amount received on issuance of units	33,873,748,112	-	12,423,310,024	-
Redemption of 315,786,651 units (2021: 137,719,723 units)				
- Capital value	(31,889,801,446)	-	(13,885,563,507)	-
- Element of income	(69,595,918)	(200,213,882)	(2,737,360)	(44,492,104)
Total amount paid on redemption of units	(31,959,397,364)	(200,213,882)	(13,888,300,867)	(44,492,104)
Total comprehensive income for the period	-	1,143,615,588	-	532,617,648
Distribution during the period	(144,701,678)	(723,374,056)	(31,836,387)	(453,511,970)
Net income for the period less distribution	(144,701,678)	420,241,532	(31,836,387)	79,105,678
Net assets as at end of the period	20,120,749,822	365,891,300	10,769,592,742	93,242,131
Undistributed income brought forward	145,863,650		58,628,557	
- Realised gain at beginning of the period	-		-	
- Unrealised income at beginning of the period	145,863,650		58,628,557	
Accounting income available for distribution:				
Relating to capital gains	943,401,706		488,125,544	
Excluding capital gains	943,401,706		488,125,544	
Distribution during the period	(723,374,056)		(453,511,970)	
Undistributed income at the end of period	365,891,300		93,242,131	
Represented by:				
- Realised gain at end of the period	361,927,241		93,242,131	
- Unrealised income at end of the period	3,964,059		-	
Undistributed income at end of the period	365,891,300		93,242,131	
Net assets value per unit at beginning of the period	101.4435		100.8248	
Net assets value per unit at end of the period	102.7914		101.1686	

The annexed notes from 1 to 17 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 Cash Flows (Unaudited)
For the half year ended December 31, 2022

	Half year period ended	
	December 31,	
	2022	2021
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,143,615,588	532,617,648
Adjustments for:		
Profit from bank deposits	(82,854,092)	(302,834,272)
Mark-up on treasury bills	(1,028,794,037)	(137,043,566)
Mark-up on commercial papers	(32,391,464)	(8,142,298)
Mark-up on clean placements	(44,296,028)	(47,084,035)
Reversal of Sindh Workers' Welfare Fund	-	(71,397,891)
	(44,720,033)	(33,884,414)
(Increase) / decrease in assets		
Investments - net	449,906,634	249,681,703
Advance tax	-	(8,788)
Deposit and other receivables	13,701	(99,863)
	449,920,335	249,573,052
(Decrease) / increase in liabilities		
Payable to the Management Company	535,270	663,647
Remuneration payable to the Trustee	79,399	(221,814)
Payable to the Securities and Exchange Commission of Pakistan	(925,765)	(1,070,351)
Accrued expenses and other liabilities	(36,911,341)	82,736,446
	(37,222,437)	82,107,928
Profit received on bank profits	250,186,847	263,272,608
Mark-up received on treasury bills	1,060,593,219	137,043,566
Mark-up received on commercial papers	-	8,142,298
Mark-up received on clean placements	44,296,028	47,084,035
Net cash (used in) / generated from operating activities	1,723,053,959	753,339,073
CASH FLOWS FROM FINANCING ACTIVITIES		
Received on issuance of units	33,873,748,112	12,423,310,024
Paid against redemption of units	(32,159,611,246)	(13,932,792,971)
Dividend paid	(868,077,756)	(485,348,357)
Net cash (used in) / generated from financing activities	846,059,110	(1,994,831,304)
Net decrease in cash and cash equivalents during the period	2,569,113,069	(1,241,492,232)
Cash and cash equivalents at beginning of the period	17,970,529,578	11,980,539,861
Cash and cash equivalents at end of the period	20,539,642,647	10,739,047,629
Cash and cash equivalents		
Bank balances	4 4,632,942,276	10,739,047,629
Investments maturing within 3 months	5 15,906,702,393	-
	20,539,644,669	10,739,047,629

The annexed notes from 1 to 17 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 and forming part of the Condensed Interim
Financial Information (Unaudited)
For the half year ended December 31, 2022**

1. LEGAL STATUS AND NATURE OF BUSINESS

Lakson Money Market Fund (the "Fund") was established under the Trust Deed executed on September 02, 2009 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on September 18, 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore, while the head office is in the Lakson Square Building No. 2, Karachi.

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

The Fund is categorised as "Money Market Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and Fund primarily invests in Government Securities, Certificates of Investment, Certificates of Deposits, Term Deposit Receipts, Commercial Papers, Reverse Repo, etc. subject to the guidelines issued by SECP from time to time.

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

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 26, 2022 (2021: AM2+ as on August 27, 2021). Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Fund as AA+(f) dated September 9, 2022 (2021: AA+(f) as on March 9, 2022).

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trust Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Trusts including Collective Investment Scheme, private Funds etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. Accordingly, on January 31, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Fund have 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 Standard 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
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the NonBanking 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, the NBFC Regulations and requirements of trust deed



differ from the IFRS, the provision of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of trust deed have been followed.

- 2.2 The comparative statement of assets & liabilities presented in this condensed interim financial information as at December 31, 2022 has been extracted from the audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative income statement, statement of comprehensive income, the statement of cash flow and statement of movement in unitholders' fund have been extracted from the unaudited condensed interim financial information for the period ended December 31, 2021.
- 2.3 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 2.4 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at December 31, 2022.
- 2.5 This condensed interim financial information is presented in Pak Rupees, which is the fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

- 3.1 The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 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.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.
- 3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that became effective during the period under review and are mandatory for the Fund's accounting period. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2022.

4. BANK BALANCES	Note	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
		(Rupees)	
Local currency			
- in profit and loss sharing accounts	4.1	4,632,935,178	17,970,522,480
- in current accounts		7,098	7,098
		<u>4,632,942,276</u>	<u>17,970,529,578</u>



- 4.1 These represents profit and loss accounts maintained with banks carrying profit rates ranging from 14.0 % to 18.5% (June 30, 2022: 5.00% to 17.00%) per annum.

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
5. INVESTMENTS	Note		(Rupees)
Financial assets classified as fair value through profit or loss			
Government securities			
- Market Treasury Bills	5.1	10,574,581,160	48,079,194
		10,574,581,160	48,079,194
Financial assets classified as amortised cost			
Letter of placements	5.2	5,332,121,233	-
Commercial Paper	5.3	25,225,740	427,053,180
		<u>15,931,928,133</u>	<u>475,132,374</u>

5.1 Government securities - Market Treasury Bills

Name of Security	Issue Date	Date of Maturity	Cost	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value before revaluation	Market value after revaluation	Unrealised gain / (loss)	Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
				-----Number of certificates-----			----- (Rupees) -----			----- (%) -----		
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	20-Oct-22	12-Jan-23	7,566,114,977	-	76,400,000	-	76,400,000	7,603,255,494	7,605,574,160	2,318,666	37%	48%
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	02-Jun-22	25-Aug-22	8,760,181,930	-	88,810,500	88,810,500	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	08-Sep-22	01-Dec-22	4,685,471,043	-	47,070,000	47,070,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	03-Nov-22	26-Jan-23	2,963,467,733	-	30,000,000	-	30,000,000	2,967,361,607	2,969,007,000	1,645,393	14%	19%
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	22-Sep-22	15-Dec-22	3,890,402,741	-	39,350,000	39,350,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	28-Jul-22	20-Oct-22	18,177,049,977	-	184,110,000	184,110,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	11-Aug-22	03-Nov-22	2,068,152,280	-	20,800,000	20,800,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	30-Jun-22	22-Sep-22	13,323,455,923	-	134,000,000	134,000,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	21-Apr-22	14-Jul-22	8,074,420,200	-	81,000,000	81,000,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	30-Jun-22	22-Sep-22	2,044,001,544	-	20,600,000	20,600,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	02-Jun-22	25-Aug-22	4,277,290,650	-	43,250,000	43,250,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	06-Oct-22	29-Dec-22	14,825,177,979	-	152,600,000	152,600,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	28-Apr-22	28-Jul-22	11,721,810,242	-	117,890,000	117,890,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	16-Jun-22	08-Sep-22	5,170,040,230	-	52,000,000	52,000,000	-	-	-	-	-	-
6 Months Market Treasury Bill (Face value of Rs 100,000 each)	10-Mar-22	08-Sep-22	7,470,461,329	-	75,200,000	75,200,000	-	-	-	-	-	-
6 Months Market Treasury Bill (Face value of Rs 100,000 each)	07-Apr-22	06-Oct-22	47,601,400,500,000	-	500,000	500,000	-	-	-	-	-	-
6 Months Market Treasury Bill (Face value of Rs 100,000 each)	21-Apr-22	20-Oct-22	290,584,988	-	2,940,000	2,940,000	-	-	-	-	-	-
12 Months Market Treasury Bill (Face value of Rs 100,000 each)	30-Dec-21	29-Dec-22	2,489,231,820	-	25,000,000	25,000,000	-	-	-	-	-	-
Total as at December 31, 2022								<u>10,570,617,101</u>	<u>10,574,581,160</u>	<u>3,964,059</u>	<u>52%</u>	<u>66%</u>
Total as at June 30, 2022								48,167,642	48,079,194	(88,448)	0.26%	10%



5.2 Letter of Placements

Name of Security	Placement Date	Date of Maturity	Term (Number of Days)	Mark-up Rate	Holding as at July 01, 2022	Purchases during the period	Disposed / matured during the period	Holding as at December 31, 2022	Carrying Value as at December 31, 2022	Carrying value as % of total investments	Carrying value as % of net assets
-----Number of certificates-----					----- (Rupees) -----				----- (%) -----		
Pak Brunei Investment Company	July 14, 22	Aug 15, 22	32	15%	-	1,400,000,000	1,400,000,000	-	-	-	-
Pak Oman Investment Company	Nov 03, 22	Nov 07, 22	4	15%	-	1,525,000,000	1,525,000,000	-	-	-	-
Pak Kuwait Investment Company	Dec 07, 22	Dec 08, 22	1	16%	-	600,000,000	600,000,000	-	-	-	-
Pak Kuwait Investment Company Saudi Pak Industrial & Agricultural Investment Company Limited	Dec 07, 22	Dec 08, 22	1	16%	-	100,000,000	100,000,000	-	-	-	-
Pak Oman Investment Company	Dec 09, 22	Jan 12, 23	34	16%	-	1,500,000,000	-	1,500,000,000	1,515,359,589	9.4151%	7.3218%
Pak Oman Investment Company	Dec 23, 22	Jan 20, 23	30	16%	-	1,900,000,000	-	1,900,000,000	1,907,542,740	11.9257%	9.2743%
Pak Kuwait Investment Company	Dec 21, 22	Jan 17, 23	25	16%	-	1,900,000,000	-	1,900,000,000	1,909,218,904	11.9257%	9.2743%
Total as at December 31, 2022						8,925,000,000	3,625,000,000	5,300,000,000	5,332,121,233	33.2665%	25.8705%
Total as at June 30, 2022						27,670,000,000	27,670,000,000	-	-	-	-

5.3 Commercial Papers

Name of Security	Note	Issue Date	Date of Maturity	Term (Number of Days)	Mark-up Rate	Total Face Value (maturity value)	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying Value as at December 31, 2022	Carrying value as % of total investments	Carrying value as % of net assets	Face value as % of size of the issue
----- (Rupees) -----											----- (%) -----			
Lucky Electric Power Company Limited		06-May-22	02-Nov-22	6 months	16.21%	450,000,000	4,500	-	4,500	-	-	-	-	-
Lucky Electric Power Company Limited	5.3.1	14-Dec-22	14-Jun-23	6 months	18.31%	25,000,000	-	25	-	25	25,225,740	0.1583%	0.1231%	0.3571%
Total as at December 31, 2022											25,225,740	0.1583%	0.1231%	0.3571%
Total as at June 30, 2022											427,053,180	90%	2.3088%	

- 5.3.1 This represents investment in commercial paper of Lucky Electric Power Company Limited (6-Month KIBOR) having coupon rate 18.31% and will mature after 6 months i.e. on June 14, 2023. The paper is unsecured.

	Note	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
6. PAYABLE TO THE MANAGEMENT COMPANY		(Rupees)	
Remuneration payable to Management Company	6.1	7,307,992	6,834,311
Sindh Sales tax payable on remuneration of the Management Company	6.2	5,605,943	5,544,354
Federal excise duty payable on remuneration of the Management Company	6.3	30,977,910	30,977,910
		<u>43,891,845</u>	<u>43,356,575</u>

- 6.1 As per regulation 61 of the NBFC and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge the management fee up to 2% of average annual net assets of the fund, calculated on daily basis. During the period, the Management Company has charged fee at 0.22% (June 30, 2022 : 0.46%) of average annual net assets calculated on daily basis.
- 6.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022 : 13%) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Federal Excises Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 6.3.



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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 30.977 million (June 30, 2022 : 30.977 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at December 31, 2022 would have been higher by Rs. 0.15 per unit (June 30, 2022: Rs.0.17 per unit).

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note	(Rupees)	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		456,766	352,976
Brokerage payable		770,577	477,482
Rating fees payable		209,760	-
Withholding tax payable		66,909	33,640,340
Professional fee payable		507,893	534,377
Dividend payable		73,041	4,354,249
Others	7.1	84,243,906	83,880,769
		<u>86,328,852</u>	<u>123,240,193</u>

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

8. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments as disclosed in the financial statements for the year ended June 30, 2022 except as those mentioned in the note 10.2 of the condensed interim financial information.

9. PROFIT / MARKUP INCOME

	December 31, 2022 (Unaudited)	December 31, 2021 (Audited)
	(Rupees)	
Profit from bank deposits	82,854,092	302,834,272
Mark-up on treasury bills	1,028,794,037	137,043,566
Mark-up on commercial papers	32,391,464	8,142,298
Mark-up on clean placements	44,296,028	47,084,035
	<u>1,188,335,621</u>	<u>495,104,171</u>

10. TAXATION

- 10.1 The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. The Fund is also exempted from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, no provision has been made in these condensed interim financial information.

- 10.2 (a) A new section 4B has been introduced in the Income Tax Ordinance, 2001 vide the Finance Act, 2015, according to which super tax has been imposed for Tax Year 2015 on the income of individuals, association of persons and companies who are earning income of Rs. 500 million or above in Tax Year 2015. Super Tax shall be charged at the rate of 3% for person other than banking companies.

During the year ended June 30, 2017, the Management Company has received an order under the aforementioned section for recovery of super tax not paid with return of income in respect of the Fund for the Tax Year 2015. The Deputy Commissioner considered that the Fund was required to pay super tax as the income of the Fund was more than Rs. 500 million and raised a demand of Rs. 18.819 million in this respect.

The Management Company has filed an appeal before Commissioner Appeals (Inland Revenue) against the order which has been decided in favor of the Company whereby super tax demand has been deleted. The department has filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and no provision has been made for super tax in the condensed interim financial information for the period ended December 31, 2022.

- (b) The Fund has also received an order for Tax Year 2016 whereby demand amounting to Rs. 24 million has been created mainly on account that the Fund has made less than 90% distribution out of its distributable profit due to misinterpretation of the facts of the case. The Fund has filed an appeal against the said order to CIT (Appeals) and considers that the case will be decided in Fund's favor. Hence, no provision has been in the condensed interim financial information for the period ended December 31, 2022.
- (c) During the year ended June 30, 2020, the Fund received show-cause notice under section 4B of the Income Tax Ordinance, 2001 for the recovery of super tax not paid with return of income in respect of the stated Fund for the Tax year 2019. The Deputy Commissioner considered that the Fund has failed to pay super tax on the profit of debt income earned during the tax year 2019, as the total profit of debt income of the Fund was Rs.916 million and raised a demand of Rs.18.321 million in this respect. The Fund filed an appeal against

the said order to CIT (Appeals) which was decided against the fund. The fund had filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and considers that the case will be decided in Fund's favor. Hence, no provision has been in the condensed interim financial information for the period ended December 31, 2022.

- (d) During the year ended June 30, 2022, the Fund has received order u/s 122(1) in respect of Audit for Tax Year 2015 whereby element of loss and capital losses included in the prices of units issued less in units redeemed- net amounting to Rs. 404.8 million, dividend distribution at Rs. 129 million, sales tax and FED on management fee amounting to Rs. 11.5 and Rs. 10.6 million respectively have been added by Deputy Commissioner resulting in demand of Rs. 180.2 million. The Fund had filed an appeal against the said order with CIT (Appeals) and subsequent to the year end the case has been decided in favor of the Fund.

11. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in this condensed interim financial information as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
(Rupees)	

12. DISTRIBUTIONS DURING THE PERIOD

Interim Distributions

Rs. 0.5267 per unit declared on July 13, 2022

(Aug 2021: Rs. 0.7439 per unit)

- Cash Distribution	65,036,021	91,953,925
- Refund of Capital	3,343,946	5,032,510

Rs. 0.7489 per unit declared on Aug 02, 2022

(Sep 2021: Rs. 1.0267 per unit)

- Cash Distribution	89,024,088	131,445,433
- Refund of Capital	6,559,950	3,103,954

Rs. 1.3654 per unit declared on Sep 06, 2022

(Oct 2021: Rs. 0.7306 per unit)

- Cash Distribution	154,675,974	89,933,920
- Refund of Capital	12,882,507	1,445,589

Rs. 1.1279 per unit declared on Oct 04, 2022

(Nov 2021: Rs. 0.4503 per unit)

- Cash Distribution	123,124,498	41,792,353
- Refund of Capital	44,983,825	1,766,891

Rs. 1.3772 per unit declared on Nov 07, 2022

(Dec 2021: Rs. 0.6076 per unit)

- Cash Distribution	159,311,143	49,748,505
- Refund of Capital	38,692,510	14,977,860

	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
Note	(Rupees)	
Rs. 1.0665 per unit declared on Dec 05, 2022 (Dec 2021: Rs. 0.5875 per unit)		
- Cash Distribution	132,202,333	48,637,833
- Refund of Capital	38,238,939	5,509,582
(2022: Rs. 1.2223 per unit)		
- Cash Distribution	-	101,612,560
- Refund of Capital	-	8,040,139
(2022: Rs. 0.7441 per unit)		
- Cash Distribution	-	64,393,948
- Refund of Capital	-	32,165,575
(2022: Rs. 0.9535 per unit)		
- Cash Distribution	-	85,525,182
- Refund of Capital	-	7,057,564
(2022: Rs. 1.0998 per unit)		
- Cash Distribution	-	101,932,640
- Refund of Capital	-	32,187,159
(2022: Rs 1.0783 per unit)		
- Cash Distribution	-	99,902,280
- Refund of Capital	-	52,339,724
(2022: Rs. 0.7067 per unit)		
- Cash Distribution	-	81,323,864
- Refund of Capital	-	38,490,265
	868,077,756	1,190,321,277

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee of the fund, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having holding more than 10% in the units of the Funds as at December 31, 2022.

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

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



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

LAKSON MONEY MARKET FUND

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

	Half year ended December 31, 2022					Rupees				
	Number of Units	Refund / Adjustment of units as element of income	Units redeemed during the period	Units issued during the period	Balance as at July 01, 2022	Units issued during the period	Units redeemed during the period	Gross dividend during the period	Balance as at December 31, 2022	
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company	2,536,658 29,106,868 92,734	243,205 585,943 824	23,473,585 56,729,888 92,655	5,990,062 46,011,786 103,950	2,738,289,750 7,486,110,435 10,585,587	2,409,759,320 5,824,786,694 9,523,983	101,987,210 76,399,096 245,342	615,726,814 4,729,615,881 10,685,147		
Holding company / associated companies / undertakings of the Management Company										
Accury Surgical Limited Employees Contributory Provident Fund	60,998	124,918	1,271	176,943	6,187,819	12,822,764	18,175,864	172,352	1,053,029,811	
Accury Surgical Limited	572,036	30,371	-	602,407	58,029,341	3,085,751	-	3,630,295	61,922,220	
Alan Private Limited	2,829,465	251,292	246	-	287,030,808	25,553,554	-	18,298,299	316,700,590	
Baluchistan PolyProducts Private Limited	3	59,636	604	54,880	6,118,477	5,625,000	5,625,000	139,385	551,138	
Century Insurance Co. Ltd., GF	10,332	21,949	1,754	200,964	1,048,150	22,376,525	20,630,916	42,321	2,988,281	
Century Insurance Company Limited	1,220,211	5,431,436	55,952	5,292,576	123,782,466	557,539,165	543,364,053	2,323,661	146,452,196	
Century Insurance Company Limited Employees Contributory Provident Fund Trust	83,867	525,928	5,344	470,582	8,507,758	54,031,569	48,362,150	242,845	14,859,236	
Century Paper & Board Mills Limited ECPF	1,137,296	2,325,603	13,543	1,892,150	1,584,291	115,371,335	193,059,569	4,180,962	162,851,530	
Century Paper & Board Mills Limited EGF	100,945	1,405,125	8,817	1,007,196	10,240,213	143,576,861	103,166,934	1,076,377	52,186,371	
Colgate Palmolive Pakistan Limited	13,608,786	7,503,013	33,909	2,923,512	18,222,196	1,380,522,842	300,000,000	80,071,512	1,873,064,993	
Colgate Palmolive Pakistan Limited ECPF	1,181,201	1,969,943	11,240	1,702,888	1,459,496	201,418,497	173,806,230	4,077,270	150,023,590	
Colgate Palmolive Pakistan Limited EGF	139,538	1,260,629	3,415	964,716	14,155,228	128,569,676	98,802,463	625,569	45,111,735	
Cyber Internet Services (Pvt.) Ltd. Empl. ECPF	502,140	1,352,940	8,182	1,071,045	792,217	50,938,820	138,374,174	2,187,294	81,433,115	
Express Publications Private Limited	39,954	2,121	-	-	40,075	4,053,044	-	253,557	4,324,941	
Gam Corporation Private Limited Employees Contributory Provident Fund	260,414	654,937	4,331	603,115	316,568	67,222,419	61,767,745	1,063,074	32,540,095	
Hasanali & Gulbanoo Lakhani Foundation	273,615	282,641	2,194	117,644	27,756,424	28,981,473	12,000,000	1,454,674	46,311,001	
Hasanali Karabhai Foundation ECPF Trust	9,230	49,167	355	18,869	936,287	5,048,228	4,089,288	-	-	
Lakson Investments Limited ECPF	8,986	167,832	1,237	144,779	33,276	911,545	17,228,930	14,865,538	3,420,516	
Lakson Power Limited	3,600	189	-	197	3,593	365,245	20,000	22,640	369,359	
Ment Packaging Limited Employees Contributory Provident Fund Trust	4,748	30,454	106	34,304	3,003	481,661	3,106,646	3,515,051	16,099	
Ment Packaging Limited Employees Gratuity Fund	1,235,426	167,736	1,595	588,977	703,540	125,325,956	17,303,886	14,670,302	6,823,158	
Premier Fashions Private Limited	57,090	2,598	-	72,645	185,874,366	131,970,724	60,000,000	14,255,167	321,850,299	
Size Commodities Private Limited	1,832,294	2,296,209	2,598	3,131,101	11,480,131	109,293,671	105,175,679	338,233	16,694,228	
Size Foods Private Limited	113,168	1,064,215	9,373	1,024,348	162,409	202,092,798	282,000,000	10,476,658	327,050,179	
Size Private Limited	2,021,744	3,025,282	6,343	2,747,241	2,306,129	308,109,414	80,000,000	33,197,374	568,424,042	
Size Services Private Limited	5,088,771	1,216,789	5,952	781,633	5,529,879	516,222,694	124,178,207	24,444	3,188,333	
Size Services Private Limited Employees Contributory Provident Fund Trust	7,488	68,315	519	45,304	759,621	7,015,369	4,656,691	94,557	5,420,373	
Hybrid Private Limited	29,952	378,546	3,163	358,928	3,038,485	38,875,526	36,848,353	4,606	79,216	
Hybrid Private Limited	721	50	-	771	73,139	5,051	-	9,322	157,477	
Television Media Network Pvt Ltd	1,455	77	-	1,532	147,577	7,848	-	2,517,779	524,127,780	
Orthopaedic & Medical Institute Private Limited	6,648,647	-	-	1,549,702	674,462,056	-	158,011,958	28,394,371	532,246,026	
Cyber Internet Services Pvt Limited	3,955,824	1,219,603	2,497	5,177,924	401,292,663	124,135,215	-	-	-	
Trustee / Custodian										
Central Depository Company of Pakistan Limited		2,562,738	10,696	2,573,434	-	261,167,666	-	13,134,070	264,526,875	
Connected person due to holding more than 10% units										
Fauji Fertilizer Company Limited	-	71,937,772	-	34,270,249	37,667,523	7,351,036,954	3,509,838,989	-	3,871,897,374	



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

LAKSON MONEY MARKET FUND

Half year ended December 31, 2021									
Number of Units				Rupees					
Number of Units as at July 01, 2021	Units issued during the period	Refund / Adjustment of units as element of Income	Units redeemed during the period	Number of units as at December 31, 2021	Balance as at July 01, 2021	Units issued during the period	Units redeemed during the period	Balance as at December 31, 2021	
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company	1,451,066 23,537,050 35,342	9,138,002 1,205,253 22,214	60,605 862 75	8,930,777 4,138,766 13,702	1,698,897 20,584,399 43,930	927,934,357 121,748,060 2,247,830	908,934,357 402,612,550 1,394,673	171,874,989.30 2,082,694,822 4,444,339	
Holding company / associated companies / undertakings of the Management Company									
Accury Surgical Limited Employees Contributory Provident Fund	-	69,213	-	-	-	7,000,000	-	7,000,000	
Accury Surgicals Limited	591,026	20,949	-	-	59,590,078	2,113,300	-	61,912,698	
Alan Private Limited	2,374,408	84,163	-	-	239,399,212	8,490,017	-	248,730,154	
Baluchistan Polyproducts Private Limited	1,024	160	-	1,185	103,245	16,204	-	119,925	
Baluchistan Polyproducts Private Limited	33,024	41,742	150	74,916	3,329,638	4,225,418	-	7,586,197	
Century Insurance Company Limited	690,076	40,055	55	307,052	423,134	69,576,775	31,000,646	42,807,843	
Century Insurance Company Limited Employees	10,490	88,311	421	68,780	1,057,652	8,944,920	6,960,347	3,079,719	
Century Paper & Board Mills Limited - Employee	-	161,447	586	162,034	-	16,343,486	16,395,832	-	
Century Provident Fund Trust	-	187,449	681	188,130	-	18,975,658	19,036,434	-	
Century Paper & Board Mills Limited - Employee Gratuity Fund	12,513,588	443,553	-	-	1,261,680,007	44,743,982	-	1,310,855,828	
Colgate Palmolive (Pakistan) Limited - Employee	1	-	-	-	101	-	-	101	
Colgate Palmolive (Pakistan) Limited	65,199	-	-	-	65,199	-	-	6,596,092	
Colgate Palmolive (Pakistan) Limited - Employee Gratuity Fund	73,210	417,607	1,320	492,137	0	7,381,384	42,255,778	49,855,801	
Cyber Internet Services (Private) Limited - Employee	716,792	18,907	1	138,117	537,584	1,907,435	20,000,000	54,386,653	
Express Publications Private Limited	906,911	264,759	828	379,761	792,737	26,787,700	38,483,906	80,200,063	
Gam Corporation Private Limited Employees	43,860	-	35	43,860	-	4,422,176	-	4,426,879	
Hasanali & Gulbanoor Lakhani Foundation	7,347	9,810	-	14,573	-	993,022	1,475,726	-	
Hasanali Karabhai Foundation ECPF Trust	34,805	36,696	296	9,862	61,935	3,509,207	1,000,000	6,265,844	
Lakson Investments Limited Employee Contributory Provident Fund Trust	3,701	123	-	396	3,428	373,153	12,427	346,841	
Lakson Power Limited	-	29,543	218	29,761	-	-	-	-	
Merit Packaging Limited Employees Contributory Provident Fund Trust	67,588	63,846	214	64,060	67,588	6,814,547	3,009,274	6,837,783	
Merit Packaging Limited Employees Gratuity Fund	178,035	178,035	-	-	-	6,462,076	6,487,948	-	
Premier Fashions Private Limited	199,543	1,763,944	5,408	19,763	1,949,133	178,573,383	2,000,000	197,191,028	
Sza Commodities Private Limited	53,966	188,511	605	243,082	0	5,441,111	24,616,777	35	
Sza Foods Private Limited Employees Contributory Provident Fund Trust	(1)	692,392	1,784	-	694,175	(101)	-	70,228,716	
Sza Private Limited	516,786	218,193	262	301,003	434,239	52,104,845	30,544,644	43,931,304	
Sza Services Private Limited	14,206	39,230	127	52,063	1,500	1,432,317	3,971,199	5,272,179	
Sza Services Private Limited Employees Contributory Provident Fund Trust	-	146,538	110	38,873	17,775	14,823,669	3,935,908	10,903,438	
Sybird (Private) Limited Employee Contributory Provident Fund Trust	4,287	199,727	570	204,585	432,236	20,209,532	-	20,697,529	
Sybird Private Limited	2,063,701	66,195	-	344,874	1,785,022	208,072,241	6,677,335	180,588,170	
Television Media Network Private Limited	-	-	-	-	-	-	-	-	
Trustee / Custodian									
Central Depository Company of Pakistan Limited	2,584,809	2,028,201	6,894	-	4,619,903	104,702,777	-	467,389,162	
Connected person due to holding more than 10% units									
Rajul Fertilizer Company Limited	34,852,350	99,400,386	143,850	115,107,119	19,289,468	14,102,154,266	7,775,500,280	1,951,488,431	

**13.2 Details of balance with related parties / connected persons at the period ended**

		December 31, 2022	June 30, 2022
	Note	(Rupees)	
Lakson Investments Limited - Management Company			
Remuneration payable	6.1	<u>7,307,992</u>	<u>6,834,311</u>
Sindh Sales Tax payable on Management Company's remuneration*	6.2	<u>5,605,943</u>	<u>5,544,354</u>
Federal Excise Duty	6.3	<u>30,977,910</u>	<u>30,977,910</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration payable		<u>809,681</u>	<u>739,417</u>
Sindh Sales Tax payable on Trustee remuneration		<u>187,335</u>	<u>178,201</u>
Security deposit		<u>100,000</u>	<u>100,000</u>
		December 31, 2022	December 31, 2021
		(Unaudited) (Rupees)	
	Note		
Lakson Investments Limited - Management Company			
Remuneration to the Management Company		<u>33,648,200</u>	<u>21,496,324</u>
Sindh Sales Tax on Management Company's remuneration		<u>4,374,276</u>	<u>2,794,519</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration for the period		<u>4,281,667</u>	<u>3,650,963</u>
Sindh Sales Tax on Trustee remuneration		<u>556,617</u>	<u>474,625</u>

14. TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), Total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 0.34% as of December 31, 2022 (December 31, 2021: 0.26%) and this includes 0.04% (December 31, 2021: 0.04%) representing Government levies and SECP fee etc. As per NBFC Regulation the total expense ratio of the Money Market Scheme shall be capped up to 2% (excluding government levies).

15. 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 (i.e. an exit price).

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.

Financial assets which are traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short-term in nature or periodically repriced.



International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- 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:

December 31, 2022 (Audited)							
Carrying amount			Fair Value				
Mandatory at Fair Value through profit or loss	Amortized cost	Other Financial Liabilities	Level 1	Level 2	Level 3	Total	
(Rupees)							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Government securities - Market Treasury Bills	5.1	10,574,581,160	-	10,574,581,160	-	10,574,581,160	
Financial assets not measured at fair value							
Bank balances	4	-	4,632,942,276	4,632,942,276	-	-	-
Profit receivable		-	46,513,159	46,513,159	-	-	-
Investments - Letter of placements	5.2	-	5,332,121,233	5,332,121,233	-	-	-
Investments - Commercial Paper	5.3	-	25,225,740	25,225,740	-	-	-
Deposits		-	203,969	203,969	-	-	-
	15.1	-	10,097,012,377	10,097,012,377	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	6	-	43,891,845	43,891,845	-	-	-
Payable to the Trustee		-	997,017	997,017	-	-	-
Accrued expenses and other liabilities		-	86,261,943	86,261,943	-	-	-
		-	131,150,805	131,150,805	-	-	-
June 30, 2022 (Audited)							
Carrying amount			Fair Value				
Mandatory at Fair Value through profit or loss	Amortized cost	Other Financial Liabilities	Level 1	Level 2	Level 3	Total	
(Rupees)							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Government securities - Market Treasury Bills	5.1	48,079,194	-	48,079,194	-	48,079,194	
Financial assets not measured at fair value							
Bank balances	4	-	17,970,529,578	17,970,529,578	-	-	-
Profit receivable		-	213,851,912	213,851,912	-	-	-
Investments - Commercial Papers	5.3	-	427,053,180	427,053,180	-	-	-
Deposits		-	190,268	190,268	-	-	-
	15.1	-	18,611,624,938	18,611,624,938	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company		-	6,834,311	6,834,311	-	-	-
Payable to the Trustee		-	783,367	783,367	-	-	-
Accrued expenses and other liabilities		-	89,599,853	89,599,853	-	-	-
		-	97,217,531	97,217,531	-	-	-

15.1 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.

16. DATE OF AUTHORISATION FOR ISSUE

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

17. GENERAL

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

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

Chief Executive Officer

Chief Financial Officer

Director



A Lakson Group Company

Lakson Investments Limited

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

T +92.21 3840.0000 F +92.21 3568.1653