

LAKSON ISLAMIC MONEY MARKET FUND

Annual Report 2023



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
Chief Financial Officer & Company Secretary of the Management Company	Mr. Junaid Arshad
Audit Committee	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 Advisor	Al Hilal Shariah Advisors



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LAKSON ISLAMIC MONEY MARKET FUND

Legal Adviser

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

Registrar

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

Distributors

BMA Capital Management Limited
Rabia Fida

Rating by PACRA

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2023

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Islamic Money Market Fund ('LIMMF' or 'Fund') is pleased to submit its report together with Audited Financial Statements for the year ended June 30, 2023.

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. The 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 17.07% in FY23 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 6.33%. The LIMMF outperformed the benchmark by 10.74%. Asset allocation was concentrated in cash at 95%, commercial paper 3.5% and others as 1.5%. The weighted average maturity (WAM) of the LIMMF portfolio stands at 3 days and fund size as of June 30, 2023 is PKR 3,988mn.

Earnings Per Unit (EPU)

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

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payout of PKR 11.2945 per unit (11.2945% of face value of PKR 100/-) amounting to PKR 37.1876 million in cash during the year ended June 30, 2023.

Principal Risk and Uncertainties

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

Asset Manager and Fund Rating

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company and the Fund Stability Rating of LIMMF at "AM2+" at "A+(f)" respectively.

Additional Matters:

1. The detail of Directors of the Management Company is disclosed in this Annual Report.
2. The financial statements prepared by the Management Company present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in unit holders' fund.
3. Proper books of accounts of the Fund have been maintained.
4. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.



5. Relevant International Financial Reporting Standards, as applicable in Pakistan, provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 ('NBFC Regulations'), directives issued by the Securities & Exchange Commission of Pakistan and requirements of the constitutive documents of the Fund have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
6. The system of internal control is adequate and sound in design and has been effectively implemented and monitored.
7. There are no significant doubts upon the Fund's ability to continue as a going concern.
8. Key financial data has been summarized in this Annual Report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges have been fully disclosed in these financial statements.
10. The statement as to the value of investments of provident fund is not applicable in the case of the Fund as such expenses are borne by the Management Company.
11. The pattern of unit holding as at June 30, 2023 is given in this Annual Report.
12. A performance table / key financial data is annexed to this annual report.

External Auditor

The existing auditors M/s. BDO Ebrahim & Co., Chartered Accountants being eligible, have given their consent for reappointment as auditors for the year ending June 30, 2024. The Board of Directors, on the recommendations of the Audit Committee, has reappointed M/s. BDO Ebrahim & Co., Chartered Accountants for the year ending June 30, 2024.

Economy Review

The June'23 quarter brought about a significant positive stride, marked by the attainment of a staff-level agreement between the International Monetary Fund (IMF) and Pakistan. This accord entails the provision of a substantial USD 3 billion as part of a stand-by arrangement (SBA) spanning nine months. This highly welcomed development is poised to act as a catalyst, enabling Pakistan to unlock critical funding from both bilateral and multilateral sources. The infusion of these funds will play a pivotal role in the augmentation of foreign exchange reserves, effectively contributing to the process of reconstruction. This milestone achievement effectively averts the looming specter of near-term default, as vividly underscored by the remarkable resurgence of Pakistan International Eurobonds. The government, in its pursuit of stabilizing the economic landscape, has undertaken a series of astute measures. These include recalibrating fuel and energy prices, instituting judicious tax policies, securing commitments from amicable nations, and implementing prudent adjustments exchange rate and interest rates.

On the 26th of June 2023, during an urgent Monetary Policy Committee (MPC) meeting, the State Bank of Pakistan (SBP) implemented a further 1% increase in the Policy Rate, propelling it to a historic pinnacle of 22%. This decision was a calculated response aimed at firmly anchoring inflation and concurrently driving real interest rates into positive terrain.

Throughout the June quarter, foreign exchange reserves exhibited a relatively stagnant trend, settling at USD 9.1 billion. Nonetheless, the reduction in these reserves was mitigated to some extent by inflows stemming from China.

The persistently elevated inflationary environment persisted during the fourth quarter of the fiscal year 2023, culminating in an average inflation rate of 34.56% for the quarter. This elevated inflation was underpinned by an interplay of factors, including the ongoing devaluation of PKR, ascending energy costs, the imposition of new taxes amounting to PKR 170 billion, disruptions in supply chains due to import limitations, and the cascading second-round effects stemming from these determinants. We foresee average inflation rate for fiscal year 2024 will exhibit a gradual descent, potentially converging towards the range of 21-22%. Further optimism is directed towards June 2024, wherein the inflation rate might inch down to approximately 14-15%, contingent upon the absence of unforeseen variables.



During the fourth quarter of the fiscal year 2023 (4QFY23), imports underwent a significant 9.3% QoQ contraction, aggregating to a sum of USD 11.5 billion. Resultantly, exports experienced a marginal 1.7% QoQ dip, settling at USD 6.6 billion. This dynamic interplay precipitated an 18% reduction in the trade deficit on a QoQ basis, leading to its contraction to USD 4.8 billion. As a result, the country's current account balance showed a surplus of USD 632 million. This achievement is indicative of the efficacy of administrative measures enacted to curb the import bill, compounded by the prevailing sluggishness in economic demand.

On the fiscal front, FMR tax collection observed a 11.7% decline in tax collection, amounting to PKR 1.5 trillion, during the June quarter. This figure notably fell short of the quarterly target by a margin exceeding PKR 60 billion. The forthcoming months, however, hold promise for an improvement in tax collection, attributed to the relaxation of import restrictions. Yet, considering the persistent underwhelming economic demand, the FBR may encounter challenges in meeting the ambitious annual tax collection target of over PKR 9 trillion for the FY24.

Fixed Income Market Review

During the FY23 several GOP Ijarah Sukuk auctions were held for 1Y, 3Y and 5Y tenor in both variable and fixed rate rentals. Total amount accepted during the year in both VRR & FRR was ~ PKR 870bn against the target of PKR 1.64tn. In the last GOP Ijarah Sukuk auction, 1-year Fixed Rate Rental sukuku were accepted at a cut-off rental rate/price of 18.49% and 1-year Variable Rate Rental sukuku were issued at a cut-off margin/price 65bps.

Future Outlook

The trajectory of the market is contingent upon several pivotal factors. Firstly, the positive trajectory of the external account, bolstered by the IMF's Stand-By Arrangement (SBA), is poised to exert a favorable influence. Secondly, the potential for a reduction in CPI, attributed to the impact of elevated base effects driving down inflation, might pave the way for monetary easing. Such a move would serve as a catalyst for fortifying economic growth. Thirdly, the nation's political climate and stability remain influential determinants in nurturing investor trust. At present, the market boasts an appealing Price-to-Earnings (P/E) ratio of 3.9x, underscoring promising growth prospects. With such compelling dynamics, investors are presented with an immensely attractive opportunity to capitalize on the market's promising upward trajectory in the foreseeable future.

The revival of the IMF program stands poised to usher in enhanced accessibility to funds from international lenders, subsequently furnishing crucial external financing support. These inflows will culminate in the augmentation of foreign exchange reserves, thereby mitigating external pressures and paving the way for sustained economic equilibrium.

The caretaker government should find it easier to comply with the requirements of the ongoing SBA program, especially if it is adequately staffed with technocrats. In this regard, recent legislation has empowered the coming caretaker government to take decisions on existing bilateral & multilateral agreements. That said, Pakistan needs to quickly negotiate a successor IMF program when the SBA facility ends in March 2024. We believe that a timely and peaceful election is important for carrying out structural reforms, remaining in the IMF program, and restoring investor confidence in the economy.

Acknowledgment

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

For and on Behalf of the Board

Chief Executive Officer

Director

Dated: September 04, 2023

لیکسن اسلامک منی مارکیٹ فنڈ
 30 جون 2023ء کو ختم ہونے والے سال کے لیے
 مینجمنٹ کمیٹی کے ڈائریکٹرز کی رپورٹ

لیکسن اسلامک منی مارکیٹ فنڈ ("LIMMF") کی مینجمنٹ کمیٹی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کیلئے 30 جون 2023ء کو ختم ہونے والے سال کے لیے اپنی رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

اس فنڈ کا مقصد کم اتار چڑھاؤ کے ساتھ مضبوط اور مسابقتی منافع 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 اینڈڈ شریعہ سے مطابقت رکھنے والا منی مارکیٹ فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ فنڈ شریعہ سے مطابقت رکھنے والی گورنمنٹ سیکورٹیز، شریعہ کے مطابق Placements، ہرم ڈپازٹ، ریسیٹس 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 سیکورٹیز 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 بونٹ ہولڈرز کو شرح سود کے اتار چڑھاؤ کے خلاف تحفظ دیتی ہے، جب کہ فنڈ کی لیکویڈٹی میں اضافہ کرتی ہے۔

فنڈ کی کارکردگی

LIMMF نے منیج مارک منافع (میوچل فنڈ ایسوسی ایشن آف پاکستان کے منتخب کردہ روایتی بینکوں کی تین AA ریٹڈ شیڈولڈ اسلامک بینکنگ ونڈز کا تین ماہ کا اوسط ڈپازٹ ریٹ) 6.33% کے مقابلے میں مالی سال 2023 میں 17.07% منافع کمایا۔ LIMMF نے منیج مارک کے مقابلے میں 10.74% بہتر کارکردگی کا مظاہرہ کیا۔ اثاثوں کی تقوینیس کشش میں 95%، کمرشل پیپر میں 3.5% اور دیگر میں 1.5% رہی۔ LIMMF پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی (WAM)، 3 دن ہے اور 30 جون 2023ء کے مطابق فنڈ کا حجم 3,988 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 یونٹس کا تعین اوپن اینڈڈ 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 30 جون 2023ء کو ختم ہونے والے سال کے لیے فی یونٹ 11.2945 روپے (100 روپے کی فیس ویلیو کا 11.2945%) کی عبوری کیش ادائیگی کا اعلان کیا ہے، جس کی مالیت 37.1876 ملین روپے بنتی ہے۔

اہم خطرات و خدشات

اقتصادی عدم استحکام، بڑھتا ہوا کرنٹ اکاؤنٹ خسارہ، زرمبادلہ کے کم ہوتے ذخائر، توقع سے زیادہ افراط زر، روپے کی قدر میں کمی، یک طرفہ اور دو طرفہ قرض فراہم کنندہ ایجنسیز کی طرف سے توقع سے کم مالی امداد، مزید مالیاتی سختی اور بگڑتے ہوئے خارجہ تعلقات پاکستان میں تمام کاروباری شعبوں کے لیے خطرہ بنے ہوئے ہیں۔

لمیٹڈ فیچر اینڈ فنڈ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے منجھٹ کمپنی کی لمیٹڈ فیچر ریٹنگ اور LIMMF کی فنڈ اسٹیبلٹی ریٹنگ بالترتیب "AM2+" اور "A+(f)" پر قرار رکھی ہے۔

اضافی معاملات

- 1- منجھٹ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔
- 2- منجھٹ کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو ز اور یونٹ ہولڈرز کے فنڈ میں نقل و حرکت کی منصفانہ عکاسی کرتے ہیں۔
- 3- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے گئے ہیں۔
- 4- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے اور شمار یاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 5- ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک پاکستان میں قابل اطلاق ہیں، نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 کے تقاضوں، نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اسٹیبلشمنٹ ریگولیشنز، 2008 (NBFC ریگولیشنز)، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ڈائریکٹوز اور فنڈ کی دستوری دستاویزات کے تقاضوں کی پیروی کی گئی ہے اور ان سے کسی بھی انحراف کی مناسب انداز میں نشان دہی کی گئی ہے۔
- 6- انٹرئل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 7- فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 8- اہم مالیاتی ڈیٹا کا خلاصہ اس سالانہ رپورٹ میں شامل ہے۔
- 9- مٹیکسز، ڈیویڈنڈ، مجبورات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10- پروڈیٹ فنڈ کی سرمایہ کاری کی مالیت سے متعلق گوشوارہ فنڈ پر قابل اطلاق نہیں ہے جیسا کہ ایسے اخراجات منجھٹ کمپنی کی طرف سے برداشت کیے

جاتے ہیں۔

11-30 جون 2023 کے مطابق یونٹ ہولڈنگ کا پیئرن اس سالانہ رپورٹ میں دیا گیا ہے۔

12- کارکردگی کی جدول/اہم مالیاتی ڈیٹا اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

بیرونی آڈیٹر

موجودہ آڈیٹر میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر 30 جون 2024 کو ختم ہونے والے سال کے لیے دوبارہ تفری کے لیے اپنی رضامندی ظاہر کی ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لیے میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تفری کر دی ہے۔

معاشی جائزہ

جون 2023 کی سہ ماہی میں ایک اہم مثبت پیش رفت ہوئی، بین الاقوامی مالیاتی فنڈ (IMF) اور پاکستان کے درمیان اسٹاف لیول معاہدہ طے پا گیا۔ اس معاہدے میں 9 مہینوں پر محیط اسٹینڈ بائی انتظام (SBA) کے ایک حصے کے طور پر 3 بلین امریکی ڈالر کی فراہمی شامل ہے۔ اس معاہدے میں 9 ماہ پر محیط اسٹینڈ بائی بندوبست (SBA) کے ایک حصے کے طور پر 3 بلین امریکی ڈالر کی خطیر رقم فراہم کرنا شامل ہے۔ یہ انتہائی خوش آئند پیش رفت ایک بحری کے طور پر کام کرے گی، جس سے پاکستان کو دوطرفہ اور کثیرالجہتی، دونوں ذرائع سے اہم فنڈنگ حاصل کرنے میں مدد ملے گی۔ ان فنڈز کا استعمال غیر ملکی زرمبادلہ کے ذخائر کو بڑھانے میں اہم کردار ادا کرے گا اور تعمیر نو کے عمل میں مؤثر طریقے سے اپنا حصہ ڈالے گا۔ اس سنگ میل کے حصول نے مستقبل قریب میں ڈیفالٹ کے بڑھتے ہوئے خطرے کو مؤثر طریقے سے نال دیا ہے، جیسا کہ پاکستان انٹرنیشنل یورو بانڈز کی نمایاں بحالی سے واضح طور پر ظاہر ہوتا ہے۔ حکومت نے معاشی منظر نامے کو مستحکم کرنے کی کوشش میں متعدد دانشمندانہ اقدامات کئے ہیں، جن میں ایندھن اور توانائی کی قیمتوں میں ردوبدل، منصفا نگیس پالیسیوں کا نفاذ، دوست ممالک سے یقین دہانیوں کا حصول، شرح تبادلہ اور شرح سود میں منطقی ایڈجسٹمنٹس شامل ہیں۔

26 جون 2023 کو مانیٹری پالیسی کمیٹی (MPC) کے چنگامی اجلاس کے دوران اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ میں مزید ایک فیصد اضافہ کر دیا، جس سے یہ 22 فیصد کی تاریخی بلند ترین سطح پر پہنچ گیا۔ یہ فیصلہ ایک سوچا سمجھا رد عمل تھا، جس کا مقصد افراط زر کو بڑھنے سے روکنا اور حقیقی شرح سود کو مثبت سمت میں لے جانا تھا۔

جون کی پوری سہ ماہی کے دوران زرمبادلہ کے ذخائر میں نسبتاً جمود کا رجحان رہا، جو 9.1 بلین ڈالر پر مستحکم رہے۔ بہر حال، زرمبادلہ کے ذخائر میں کمی کو چین کی جانب سے سرمائے کے بہاؤ کی مدد سے کسی حد تک کم کیا گیا۔

مالی سال 2023 کی چوتھی سہ ماہی کے دوران افراط زر میں مسلسل اضافے کا ماحول برقرار رہا، جس کے نتیجے میں سہ ماہی کے دوران افراط زر کی اوسط شرح 34.56 فیصد رہی۔ بڑھتی ہوئی افراط زر کی وجوہات میں روپے کی قدر میں مسلسل کمی، توانائی کی بڑھتی ہوئی قیمتیں، 170 بلین روپے کے نئے ٹیکسوں کا نفاذ، درآمدی پابندیوں کی وجہ سے سپلائی چین میں خلل اور ان عوامل سے پیدا ہونے والے دوسرے مرحلے کے اثرات شامل ہیں۔ ہمیں توقع ہے کہ مالی سال 2024 میں افراط زر کی اوسط شرح میں بتدریج کمی آئے گی، جو کم از کم 21-22 فیصد کی حدود میں رہے گی۔ مزید توقعات جون 2024 سے وابستہ ہیں، جب افراط زر کی شرح گرتی رہے گی 14-15 تک آسکتی ہے، تاہم اس کا انحصار غیر متوقع تبدیلیات کی عدم موجودگی پر ہوگا۔

مالی سال 2023 کی چوتھی سہ ماہی کے دوران درآمدات میں 9.3 فیصد کی نمایاں کمی واقع ہوئی جو مجموعی طور پر 11.5 ارب ڈالر ہیں۔ اس کے نتیجے میں



برآمدات میں 1.7 فیصد کی معمولی کمی واقع ہوئی اور یہ 6.6 ارب ڈالر ہیں۔ اس کے نتیجے میں تجارتی خسارے میں سہ ماہی بنیاد پر 18 فیصد کی واقع ہوئی جس کے سبب یہ سکڑ کر 4.8 ارب ڈالر رہ گیا۔ اس کے نتیجے میں ملک کے کرنٹ اکاؤنٹ بیلنس میں 632 ملین ڈالر کا سرپلس ظاہر ہوا۔ یہ کامیابی درآمدی بل میں کمی لانے کے لئے نافذ کردہ انتظامی اقدامات کی افادیت کی نشاندہی کرتی ہے، جو معاشی طلب میں موجودہ سست روی کی وجوہات میں شامل ہیں۔ مالی محاذ پر جون کی سہ ماہی کے دوران FMR ٹیکس وصولی میں 11.7 فیصد کی دیکھی گئی جو 1.5 ٹریلین روپے بنتی ہے۔ یہ اعداد و شمار سہ ماہی ہدف سے نمایاں طور پر 60 ارب روپے کم ہیں۔ تاہم آنے والے مہینوں میں ٹیکس وصولی میں بہتری کا وعدہ کیا گیا ہے، جس کی وجہ درآمدی پابندیوں میں نرمی ہے۔ اس کے باوجود مسلسل کم ہوتی ہوئی معاشی طلب کو مد نظر رکھتے ہوئے FBR کو مالی سال 2024 کے لیے 9 ٹریلین روپے سے زائد کے سالانہ ٹیکس وصولی کے ہدف کو پورا کرنے میں مشکلات کا سامنا کرنا پڑ سکتا ہے۔

فلسڈ آئٹم مارکیٹ کا جائزہ

مالی سال 2023 کے دوران ویری ایبل اور فلسڈ ریٹ ریٹنگز، دونوں میں متعدد GoP اجارہ وصولی کی نیلامی 1 سالہ، 3 سالہ اور 5 سالہ میعاد کے لئے ہوئی۔ سال کے دوران وی آر آر ایف آر آر، دونوں میں قبول شدہ مجموعی رقم 870 ملین روپے تھی جبکہ ہدف 1.64 ٹریلین روپے کا تھا۔ آخری GOP اجارہ وصولی نیلامی میں ایک سال کے فلسڈ ریٹ ریٹنگ وصولی 18.49% کے ”کٹ آف“ ریٹل شرح / قیمت پر قبول کیے گئے اور ایک سال کے ویری ایبل ریٹ ریٹنگ وصولی 65bps کے ”کٹ آف“ مارجن / قیمت پر جاری کیے گئے۔

مستقبل کا منظر نامہ

مارکیٹ کاراستہ کی اہم عوامل پر انحصار کرتا ہے۔ اول یہ کہ آئی ایم ایف کے اسٹینڈ بائی انتظامات (SBA) کی مدد سے ایکسٹرنل اکاؤنٹ کا مثبت رخ سازگار انداز میں اثر انداز ہونے کے لیے تیار ہے۔ دوم یہ کہ CPI میں کمی کا امکان ہے، جس کی وجہ افراط زر میں کمی لانے والے بلند Base Effects ہیں، جو مالیاتی نرمی کی راہ ہموار کر سکتے ہیں۔ اس طرح کا اقدام معاشی ترقی کو مستحکم بنانے کے لئے محرک کے طور پر کام کرے گا۔ سوم یہ کہ ملک کا سیاسی ماحول اور استحکام سرمایہ کاروں کے اعتماد کو پروان چڑھانے میں اہم کردار ادا کرتے ہیں۔ فی الحال مارکیٹ میں قیمت سے آمدنی (P/E) کا تناسب 3.9 گنا ہے، جو امید افزا ترقی کے امکانات کی نشاندہی کرتا ہے، اس طرح کی زبردست حرکیات (ڈائنکس) کے ساتھ سرمایہ کاروں کے لیے مستقبل قریب میں مارکیٹ کے ترقی کے راستے پر گامزن ہو جانے سے فائدہ اٹھانے کے لئے انتہائی پرکشش مواقع موجود ہیں۔

آئی ایم ایف پروگرام کی بحالی سے بین الاقوامی قرض دہندگان کے فنڈز تنک رسائی میں اضافہ ہوگا، جس کے نتیجے میں اہم بیرونی مالی معاونت مل جائے گی۔ یہ بہاؤ غیر ملکی زرمبادلہ کے ذخائر میں اضافے کے نتیجے میں آئے گا، جس سے بیرونی دباؤ کم ہوگا اور پائیدار معاشی توازن کی راہ ہموار ہوگی۔ گنراں حکومت کے لیے جاری SBA پروگرام کے تقاضوں پر عمل کرنا آسان ہوگا، خاص طور پر اگر اس کو ٹیکنو کریٹس کی مناسب خدمات حاصل ہوں۔ اس سلسلے میں حالیہ قانون سازی نے گنراں حکومت کو موجودہ دو طرفہ اور کثیرالجہتی معاہدوں پر فیصلے کرنے کا اختیار دے دیا ہے۔ اس کے باوجود مارچ 2024 میں SBA کی سہولت ختم ہونے پر پاکستان کو آئی ایم ایف کے اگلے پروگرام کے لیے فوری مذاکرات کرنے کی ضرورت ہے۔ ہم سمجھتے ہیں کہ انفراسٹرکچرل اصلاحات، آئی ایم ایف پروگرام کے ساتھ منسلک رہنے اور معیشت میں سرمایہ کاروں کے اعتماد کی بحالی کے لیے بروقت اور پرامن انتخابات کا انعقاد ضروری ہے۔



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

LAKSON ISLAMIC MONEY MARKET FUND

اظہار تشکر

بورڈ اپنے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایڈجسٹمنٹ کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایسچینج 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 منجانب بورڈ

ڈائریکٹر

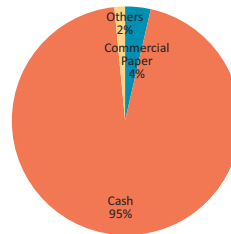
چیف ایگزیکٹو آفیسر

تاریخ: 04 ستمبر 2023

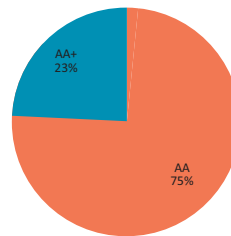
**REPORT OF THE FUND MANAGER
 FOR THE YEAR ENDED JUNE 30, 2023**

Fund Facts	
Fund Type	Open-End
Category	Shariah Compliant Money Market Fund
Net Assets (PKR Mil.)	3,988
NAV (30.06.2023)	100.8788
Pricing Mechanism	Previous Day
Trustee	CDC Pakistan Limited
Auditor	BDO Ebrahim & Co
Management Fee	Upto 1% of the average annual net assets calculated on daily basis. Current : 0.30%
Front End Load	Upto 1%
Back End Load	None
Launch Date	September 29, 2022
Benchmark	Three (3) months average deposit rates of three (3) AA rated Scheduled Islamic Banks or Islamic Banking windows of Conventional Banks as selected by Mutual Funds Association of Pakistan ('MUFAP')"
Dealing Days	Mon - Fri
Cut-Off Time	04:00 PM
Fund Rating	'AA (f)' by PACRA (06.Mar.2023)
Asset Manager Rating	AM2+ by PACRA (26.Aug.2022)
Risk Profile	Low Risk

Asset Allocation



Sectorwise Exposure



Fund Performance	LITF	Benchmark
FY23 - YTD	17.07%	6.33%
June-23	19.43%	6.75%
2 Months	19.22%	6.41%
3 Months	19.02%	6.38%
6 Months	17.64%	6.46%
12 Months	-	-
CY23- YTD	17.64%	6.53%
3 Years	-	-
5 Years	-	-
Since Inception	-	-

Investment Committee

Babar Ali Lakhani	Chief Executive Officer
Kashif Mustafa	Executive Director & COO
Mustafa O. Pasha, CFA	Chief Investment Officer
Hassan Bin Nasir	
Moazzam Akhtar	
Aisha Mohammad	
Mirza Danial Baig	

Investment Objective

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

Investment Strategy

The LIMMF's Investment Committee focused on maintaining a low risk and liquid portfolio in accordance with its Investment Objective. Exposure of the LIMMF in Islamic money market placements was managed based on the relative investment analysis of available Islamic instruments and expectations related to macro-economy. The Fund maintained 95.0% cash with banks & 3.5% placements in the form of Bai/Muajjal with DFIs.



Economic Review

The June'23 quarter brought about a significant positive stride, marked by the attainment of a staff-level agreement between the International Monetary Fund (IMF) and Pakistan. This accord entails the provision of a substantial USD 3 billion as part of a stand-by arrangement (SBA) spanning nine months. This highly welcomed development is poised to act as a catalyst, enabling Pakistan to unlock critical funding from both bilateral and multilateral sources. The infusion of these funds will play a pivotal role in the augmentation of foreign exchange reserves, effectively contributing to the process of reconstruction. This milestone achievement effectively averts the looming specter of near-term default, as vividly underscored by the remarkable resurgence of Pakistan International Eurobonds. The government, in its pursuit of stabilizing the economic landscape, has undertaken a series of astute measures. These include recalibrating fuel and energy prices, instituting judicious tax policies, securing commitments from amicable nations, and implementing prudent adjustments exchange rate and interest rates.

On the 26th of June 2023, during an urgent Monetary Policy Committee (MPC) meeting, the State Bank of Pakistan (SBP) implemented a further 1% increase in the Policy Rate, propelling it to a historic pinnacle of 22%. This decision was a calculated response aimed at firmly anchoring inflation and concurrently driving real interest rates into positive terrain.

Throughout the June quarter, foreign exchange reserves exhibited a relatively stagnant trend, settling at USD 9.1 billion. Nonetheless, the reduction in these reserves was mitigated to some extent by inflows stemming from China.

The persistently elevated inflationary environment persisted during the fourth quarter of the fiscal year 2023, culminating in an average inflation rate of 34.56% for the quarter. This elevated inflation was underpinned by an interplay of factors, including the ongoing devaluation of PKR, ascending energy costs, the imposition of new taxes amounting to PKR 170 billion, disruptions in supply chains due to import limitations, and the cascading second-round effects stemming from these determinants. We foresee the average inflation rate for fiscal year 2024 will exhibit a gradual descent, potentially converging towards the range of 21-22%. Further optimism is directed towards June 2024, wherein the inflation rate might inch down to approximately 14-15%, contingent upon the absence of unforeseen variables.

During the fourth quarter of the fiscal year 2023 (4QFY23), imports underwent a significant 9.3% QoQ contraction, aggregating to a sum of USD 11.5 billion. Resultantly, exports experienced a marginal 1.7% QoQ dip, settling at USD 6.6 billion. This dynamic interplay precipitated an 18% reduction in the trade deficit on a QoQ basis, leading to its contraction to USD 4.8 billion. As a result, the country's current account balance showed a surplus of USD 632 million. This achievement is indicative of the efficacy of administrative measures enacted to curb the import bill, compounded by the prevailing sluggishness in economic demand.

On the fiscal front, FMR tax collection observed a 11.7% decline in tax collection, amounting to PKR 1.5 trillion, during the June quarter. This figure notably fell short of the quarterly target by a margin exceeding PKR 60 billion. The forthcoming months, however, hold promise for an improvement in tax collection, attributed to the relaxation of import restrictions. Yet, considering the persistent underwhelming economic demand, the FBR may encounter challenges in meeting the ambitious annual tax collection target of over PKR 9 trillion for the FY24.

Fixed Income Market Review

During the FY23 several GOP Ijarah Sukuk auctions were held for 1Y, 3Y and 5Y tenor in both variable and fixed rate rentals. Total amount accepted during the year in both VRR & FRR was ~ PKR 870bn against the target of PKR 1.64tn. In the last GOP Ijarah Sukuk auction, 1-year Fixed Rate Rental sukuks were accepted at a cut-off rental rate/price of 18.49% and 1-year Variable Rate Rental sukuks were issued at a cut-off margin/price 65bps.

Fund Profile

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. The 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 17.07% in FY23 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 6.33%. The LIMMF outperformed the benchmark by 10.74%. Asset allocation was concentrated in cash at 95%, commercial paper 3.5% and others as 1.5%. The weighted average maturity (WAM) of the LIMMF portfolio stands at 3 days and fund size as of June 30, 2023 is PKR 3,988mn.

Performance Table	FY23	FY22	LIMMF vs. Benchmark	
Net Assets - Beginning (PKR Mil.)	-	-		
Net Assets - Ending (PKR Mil.)	3,988	-		
Highest Offer Price (PKR)	104.6354	-		
Lowest Offer Price (PKR)	101.1300	-		
Highest Redemption Price (PKR)	103.4662	-		
Lowest Redemption Price (PKR)	100.0000	-		
Beginning NAV - Ex-Div. (PKR)	100.0000	-		
Interim Distributions (PKR)	11.2945	-		
Final Distribution (PKR)	-	-		
Ending NAV - Ex-Div. (PKR)	100.3937	-		
Return	17.07%	-		
Net Income (PKR Mil.)	256.45	-		
WAM (Days)	3	-		

Distribution	FY23	FY22	Distribution	FY23	FY22
1st Interim Distribution	1.5638	-	6th Interim Distribution	1.1057	-
NAV before Distribution	100.0000	-	NAV before Distribution	100.1931	-
NAV after Distribution	100.0394	-	NAV after Distribution	100.2385	-
Distribution Date	10-Nov-22	-	Distribution Date	08-Mar-23	-
2nd Interim Distribution	1.0386	-	7th Interim Distribution	1.2941	-
NAV before Distribution	100.0394	-	NAV before Distribution	100.2385	-
NAV after Distribution	100.0795	-	NAV after Distribution	100.2872	-
Distribution Date	07-Dec-22	-	Distribution Date	05-Apr-23	-
3rd Interim Distribution	1.4117	-	8th Interim Distribution	3.1790	-
NAV before Distribution	100.0795	-	NAV before Distribution	100.2872	-
NAV after Distribution	100.1190	-	NAV after Distribution	100.3411	-
Distribution Date	12-Jan-23	-	Distribution Date	07-Jun-23	-
4th Interim Distribution	0.5867	-	9th Interim Distribution	0.6905	-
NAV before Distribution	100.1190	-	NAV before Distribution	100.3411	-
NAV after Distribution	100.1546	-	NAV after Distribution	100.3937	-
Distribution Date	28-Jan-23	-	Distribution Date	21-Jun-23	-
5th Interim Distribution	0.4244	-			
NAV before Distribution	100.1546	-			
NAV after Distribution	100.1931	-			
Distribution Date	08-Feb-23	-			

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payout of PKR 11.2945 per unit (11.2945% of face value of PKR 100/-) amounting to PKR 37.1876 million in cash during the year ended June 30, 2023.

Future Outlook

The trajectory of the market is contingent upon several pivotal factors. Firstly, the positive trajectory of the external account, bolstered by the IMF's Stand-By Arrangement (SBA), is poised to exert a favorable influence. Secondly, the potential for a reduction in CPI, attributed to the impact of elevated base effects driving down inflation, might pave the way for monetary easing. Such a move would serve



as a catalyst for fortifying economic growth. Thirdly, the nation's political climate and stability remain influential determinants in nurturing investor trust. At present, the market boasts an appealing Price-to-Earnings (P/E) ratio of 3.9x, underscoring promising growth prospects. With such compelling dynamics, investors are presented with an immensely attractive opportunity to capitalize on the market's promising upward trajectory in the foreseeable future.

The revival of the IMF program stands poised to usher in enhanced accessibility to funds from international lenders, subsequently furnishing crucial external financing support. These inflows will culminate in the augmentation of foreign exchange reserves, thereby mitigating external pressures and paving the way for sustained economic equilibrium.

The caretaker government should find it easier to comply with the requirements of the ongoing SBA program, especially if it is adequately staffed with technocrats. In this regard, recent legislation has empowered the coming caretaker government to take decisions on existing bilateral & multilateral agreements. That said, Pakistan needs to quickly negotiate a successor IMF program when the SBA facility ends in March 2024. We believe that a timely and peaceful election is important for carrying out structural reforms, remaining in the IMF program, and restoring investor confidence in the economy.

Circumstances Materially Affecting Interests of Unit Holders

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company and the Fund Stability Rating of LIMMF at "AM2+" at "A+(f)" respectively.

Other Disclosures

Lakson Investments Limited or any of its delegates did not receive any soft commission from its broker(s) or dealer(s).

There was no unit split undertaken during the year.

As of June 30, 2023, the LIMMF does not employ any leverage.

Breakdown of Unit Holding by Size

Units Range	No. of Clients	Units Held
Holding upto 100	4	57
101 - 500	2	437
501 - 1,000	2	1,639
1,001 - 5,000	3	5,725
5,001 - 10,000	3	16,761
10,001 - 50,000	8	171,730
50,001 - 100,000	2	187,640
100,001 - 500,000	9	1,860,051
500,001 - 1,000,000	3	1,969,529
1,000,001 - 5,000,000	4	5,510,847
5,000,001 - above	2	29,809,617
	42	39,534,034

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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CDC House, 99-B, Block 'B'
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TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON ISLAMIC MONEY MARKET FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited being the Trustee of Lakson 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 during the period from September 29, 2022 to June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2023





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INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Lakson Islamic Money Market Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, the statement of comprehensive income, the statement of cash flows and the statement of movement in unit holders' fund for the period from September 29, 2022 to June 30, 2023 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2023, and its financial performance and its cash flows for the period from September 29, 2022 to June 30, 2023 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following are the key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	<p>Investments - Existence and Valuation of investments</p> <p>Refer notes 4.1 and 6 to the financial statements for accounting policies and details of investments.</p> <p>As at June 30 2023, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs.151.509 million in aggregate representing 3.80% of the net assets value of the Fund.</p> <p>We identified valuation of investments as a key audit matter because of its significance in relation to the net asset value of the Fund.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of and testing the design and operating effectiveness of the key controls for the valuation of investments; and • We have performed substantive audit procedures on the year – end balances of investment portfolio including review of custodian's statement and re-performance of investment valuations on the basis of quoted market prices as at June 30, 2023 and matching the valuation of investment with that appearing in the financial statements.

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

The Management Company ("Lakson Investments Limited") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

KARACHI

DATED: 12 SEP 2023

UDIN: AR202310067Px8BpQMjh


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS



September 8, 2023



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2023 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in Lakson Islamic Money Market Fund managed by Lakson Investment Limited are halal and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.

Mufti Irshad Ahmad Aijaz
Member Shariah Council



Faraz Younus Bandukda, CFA
Chief Executive

**Statement of Assets and Liabilities
As at June 30, 2023**

	Note	June 30, 2023 (Rupees)
ASSETS		
Bank balances	5	3,818,352,037
Investments	6	151,508,767
Deferred formation cost	7	1,292,913
Accrued mark-up and other receivable		46,388,863
Secutiry deposit		100,000
TOTAL ASSETS		4,017,642,580
LIABILITIES		
Payable to the Management Company	8	2,787,511
Remuneration payable to the Trustee		206,820
Annual fee payable to Securities and Exchange Commission of Pakistan		300,015
Accrued expenses and other liabilities	9	26,204,665
TOTAL LIABILITIES		29,499,010
NET ASSETS		3,988,143,570
UNIT HOLDERS' FUND		3,988,143,570
CONTINGENCIES AND COMMITMENTS	11	-
		(Number)
NUMBER OF UNITS IN ISSUE		39,534,034
		(Rupees)
NET ASSETS VALUE PER UNIT		100.8788

The annexed notes from 1 to 17 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Income Statement
For the period from September 29, 2022 till June 30, 2023

		For the Period from 29 September 2022 to 30 June 2023 Rupees
Income		
Return / markup on:		
- bank balances		207,757,273
- Government and other debt securities		55,880,785
		263,638,058
Realized loss on sale of investments		(284,650)
		263,353,408
Expenses		
Remuneration to the Management Company	8.1	3,882,591
Sindh Sales tax on remuneration of the Management Company	8.2	491,798
Remuneration to the Trustee		825,040
Sindh Sales tax on remuneration to the Trustee		120,194
Annual fee to the Securities and Exchange Commission Of Pakistan		300,015
SECP supervisory fee		12,927
Auditor's remuneration		297,953
Shariah advisory fee		169,500
Legal and professional charges		130,000
Bank charges		21,430
Amortization of deferred formation cost		229,387
Fees and subscription		154,265
Miscellaneous		264,795
		6,899,895
Profit from operations		256,453,513
Sindh Workers' Welfare Fund (SWWF)		
Profit before taxation		256,453,513
Taxation	12	-
Profit for the period		256,453,513
Allocation of profit for the period		
Profit for the period after taxation		256,453,513
Income already paid on units redeemed		(218,101,235)
		38,352,278
Accounting income available for distribution		
Relating to capital gains		-
Excluding capital gains		38,352,278
		38,352,278

The annexed notes from 1 to 17 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director
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Statement of Comprehensive Income
For the period from September 29, 2022 till June 30, 2023

	For the Period from 29 September 2022 to 30 June 2023 Rupees
Profit for the period	256,453,513
Other comprehensive income for the year	-
Total comprehensive income for the year	<u>256,453,513</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Statement Of Movement in Unit Holders' Fund
For the period from September 29, 2022 till June 30, 2023**

	For the Period from 29 September 2022 to 30 June 2023		
	Capital value	Undistributed Income (Rupees)	Total
Net assets at beginning of the period			
Issuance of 218,300,622 units			
Capital value	21,989,946,933	-	21,989,946,933
Element of income	168,522,669	-	168,522,669
Total proceeds on issuance of units	22,158,469,602	-	22,158,469,602
Redemption of 180,851,898 units			
Capital value	(18,085,189,846)	-	(18,085,189,846)
Element of loss	(86,300,830)	(218,101,235)	(304,402,065)
Total payments on redemption of units	(18,171,490,676)	(218,101,235)	(18,389,591,911)
Total comprehensive income for the period	-	256,453,513	256,453,513
Distribution during the period		(37,187,634)	(37,187,634)
Net assets as at end of the period	3,986,978,926	1,164,644	3,988,143,570
Undistributed loss brought forward:			
- Realized income at the beginning of the period		-	
- Unrealized income at the beginning of the period		-	
Accounting income available for distribution:			
Relating to capital gains		-	
Excluding capital gains		38,352,278	
Distribution during the period		(37,187,634)	
Undistributed income at end of the period		1,164,644	
Represented by:			
Realized income at end of the period		1,164,644	
Unrealized income at end of the period		-	
Undistributed income at end of the period		1,164,644	
Net assets value per unit at beginning of the period			-
Net assets value per unit at end of the period			100.8788

The annexed notes from 1 to 17 form an integral part of these financial statements.

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

_____ Chief Executive Officer	_____ Chief Financial Officer	_____ Director
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Statement of Cash Flows
For the period from September 29, 2022 till June 30, 2023

	For the Period from 29 September 2022 to 30 June 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit for the period before taxation	256,453,513
Adjustments for non-cash and other items:	
Mark-up bank balances	(46,388,863)
	210,064,650
Increase in assets	
Investments	(151,508,767)
Secutiry deposit	(100,000)
Deferred Formation cost	(1,292,913)
	(152,901,680)
Increase in liabilities	
Payable to the Management Company	2,787,511
Remuneration payable to the Trustee	206,820
Annual fee payable to Securities and Exchange	
Commission of Pakistan	300,015
Accrued expense and other liabilities	26,204,665
	29,499,010
Net cash flows from operating activities	86,661,981
CASH FLOWS FROM FINANCING ACTIVITIES	
Amount received on issuance of units	22,158,469,602
Amount paid against redemption of units	(18,389,591,911)
Cash dividend paid	(37,187,634)
Net cash flows from financing activities	3,731,690,057
Net increase in cash and cash equivalents	3,818,352,037
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	<u>3,818,352,037</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Notes to the Financial Statements For the year ended June 30, 2023

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 September 29, 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 April 11, 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 Central Depository Company of Pakistan Limited as a 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 and has also maintained the fund stability rating AA(f) dated 27 June 2023.

- 1.5 Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Scheme, private Funds etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. For this purpose, Re-Stated Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds alongwith necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

2.2 Basis of measurement

These financial information has been prepared under the historical cost basis, except for investments that are stated at fair values, if any.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees ('Rupees' or 'Rs'), which is also the fund's functional currency.

2.4 Critical accounting estimates and judgments

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

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

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have material impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

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

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

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Financial assets

4.1.1 Classification

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

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

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

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

Business model assessment

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

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

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

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

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

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

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

The Fund has determined that it has two business models.

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

4.1.2 Reclassifications

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

4.1.3 Regular way contracts

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

4.1.4 Initial recognition and measurement

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

4.1.5 Subsequent measurement

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

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

The fair value of financial assets are determined as follows:

a) Debt securities (other than Government securities)

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

b) Government securities

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

c) Equity Securities

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

4.1.6 Impairment of financial assets

Financial assets at amortised cost

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

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

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

4.1.7 Derecognition

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

4.1.8 Offsetting of financial assets and financial liabilities

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

4.1.9 Trade date accounting

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

4.2 Financial liabilities

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

4.3 Cash and cash equivalents

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

4.4 Issue and redemption of units

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

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

4.5 Net assets value per unit

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

4.6 Revenue recognition

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

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

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

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

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

4.8 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.9 Provisions

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

4.10 Dividend distribution and appropriations

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

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

4.11 Other assets

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

4.12 Foreign currency transactions

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

4.13 Earnings per unit (EPU)

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

4.14 Expenses

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

4.15 Transactions with related parties / connected persons

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

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

	Note	June 30, 2023 (Rupees)
5 BANK BALANCES		
Local currency		
Profit and loss sharing accounts	5.1	3,818,352,037
		<u>3,818,352,037</u>

- 5.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 7% to 18.5% per annum.

6 INVESTMENTS

At Amortised Cost		
- Short Term Sukuk	6.1	151,508,767
- Bai Muajjal Placements	6.2	-
		<u>151,508,767</u>

- 6.1 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 22.72% per annum.

- 6.2 There are no Bai Muajjal Placements as at June 30, 2023.

6.3 Bai Muajjal receivable

Name of investee company	Date of Issue	Maturity date	Profit rate	Total transaction price	Total deferred income	Accrued profit for the period	Carrying amount as at June 30, 2023	Market value as at June 30, 2023	Market value as a percentage of total investments of the Fund	Market value as a percentage of net assets of the Fund
			-----[%]-----			------(Rupees)-----			-----[%]-----	
Pak Oman Investment Company Ltd	Feb 6, 23	Mar 20, 23	16.50%	165,185,915	-	3,077,833	-	-	-	-
Pak Brunei Investment Company Ltd	Mar 2, 23	Mar 17, 23	16.00%	101,001,640	-	659,782	-	-	-	-
Pak Oman Investment Company Ltd	Mar 8, 23	Apr 7, 23	19.35%	163,152,266	-	2,554,170	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	Mar 10, 23	Apr 10, 23	19.25%	304,986,715	-	4,906,112	-	-	-	-
Pak Oman Investment Company Ltd	Mar 21, 23	Apr 10, 23	19.05%	201,429,472	-	2,080,872	-	-	-	-
Pak Oman Investment Company Ltd	Apr 7, 23	May 8, 23	20.25%	202,563,647	-	3,424,913	-	-	-	-
Pakistan Kuwait Investment Company (Pvt) Ltd	Apr 11, 23	May 11, 23	20.20%	391,036,082	-	6,386,241	-	-	-	-
Pak Oman Investment Company Ltd	May 2, 23	Jun 13, 23	20.25%	191,564,560	-	4,362,074	-	-	-	-
Pak Brunei Investment Co Ltd	May 3, 23	Jun 13, 23	20.25%	350,263,747	-	7,790,103	-	-	-	-
Total as at June 30, 2023										

6.4 Short Term Sukuks

Name of the security	Profit payments	Profit rate	Maturity date	As at Sep 29, 2022	Purchased during the period	Sold / matured during the period	As at June 30, 2023	Carrying amount as at June 30, 2023	Marked value as at June 30, 2023	Realized gain as at June 30, 2023	Market value as a percentage of total investments of the Fund	Market value as a percentage of net assets of the Fund
				Number of certificates			(Rupees)			[%]		
Lucky Electric Power Co. Limited Short term Sukuks (A1+, PACRA) Face value of Rs 100,000,000 each	Semi-annually	6 months KIBOR plus base rate of 1.35%	Jun 14, 23		100	100	-	-	-	-	-	-
Lucky Electric Power Co. Limited Sukuks 7 (A1+, PACRA) Face value of Rs 1,400,000,000 each	Semi-annually	6 months KIBOR plus base rate of 0.65%	Aug 15, 23		140	-	140	151,508,767	151,508,767	-	100.00%	3.80%
Total as at June 30, 2023								151,508,767	151,508,767	-	100.00%	3.80%

6.5 During the period profit rate of Lucky Electric Power Co. Ltd Sukuk 7 has changed from 18.28% to 22.07%.

7 DEFERRED FORMATION COST

Formation cost incurred	7.1	1,522,300
Amortised to the income statement during the period		(229,387)
		<u>1,292,913</u>

7.1 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 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.

8 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the Management Company	8.1	1,004,611
Sindh sales tax payable on Management Company's remuneration	8.2	130,600
Security deposit payable to the Management Company		130,000
Formation cost payable		1,522,300
		<u>2,787,511</u>

8.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding the expense ratio of 2% per annum of the average annual net assets of the Fund. The effective management fee rate for the year ended 30 June 2023 is 0.19%. Remuneration is paid to the Management company in arrears on a monthly basis.

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

9	ACCRUED AND OTHER LIABILITIES	June 30, 2023 (Rupees)
	Auditors' remuneration	179,221
	Shariah advisory fee	169,500
	Legal and Professional fee	130,000
	CGT payable	25,174,413
	Brokerage payable	64,538
	Others	486,993
		<u>26,204,665</u>
10	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 year ended June 30, 2023 is 0.47% which includes 0.06% 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).	
11	CONTINGENCIES AND COMMITMENTS	
	There were no other contingencies and commitments as at June 30, 2023.	
12	TAXATION	
12.1	The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management has distributed at least 90% of income earned during current year as reduced by capital gains, whether realised or unrealised, to its unit holders, therefore, no provision for taxation has been recorded in these financial statements.	
	The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this financial statement.	
13	DISTRIBUTIONS DURING THE PERIOD	From Sep 29, 2022 till June 30, 2023 Audited (Rupees)
	Interim Distributions	
	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

	From Sep 29, 2022 till June 30, 2023 Audited (Rupees)
Rs. 1.4117 per unit declared on Jan 12, 2023	
- Cash Distribution	4,230,487
- Refund of Capital	5,020,903
Re. 0.5867 per unit declared on Jan 27, 2023	
- Cash Distribution	3,758,708
- Refund of Capital	1,208,102
Re. 0.4244 per unit declared on Feb 08, 2023	
- Cash Distribution	2,273,355
- Refund of Capital	1,316,595
Rs. 1.1057 per unit declared on Mar 08, 2023	
- Cash Distribution	6,177,142
- Refund of Capital	5,961,350
Rs. 1.2941 per unit declared on Apr 05, 2023	
- Cash Distribution	8,406,980
- Refund of Capital	4,754,311
Rs. 3.1790 per unit declared on June 07, 2023	
- Cash Distribution	5,519,755
- Refund of Capital	21,211,460
Re. 0.6905 per unit declared on June 21, 2023	
- Cash Distribution	4,035,133
- Refund of Capital	2,776,980

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company and unit holders holding more than 10% in the units of the Funds as at June 30, 2023. It also includes staff retirement funds of the above related parties / connected persons.

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

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

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

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

	June 30, 2023 (Rupees)
Lakson Investments Limited - Management Company of the Fund	
Remuneration payable	<u>1,004,611</u>
Sindh Sales Tax on Management Company's remuneration*	<u>130,600</u>
Payable to Management Company on account of Security Deposit	<u>130,000</u>
Formation Cost Payable	<u>1,522,300</u>
Central Depository Company of Pakistan Limited - Trustee of	
Remuneration payable	<u>183,025</u>
Sindh Sales Tax payable on Trustee remuneration*	<u>23,794</u>
Security Deposit	<u>100,000</u>

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

Lakson Investments Limited - Management Company of the Fund	
Remuneration for the period	<u>3,882,591</u>
Sindh sales tax on remuneration of Management Company *	<u>491,798</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund	
Remuneration for the period	<u>825,040</u>
Sindh Sales Tax on Trustee remuneration*	<u>120,194</u>
Settlement Charges	<u>180,519</u>

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

14.3 Details of transaction and balances with directors, key management personnel, employees, associated company/ undertaking of the Management Company and connected person are as follows:

For the Year Ended June 30, 2023									
Number of Units				Rupees					
Number of Units as at July 01, 2022	Units issued during the period	Refund / Adjustment of units as element of income	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2022	Units issued during the year	Units redeemed during the year	Gross Dividend	Balance at the end of the period
Lakson Investments Limited - Management Company	-	8,135,516	90,455	7,572,447	655,523	-	823,678,963	768,160,001	65,926,616
Directors, Chief Executive and their spouse and minors	-	-	-	-	-	-	-	-	-
Key management personnel, employees and connected persons of the Management Company	-	3,341	12	-	3,353	-	335,858	-	338,257
Associated companies / undertakings of the Management Company									
Accury Surgical Limited Employees Contributory Provident Fund	-	191,178	2,331	85,508	108,001	-	19,425,903	8,682,952	10,895,038
Century Insurance Co. Ltd., GF	-	274,784	1,776	128,924	147,636	-	27,723,531	13,062,300	14,893,344
Century Insurance Company Limited Employees Contributory Provident Fund Trust	-	235,850	1,298	206,968	30,179	-	23,751,645	20,967,827	3,044,428
Century Paper & Board Mills Limited ECPFT	-	2,223,593	22,689	2,246,282	-	-	225,032,432	227,071,264	2,460,277
Century Paper & Board Mills Limited EGF	-	1,421,315	16,585	1,76,260	1,261,640	-	144,201,354	17,896,110	1,158,397
Colgate Palmolive Pakistan Limited ECPFT	-	2,053,670	21,996	2,075,666	-	-	207,908,812	209,888,528	2,659,304
Colgate Palmolive Pakistan Limited EGF	-	1,270,047	2,195	208,783	1,063,459	-	127,589,572	21,147,872	1,283,609
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	-	1,249,409	11,330	1,260,739	-	-	126,601,503	127,755,766	1,384,074
Gam Corporation Private Limited Employees Contributory Provident Fund	-	498,650	2,018	500,668	-	-	50,199,302	50,600,384	203,372
Hasanali Karabhai Foundation ECPFT Trust	-	53,447	589	41,353	12,683	-	5,424,366	4,203,366	1,279,413
Lakson Investments Limited ECPFT	-	187,808	3,262	85,192	105,878	-	19,145,932	8,626,680	151,252
Merit Packaging Limited Employees Contributory Provident Fund Trust	-	277,770	5,330	152,302	130,798	-	28,371,041	15,374,995	221,182
Merit Packaging Limited Employees Gratuity Fund	-	196,509	3,556	88,805	111,260	-	20,052,260	8,985,351	107,908
Sira Foods Private Limited Employees Contributory Provident Fund Trust	-	1,370,094	15,779	1,037,266	348,607	-	139,073,532	104,966,505	1,305,102
Sira Services Private Limited Employees Contributory Provident Fund Trust	-	118,067	604	118,671	-	-	11,883,264	12,026,055	113,452
Sybird (Private) Limited ECPFT	-	256,044	1,372	216,662	40,754	-	25,784,285	21,949,690	322,085
Century Window Takeful Operations (OPF) Account	-	1,535,760	18,559	1,285,515	268,804	-	155,775,311	130,589,230	218,919
Holding more than 10% units									
Shakoo Private Limited	-	71,075,080	-	61,308,117	9,766,963	-	7,138,544,465	6,231,366,884	985,279,531
Bulk Management Pakistan Private Limited	-	93,971,663	-	73,929,009	20,042,654	-	9,454,372,337	7,520,327,022	2,021,878,858

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.

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

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

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

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

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1);

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and Unobservable inputs for the asset or liability (level 3).

As at June 30, 2023 there are no financial instruments under the fair value hierarchy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

For the period from 29 September 2022 to 30 June 2023					
Carrying amount			Fair Value		
Fair Value through profit or loss	Amortized cost	Total	Level 1	Level 2	Total
(Rupees)					
On-balance sheet financial instruments					
Financial assets not measured at fair value					
Debt Securities	- 151,508,767	151,508,767	-	-	-
Bank balances - Held at amortized cost	- 3,818,352,037	3,818,352,037	-	-	-
Deferred Formation Cost	- 1,292,913	1,292,913	-	-	-
Accrued mark-up and other receivable	- 46,388,863	46,388,863	-	-	-
Security Deposit	- 100,000	100,000	-	-	-
	- 4,017,642,580	4,017,642,580	-	-	-
Financial liabilities not measured at fair value					
Payable to the Management Company	- 2,787,511	2,787,511	-	-	-
Remuneration payable to the Trustee	- 206,820	206,820	-	-	-
Accrued expenses and other liabilities	- 26,204,665	26,204,665	-	-	-
Payable to Securities and Exchange Commission of Pakistan	- 300,015	300,015	-	-	-
	- 29,499,010	29,499,010	-	-	-

16 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top brokers, members of the Investment Committee, Fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company are as follows:

16.1 Unit holding pattern of the Fund

Category	June 30, 2023		
	No of Investors	Investment amount (Rupees)	% of total net assets
Individuals	22	228,947,409	5.74%
Associated Companies and Directors	12	366,159,591	9.18%
NBFC's (Management Company)	1	65,926,616	1.65%
Retirement Funds	2	52,948,870	1.33%
Others Corporate	5	3,274,163,379	82.10%
Total	42	3,988,145,866	100%

16.2 List of top 10 brokers by percentage of commission paid

Broker Name	Commission paid (Percentage) 2023
Optimus Market (Pvt.) Ltd	50.81%
Bright Capital (Pvt.) Ltd	21.89%
Continental Exchange (Pvt.) Ltd	17.51%
Arif Habib Ltd	9.80%

16.3 Particulars of the Investment Committee and Fund manager

Following are the members of the investment committee of the Fund:

- Mr. Babar Ali Lakhani (Chairman Investment Committee)
- Mr. Kashif Mustafa - (Executive Director & COO)
- Mr. Mustafa O. Pasha - (Chief Investment Officer)
- Mr. Hassan Bin Nasir
- Mr. Moazzam Akhtar
- Mr. Danial Baig
- Ms. Aisha Mohammad

Mr. Babar Ali Lakhani - Chief Executive Officer

Mr. Lakhani has over twenty two years of investment and portfolio management experience in domestic and international equity and fixed income markets. Mr. Lakhani most recently served as the Chief Investment Officer of Century Insurance, a Public Limited Company listed on the Karachi and Lahore Stock Exchanges of Pakistan. He was an Investment Associate at High Street Advisors and a Research Analyst at Credit Suisse Equity Group (formerly Credit Suisse First Boston). Mr. Lakhani brings extensive investment experience, globally practiced portfolio management discipline, and a comprehensive understanding of the global asset management industry to Lakson Investments Limited.

Mr. Lakhani received his BA in Finance from Bentley College, and his MBA from Brandeis University.

Mr. Lakhani is a member of the Global Association of Risk Professionals (GARP), the Society of Financial Service Professionals and the Young Presidents' Organization (YPO). Mr. Lakhani is a member of the Alumni Trustee Committee of Brandeis University and is the school's representative in Pakistan.

Mr. Lakhani was looking after Lakson Asset Allocation Emerging Market Fund and Lakson Asset Allocation Global Commodities Fund. Subsequently, Mr. Pasha have designated to manage the Lakson Asset Allocation Emerging Market Fund and Lakson Asset Allocation Global Commodities Fund respectively.

Mr. Kashif Mustafa – Executive Director and COO

Mr. Mustafa has more than fourteen years of experience working in the financial markets of Pakistan local & international brokerage houses, and leading Asset Management Companies. Mr. Mustafa's experience includes; Financial Analysis, Equity Research, Investment Advisory and Business Development.

Mr. Mustafa O. Pasha, CFA – Chief Investment Officer

Mr. Pasha has over fourteen years of experience in the asset management and investment advisory industry. He did his Bachelors in Economics from McGill University (Montreal, Canada) in 2006 and obtained his CFA charter in 2012. He was previously associated with BMA where he initially served as a fixed income analyst and later became the in house economist for the entire BMA group. Between 2009 - 2012 he supervised fixed income/money market investments across all mutual funds and institutional/HNW accounts advised by BMA. He is also managing Lakson Tactical Fund.

Mr. Hassan Bin Nasir- Fund Manager

Mr. Hassan Bin Nasir has over twelve years of experience and currently holds positions of Vice President Fixed Income in Lakson Investments Limited. He completed his Masters in Business Administration in Finance major from Bahria University, Pakistan. He has immense experience in managing portfolios across Collective Investment Schemes, Separate Managed Accounts with Strong Fixed Income background, investment strategy and trading experience in instruments including, Government Securities, Corporate Debt Securities, Banking Products and Shariah Compliant Corporate Debt Securities. He is managing the following funds:

- Lakson Income Fund
- Lakson Money Market Fund
- Lakson Asset Allocation Developed Markets Fund

Mr. Moazzam Akhtar

Moazzam is a CFA charter holder along with a Bachelor's in Finance, with over six years of experience in Equity Research. He joined Lakson as an Investment Professional in the Research team, and has recently been elevated to Deputy Head of Research.

He is responsible for managing the research team, and works closely with the Investments team.

Mr. Mirza Danial Baig

Mr. Baig has a Master's degree in Business Administration, with over seven (7) years of experience in asset management and banking. He has knowledge base in NBFC Rules & Regulations, AML Regulations, corporate governance, formulation of internal policies/mechanisms, development and execution of multi-faceted compliance programs.

He has been associated with Lakson Investments since September 2022, as Manager Compliance, where he is responsible for overseeing the Compliance Function.

Ms. Aisha Mohammad

Aisha has a Master's in Economics, and has over three years of work experience. Prior to joining Lakson, she was associated with Alfalah GHP, as Assistant Manager Compliance. She joined Lakson in Compliance, and has recently been transferred as Manager Risk.

16.4 Directors meeting attendance

2023

Name of directors	Designation	Meeting Attended	22 Sep 22	31 Oct 22	20 Feb 23	28 Apr 23
- Mr. Iqbal Ali Lakhani	Chairman	2	✓	X	X	✓
- Mr. Babar Ali Lakhani	CEO	4	✓	✓	✓	✓
- Mr. Jacques John Vesser	Director	1	X	X	✓	X
- Mr. Amin Mohammed Lakhani	Director	4	✓	✓	✓	✓
- Mr. Jamil Ahmed Mughal	Director	4	✓	✓	✓	✓
- Ms. Roxanne Davies	Director	2	✓	✓	X	X
			5	4	4	4

* Ms. Roxanne Davies resigned in the month of April 2023 and Mr. Jacques John Vesser resigned in the month of March 2023.

16.5 Rating of the Fund and the management company

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

17 GENERAL

These financial statements were authorised for issue on September 04, 2023 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director



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LAKSON ISLAMIC MONEY MARKET FUND

Performance Table	FY23	FY22	FY21	FY20	FY19
Net Assets - Beginning (PKR Mil.)	-	-	-	-	-
Net Assets - Ending (PKR Mil.)	3,988	-	-	-	-
Net Asset value per share	100.8788	-	-	-	-
Selling Price for units	102.0188	-	-	-	-
Repurchase Price for units	100.8788	-	-	-	-
Highest Offer Price (PKR)	104.6354	-	-	-	-
Lowest Offer Price (PKR)	101.1300	-	-	-	-
Highest Redemption Price (PKR)	103.4662	-	-	-	-
Lowest Redemption Price (PKR)	100.0000	-	-	-	-
Beginning NAV - Ex-Div. (PKR)	100.0000	-	-	-	-
Interim Distributions (PKR)	11.2945	-	-	-	-
Final Distribution (PKR)	-	-	-	-	-
Ending NAV - Ex-Div. (PKR)	100.3937	-	-	-	-
Return	17.07%	-	-	-	-
Net Income (PKR Mil.)	256	-	-	-	-
Total Distribution (PKR Mil.)	37	-	-	-	-
Accumulated Capital Growth	256	-	-	-	-
WAM (Days)	3	-	-	-	-
Average Annual return of the Fund					
One Year	17.07%	-	-	-	-
Two year	-	-	-	-	-
Three year	-	-	-	-	-
Since inception	-	-	-	-	-



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LAKSON ISLAMIC MONEY MARKET FUND

Distributions	FY23	FY22	FY21	FY20	FY19
	PKR per Unit				
1st Interim Distribution	1.5638	-	-	-	-
NAV before Distribution	100.0000	-	-	-	-
NAV after Distribution	100.0394	-	-	-	-
Distribution Date	10-Nov-22	-	-	-	-
2nd Interim Distribution	1.0386	-	-	-	-
NAV before Distribution	100.0394	-	-	-	-
NAV after Distribution	100.0795	-	-	-	-
Distribution Date	07-Dec-22	-	-	-	-
3rd Interim Distribution	1.4117	-	-	-	-
NAV before Distribution	100.0795	-	-	-	-
NAV after Distribution	100.1190	-	-	-	-
Distribution Date	12-Jan-23	-	-	-	-
4th Interim Distribution	0.5867	-	-	-	-
NAV before Distribution	100.1190	-	-	-	-
NAV after Distribution	100.1546	-	-	-	-
Distribution Date	28-Jan-23	-	-	-	-
5th Interim Distribution	0.4244	-	-	-	-
NAV before Distribution	100.1546	-	-	-	-
NAV after Distribution	100.1931	-	-	-	-
Distribution Date	08-Feb-23	-	-	-	-
6th Interim Distribution	1.1057	-	-	-	-
NAV before Distribution	100.1931	-	-	-	-
NAV after Distribution	100.2385	-	-	-	-
Distribution Date	08-Mar-23	-	-	-	-
7th Interim Distribution	1.2941	-	-	-	-
NAV before Distribution	100.2385	-	-	-	-
NAV after Distribution	100.2872	-	-	-	-
Distribution Date	05-Apr-23	-	-	-	-
8th Interim Distribution	3.179	-	-	-	-
NAV before Distribution	100.2872	-	-	-	-
NAV after Distribution	100.3411	-	-	-	-
Distribution Date	07-Jun-23	-	-	-	-
9th Interim Distribution	0.6905	-	-	-	-
NAV before Distribution	100.3411	-	-	-	-
NAV after Distribution	100.3937	-	-	-	-
Distribution Date	21-Jun-23	-	-	-	-



A Lakson Group Company

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