

LAKSON MONEY MARKET FUND

Annual Report 2024



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

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

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

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

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

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

Fund's Information

Management Company

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

**Board of Directors of
the Management Company**

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani - Chief Executive Officer
Mr. Jamil Ahmed Mughal
Mr. Amin Mohammed Lakhani

Chief Financial Officer

Mr. Junaid Arshad

**Company Secretary
of the Management Company**

Ms. Nobia Shams

Audit Committee

Mr. Amin Mohammed Lakhani
Mr. Iqbal Ali Lakhani
Mr. Jamil Ahmed Mughal

**Human Resource and
Remuneration Committee**

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani

Trustee

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

Auditors

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

Bankers to the Fund

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

Legal Adviser

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

Registrar

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

Distributor

Adam Securities
Amir Noorani
BMA Capital Management Limited
Elixir Securities Pvt Limited
Ismail Iqbal Securities
Metro Capital Pvt Limited
Pearl Securities Pvt Limited
Pyramid Financial Consultants
Rabia Fida
Topline Securities Pvt Limited
Vector Capital Pvt Limited

Rating

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Money Market Fund ('LMMF' or 'Fund') is pleased to submit its report together with Audited Financial Statements for the year ended June 30, 2024.

Fund Objective

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

Principal activities

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

Fund Performance

The LMMF generated return of 22.61% in FY24 compared to Benchmark (70% average 3M T-Bills yield + 30% average 3M TDR rate of minimum AA rated banks) return of 22.79%. The LMMF underperformed the benchmark by -0.18%. Asset allocation was concentrated in T-bills at 61.6%, Commercial paper at 4.2%, Cash at 12.4%, placements with banks & DFIs at 9.9% and others at 9.2%. The weighted average maturity (WAM) of the LMMF portfolio stands at 72 days and fund size as of June 30, 2024 is PKR 31,865 million.

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 payouts of PKR 20.9074 per unit (20.9074% of face value of PKR 100/-) amounting to PKR 5,167.94 million in cash during the year ended June 30, 2024.

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.

These aforementioned risks could push both the foreign and local investors to liquidate their investments, which may affect the financial market adversely and may affect the Fund's profitability as well.

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 LMMF at "AM2+" and "AA+(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, 2024 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. Yousuf Adil., Chartered Accountants being eligible, have given their consent for reappointment as auditors for the year ending June 30, 2025. The Board of Directors, on the recommendations of the Audit Committee, has reappointed M/s. M/s. Yousuf Adil., Chartered Accountants for the year ending June 30, 2025.

Economy Review

Economic challenges faced by Pakistan met with a breather at the start of FY24 as Pakistan signed IMF's 9-month Stand-By Arrangement (SBA) worth US\$3 billion.

We saw continuation of positive outcomes from fiscal and regulatory reforms initiated under guidelines given by the IMF.

Concerted efforts to narrow the current account deficit yielded success. Growth in exports, remittances, outpacing import demand, narrowed the current account balance to a deficit of cumulative US\$626 million in FY24 compared to US\$2,077 million in FY23.

This balanced approach further added on to assistance from bilateral and multilateral lenders, raising State Bank of Pakistan's (SBP) foreign exchange reserves by 2x YoY to a of US\$9.4 billion. Resultantly import cover also reached 2x in Jun-2024 compared to 1.3x a year ago.

An expected new program to be approved with IMF during FY25 will further strengthen reserves. The stable external account led to almost flat in Pakistani Rupee (PKR) against the US dollar during the second half of FY24, closing at PKR278/USD on Jun-2024 (+4% YoY).

With a stable currency and high base effect from the previous year, Pakistan continued its disinflationary phase that began in 3QFY24. Consumer Price Index (CPI) for FY24 averaged ~24%, compared to 29% in FY23.

Amid disinflation, the Monetary Policy Committee (MPC) initiated a monetary easing cycle for the first time in four years, trimming Policy Rate by 1.5% to 20.5% in June-2024. The secondary market continued to price in further anticipation of near-term rate cut, remaining below the revised benchmark rates.

Towards the end of fiscal year, the government announced the Federal Budget for FY25, outlining higher tax measures that is targeted to improve FY25 fiscal deficit to 5.9% of GDP (lowest in seven years), while targeting primary balance of 1.2% of GDP for the year.

Fixed income markets review

The secondary market yields remained volatile throughout the year, contrary to market expectations, the central bank maintained its tight monetary policy stance throughout the year, keeping Policy rate unchanged at 22%, until June-2024 when the first rate cut of 150bp was announced. To gain benefit from the changing yields, banks continued to utilize SBP window facility to place their excess liquidity. Participation and acceptance in T-Bill and Floater PIB auctions remained higher during the year where cut-off yields below the Policy Rate, maintaining an inverter yield curve.

Benchmark 6M Kibor were up 3% on average to 22% during FY24, however remains below the policy rate since Oct-2023.

Future Outlook

The SBP has finally began monetary easing cycle with first cut of 150bps in Policy rate announced in June-2024, followed by another 100bps cut in July-2024. Policy rate now stands at 19.5%. This easing stance followed a four-year period of tightening and stable rates cycle, and complemented the ongoing disinflation trend with CPI dropping to 11.8% in May 2024. Additionally, a close-to-break-even Balance of Payments, supported by elevated remittances, contributed to the stability of SBP's foreign exchange reserves.

We expect Pakistan to enter single-digit inflation figure from August-2024 onwards, due to favorable base effect from last year's elevated prices. This will create room for further rate cuts ahead. Anticipation of monetary easing was already reflected in secondary market yields trading below the benchmark rate since Oct-2023.

Moreover, announcement of ambitious revenue target in the FY25 Budget, helped the government to secure IMF's staff-level agreement on a 37-month, US\$7bn Extended Fund Facility Arrangement (EFF), which is subject to IMF's Executive Board approval. The key focus areas outlined by the fund include

- 1) fiscal consolidation with tall revenue targets (FY24 fiscal deficit already reported some improvement),
- 2) disinflation-supportive monetary policy stance,
- 3) energy sector reforms including no direct subsidy,
- 4) privatization of profitable State-Owned Enterprises (SOEs) and
- 5) taxation of agriculture sector from Jan-2025.

Going forward, investor sentiment is expected to receive a significant boost this month as the IMF program for Pakistan nears final approval at the Board level. Concurrently, ongoing negotiations with friendly countries including China, Saudia Arabia and UAE for debt restructuring and privatization program are seen as a crucial step towards the Fund program. These developments, coupled strong corporate earnings and progress over resolution of energy sector circular debt results, are poised to improve investor confidence and continue unlocking valuations from the prevailing ~4x P/E. Extended political noise is a key hinderance to the aforementioned triggers.

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 12, 2024
Karachi**



لیکسن مانی مارکیٹ فنڈ

30 جون 2024 کو ختم ہونے والے سال کے لیے

مینیجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

لیکسن مانی مارکیٹ فنڈ ("LMMF" یا فنڈ) کی مینیجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے 30 جون 2024 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 مستحکم اور مسابقتی منافع جات فراہم کرنا ہے جو مانی مارکیٹس سے ہم آہنگ اور سرمائے کے تحفظ سے مطابقت رکھتے ہوں۔ اس طرح یہ فنڈ کم خطرات کے حامل مختصر مدتی سرمایہ کاری کے لیکویڈ پورٹ فولیو پر مشتمل ہے۔

تمایاں سرگرمیاں

فنڈ ایک اوپن اینڈ مانی مارکیٹ فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ یہ فنڈ گورنمنٹ سکیورٹیز، سرٹیفکیٹس آف انویسٹمنٹس، Clean Placements، بڑم ڈپازٹ ریسیٹس اور دیگر مختصر مدتی انسٹرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کی تجدید شدہ اوسط میچورٹی 3 ماہ سے کم رکھی جاتی ہے۔ LMMF صرف ان سکیورٹیز 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 ریسک کم کرنے کے لیے سرمایہ کاری سے پہلے مقابل پارٹی کا کریڈٹ کے حوالے سے باریک بینی سے تجزیہ کیا جاتا ہے۔ پورٹ فولیو کی مختصر میچورٹی یونٹ ہولڈرز کو شرح سود کے اتار چڑھاؤ کے خلاف تحفظ دیتی ہے، جب کہ فنڈ کی لیکویڈیٹی میں اضافہ کرتی ہے۔ LMMF کو ریڈیمپشن کے لیے خالص اثاثوں کے 15% تک قرض لینے کی اجازت ہے، تاہم LMMF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی

LMMF نے شیئرمارک منافع (سہ ماہی T بلز کے اوسط منافع جات کا 70% + کم از کم AA ریٹڈ بینکس کے اوسط سہ ماہی TDR ریٹ کا 30%) 22.79% کے مقابلے میں مالی سال 2024 میں 22.61% منافع کمایا۔ LMMF نے شیئرمارک کے مقابلے میں 0.18% - کم تر کارکردگی کا مظاہرہ کیا۔ اثاثوں کی تفویض فی بلز میں 61.6%، کمرشل پیپر میں 4.2%، بیکس میں 12.4%، بینکوں اور DFIs میں کی جانے والی پلیمینٹس میں 9.9% اور دیگر میں 9.2% رہی۔ LMMF پورٹ فولیو کی تجدید شدہ اوسط میچورٹی (WAM) 72 دن ہے اور 30 جون 2024 کے مطابق فنڈ کا حجم 31,865 ملین روپے ہے۔

فی شیئر آمدنی (EPU)

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

آمدنی کی تقسیم

چیف ایگزیکٹو آفیسر نے منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے اختیار کے تحت 30 جون 2024 کو ختم ہونے والے سال کے لیے فی یونٹ 20.9074 روپے (100 روپے کی فیس دلیو کا 20.9074%) کی عبوری کیش ادائیگی کا اعلان کیا ہے، جس کی مالیت 5,167.94 ملین روپے بنتی ہے۔

اہم خطرات و غدشات

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 ادوار قدرہ قرض فراہم کنندہ ابھرنے، دونوں کی طرف سے توقع سے کم مالی امداد، مزید مالیاتی سختی اور دیگر تے خارج تعلقات پاکستان میں تمام کاروباری شعبوں کے لیے ایک خطرہ بنے ہوئے ہیں۔

مذکورہ بالا خطرات غیر ملکی اور مقامی سرمایہ کاروں، دونوں کو اپنی سرمایہ کاریاں تحلیل کرنے پر مجبور کر سکتے ہیں جس کے مالیاتی مارکیٹ پر منفی اثرات پڑ سکتے ہیں اور فنڈ کی منافع کمانے کی صلاحیت بھی متاثر ہو سکتی ہے۔

لیسیٹ منیجر اینڈ فنڈ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے منجمنٹ کمپنی کی لیسیٹ منیجر ریٹنگ اور LMMF کی فنڈ اسٹیبلٹی ریٹنگ بالترتیب "AM2+" اور "AA+(f)" پر برقرار رکھی ہے۔

اضافی معاملات

- 1- منجمنٹ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔
- 2- منجمنٹ کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو اور یونٹ ہولڈرز کے فنڈ میں نقل و حرکت کی منصفانہ عکاسی کرتے ہیں۔
- 3- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 4- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے اور شراپاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 5- ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 کے تقاضوں، نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اسٹیبلشمنٹ ریگولیشنز، 2008 (NBFC ریگولیشنز)، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ڈائریکٹیوز 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- انٹرنل 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- منیجر، ڈیپوزیٹرز، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10- پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت سے متعلق گوشوارہ فنڈ پر قابل اطلاق نہیں ہے جیسا کہ ایسے اخراجات مینجمنٹ کمپنی کی طرف سے برداشت کیے جاتے ہیں۔
- 11- 30 جون 2023 کے مطابق پونٹ ہولڈنگ کا پٹرین 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 2025 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے اپنی رضامندی ظاہر کر دی ہے۔ آڈٹ کمپنی کی سفارشات پر پورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لیے میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کر دی ہے۔

معاشی جائزہ

ملک کو درپیش معاشی چیلنجز کے حوالے سے مالی سال 2024 کے آغاز میں اس وقت کچھ راحت ملی، جب پاکستان نے آئی ایم ایف کے 9 ماہ کے اسٹینڈ بائی معاہدے (SBA) پر دستخط کیے جس کی مالیت 3 ارب ڈالر ہے۔ ہم نے آئی ایم ایف کی جانب سے دی گئی ہدایات کے تحت شروع کی گئی مالیاتی اور ریگولیٹری اصلاحات کے مثبت نتائج کا تسلسل دیکھا۔ کرنٹ اکاؤنٹ خسارے کو کم کرنے کی ٹھوس کوششوں کے نتیجے میں کامیابی ملی۔ برآمدات اور ترسیلات زر میں اضافے نے درآمدی طلب کو پیچھے چھوڑ دیا، جس کی وجہ سے کرنٹ اکاؤنٹ بیلنس کا فرق کم ہو کر مالی سال 2024 میں مجموعی خسارہ 626 ملین ڈالر رہا، جو مالی سال 2023 میں 2,077 ملین ڈالر تھا۔

اس متوازن حکمت عملی نے دو طرفہ اور کثیر الجہتی قرض دہندگان کی جانب سے معاونت میں مزید اضافہ کیا، جس سے اسٹیبٹ بینک آف پاکستان کے زرمبادلہ ذخائر میں سال بہ سال 2 گنا اضافہ ہوا اور یہ 9.4 ملین امریکی ڈالر تک پہنچ گئے۔ اس کے نتیجے میں جون 2024 میں اپورٹ کو بھی ایک سال قبل کے 1.3 گنا کے مقابلے میں 2 گنا تک پہنچ گیا۔

مالی سال 2025 کے دوران آئی ایم ایف کے ساتھ متوقع نئے پروگرام کی منظوری سے زرمبادلہ کے ذخائر مزید مستحکم ہوں گے۔ مستحکم ایکسٹرنل اکاؤنٹ کی وجہ سے مالی سال 2024 کی دوسری ششماہی کے دوران امریکی ڈالر کے مقابلے میں پاکستانی روپے میں تقریباً استحکام رہا، جو جون 2024 میں 278 روپے / فی امریکی ڈالر (شیت 4 فیصد، سال بہ سال) پر بند ہوا۔

مستحکم کرنسی اور باقی میس اثرات کے ساتھ، گزشتہ سال کے مقابلے میں پاکستان نے مالی سال 2024 کی تیسری سہ ماہی میں شروع ہونے والا افراط زر میں

کمی کا سلسلہ جاری رکھا۔ مالی سال 2024 کے لئے کنزرویٹو پرائس انڈیکس (سی پی آئی) اوسطاً 24 فیصد تھا جبکہ مالی سال 2023 میں یہ 29 فیصد تھا۔ تقریباً زر کے دوران، مانیٹری پالیسی کمیٹی (MPC) نے چار سال میں پہلی بار مالیاتی نرمی کا عمل شروع کیا اور جون 2024 میں شرح سود کو 1.5 فیصد کم کر کے 20.5 فیصد کر دیا۔ شرح سود میں مزید کمی کی توقع پر، ثانوی مارکیٹ میں قیمتوں میں اضافہ جاری رہا، جو نظر ثانی شدہ شیڈ مارکٹ شرحوں سے کم رہا۔ مالی سال کے اختتام پر حکومت نے مالی سال 2025 کے لئے وفاقی بجٹ کا اعلان کیا، جس میں اضافی ٹیکس اقدامات کی نشاندہی کی گئی ہے، جن کا مقصد مالی سال 2025 کے مالی خسارے کو جی ڈی پی کے 5.9 فیصد (سات سالوں میں سب سے کم) تک لانا ہے، جبکہ سال کے لئے جی ڈی پی کے 1.2 فیصد کے پرائمری بیلنس کا ہدف مقرر کیا گیا ہے۔

فلسفہ انکم مارکیٹ کا جائزہ

ثانوی مارکیٹ کے منافع جات سال بھر اتار چڑھاؤ کا شکار رہے، مارکیٹ کی توقعات کے برعکس مرکزی بینک نے سال بھر اپنی سخت مانیٹری پالیسی پوزیشن برقرار رکھی اور شرح سود کو جون 2024 تک 22 فیصد پر برقرار رکھا، جب شرح سود میں 150 بیس پوائنٹس کی پہلی کٹوتی کا اعلان کیا گیا تھا۔ بدلتے ہوئے منافع جات سے فائدہ اٹھانے کے لیے بینکوں نے اپنی اضافی لیکویڈیٹی رکھنے کے لیے اسٹیٹ بینک کی وینڈو سہولت کا استعمال جاری رکھا۔ سال کے دوران ٹی بلز اور فلوٹرنی آئی بی نیلامیوں میں شرکت اور قبولیت زیادہ رہی، جہاں کم سے کم منافع شرح سود سے کم رہا، جس سے انورٹڈ yield curve برقرار رہا۔

شیڈ مارک 6M کاٹی بور (Kibor) مالی سال 2024 کے دوران اوسطاً 3 فیصد اضافے کے ساتھ 22 فیصد تک پہنچ گیا تھا، تاہم اکتوبر 2023 کے بعد سے شرح سود سے کم ہے۔

مستقبل کا منظر نامہ

اسٹیٹ بینک نے جون 2024 میں اعلان کردہ شرح سود میں 150 بیس پوائنٹس کی پہلی کٹوتی کے ساتھ مالیاتی نرمی کا عمل شروع کر دیا ہے، جس کے بعد جولائی 2024 میں مزید 100 بیس پوائنٹس کی کٹوتی کی گئی۔ شرح سود اب 19.5 فیصد ہے۔ نرمی کا یہ انداز چار سال کے عرصے پر محیط سخت گیری اور مضبوط شرح سود کا سلسلہ دیکھنے کے بعد سامنے آیا اور مئی 2024 میں سی پی آئی کے 11.8 فیصد تک گرنے کے ساتھ، اس نے جاری افراط زر کے رجحان کو مکمل کیا۔ مزید برآں ترسیلات زر میں اضافے کی مدد سے ایک تقریباً ہم سطح توازن ادائیگی (بیلنس آف پیمنٹس) نے اسٹیٹ بینک کے زرمبادلہ ذخائر میں استحکام لانے میں اہم کردار ادا کیا۔

ہم توقع کرتے ہیں کہ پاکستان میں اگست 2024 کے بعد سے افراط زر کی شرح سنگل ڈیجٹ میں آجائے گی، جس کی وجہ گزشتہ سال کی بڑھی ہوئی قیمتوں کے سازگار بین الاقوامی اثرات ہیں۔ اس سے آگے چل کر شرح سود میں مزید کٹوتی کی گنجائش پیدا ہوگی۔ اکتوبر 2023 کے بعد سے شیڈ مارکٹ شرح سے نیچے ٹریڈ کرنے والی ثانوی مارکیٹ کے منافع سے مالیاتی نرمی کی توقعات پہلے ہی ظاہر ہو چکی تھیں۔

مزید برآں، مالی سال 2025 کے بجٹ میں محصولات کے زائد ہدف کے اعلان سے حکومت کو آئی ایم ایف کے ساتھ اسٹاف لیول پر 37 ماہ کے 7 ارب ڈالر مالیتی توسیعی فنڈنگ سیٹی آرینجمنٹ (ای ایف ایف) معاہدہ کرنے میں مدد ملی، جو آئی ایم ایف کے ایگزیکٹو بورڈ کی منظوری سے مشروط ہے۔ فنڈ کی طرف سے بیان کردہ اہم توجہ طلب شعبوں میں (1) محصولات کے بڑے اہداف کے ساتھ مالی استحکام (مالی سال 2024 کے مالی خسارے میں پچھلی یہ کچھ بہتری کی اطلاع دی گئی ہے)، (2) افراط زر کم کرنے میں معاونت کرنے والی مانیٹری پالیسی پر مبنی موقف، (3) توانائی کے شعبے میں اصلاحات بشمول براہ راست

سہڈی کی ممانعت، (4) سرکاری ملکیت والے منافع بخش اداروں کی نجکاری اور (5) جنوری 2025 سے زرعی شعبے پر ٹیکس لگانا شامل ہیں۔ آگے چل کر سرمایہ کاروں کے جذبات کو رواں ماہ نمایاں تقویت ملنے کی توقع ہے کیونکہ پاکستان کے لئے آئی ایم ایف پروگرام، بورڈ کی سطح پر حتمی منظوری کے قریب ہے۔ اس کے ساتھ ساتھ دوست ممالک بشمول چین، سعودی عرب اور متحدہ عرب امارات کے ساتھ قرضوں کی ری اسٹرکچرنگ اور نجکاری پروگرام کے لیے جاری مذاکرات کو فنڈ پروگرام کی جانب ایک اہم قدم کے طور پر دیکھا جا رہا ہے۔ یہ عوامل، مستحکم کارپوریٹ آمدنی اور توانائی شعبے کے گردش قرضوں کے مسئلہ کے حل میں پیش رفت کے ساتھ مل کر سرمایہ کاروں کے اعتماد کو بہتر بنانے اور موجودہ 4x P/E ملتی قدر و قیمت میں تبدیلیاں لانا جاری رکھنے پر آمادہ دکھائی دیتے ہیں۔ سیاسی شورش و غل میں اضافہ مذکورہ محرکات کی راہ میں حائل ایک اہم رکاوٹ ہے۔

اظہار تشکر

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

برائے و خائب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

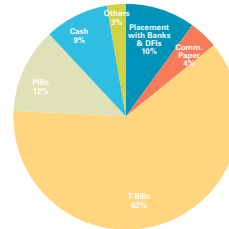
تاریخ: 12 ستمبر 2024

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2024

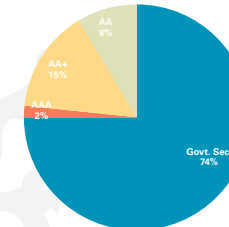
Fund Facts

Fund Type	Open-End
Category	Money Market Fund
Net Assets (PKR Mil.)	31,865
NAV (30.06.2024)	102.8435
Pricing Mechanism	Previous Day
Trustee	CDC Pakistan Limited
Auditor	Yousuf Adil Saleem & Co.
Management Fee	Upto 1% (Effective: June 19, 2020) Current (0.88%)
Front End Load	1%
Back End Load	None
Launch Date	November 13, 2009
Benchmark	70% average 3 months PKRV rates+ 30% average 3 months deposit rate of three AA rated banks.
Dealing Days	Mon - Fri
Cut-Off Time	04:00 PM
Fund Rating	'AA+ (f)' by PACRA (11.Mar.2024)
Asset Manager Rating	AM2+ by PACRA (25.Aug.2023)
Risk Profile	Low Risk

Asset Allocation



Credit Split



Simple Annualized LMMF Benchmark

	LMMF	Benchmark
FY24 - YTD	22.61%	22.79%
June-24	20.78%	19.78%
2 Months	21.00%	20.54%
3 Months	21.01%	20.77%
6 Months	20.94%	21.00%
12 Months	22.61%	22.78%
CY24- YTD	20.94%	21.03%
3 Years	22.94%	21.52%
5 Years	19.34%	17.90%
Since Inception	21.60%	20.40%

Investment Committee

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

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.

Investment Strategy

The LMMF's Investment Committee focused on maintaining a low risk and liquid portfolio in accordance with its Investment Objective. Exposure of the LMMF in T-Bills, TDRs, and other money market placements was managed based on the relative yield analysis of these instruments and our yield curve expectations. The Fund maintained 8.6% average exposure to short-term placements with banks & DFIs. This exposure was taken as the returns available on these placements were favorable when compared to other instruments.

Fund Profile

The Fund is an open-end money market fund and is listed on Pakistan Stock Exchange Limited. The Fund invests in Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts, and other short-term instruments. The weighted average maturity of the portfolio is kept below 3 months. LMMF invests in only those securities that have been assigned at least an "AA" rating by a rating agency in Pakistan and are of less than 6 months maturity. An in-depth credit analysis is

conducted before taking any exposure to any counter party to mitigate the credit risk. Short maturity of the portfolio protects the Unit Holders against interest rate movements while enhancing the liquidity of the Fund. LMMF is allowed to borrow up to 15% of Net Assets to meet redemptions; however, LMMF did not utilize this facility during the period under review.

Economic Review

Economic challenges faced by Pakistan met with a breather at the start of FY24 as Pakistan signed IMF's 9-month Stand-By Arrangement (SBA) worth US\$3 billion.

We saw continuation of positive outcomes from fiscal and regulatory reforms initiated under guidelines given by the IMF.

Concerted efforts to narrow the current account deficit yielded success. Growth in exports, remittances, outpacing import demand, narrowed the current account balance to a deficit of cumulative US\$626 million in FY24 compared to US\$2,077 million in FY23.

This balanced approach further added on to assistance from bilateral and multilateral lenders, raising State Bank of Pakistan's (SBP) foreign exchange reserves by 2x YoY to a of US\$9.4 billion. Resultantly import cover also reached 2x in Jun-2024 compared to 1.3x a year ago.

An expected new program to be approved with IMF during FY25 will further strengthen reserves. The stable external account led to almost flat in Pakistani Rupee (PKR) against the US dollar during the second half of FY24, closing at PKR278/USD on Jun-2024 (+4% YoY).

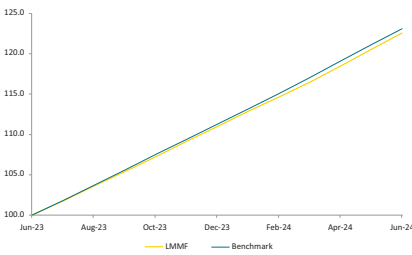
With a stable currency and high base effect from the previous year, Pakistan continued its disinflationary phase that began in 3QFY24. Consumer Price Index (CPI) for FY24 averaged ~24%, compared to 29% in FY23.

Amid disinflation, the Monetary Policy Committee (MPC) initiated a monetary easing cycle for the first time in four years, trimming Policy Rate by 1.5% to 20.5% in June-2024. The secondary market continued to price in further anticipation of near-term rate cut, remaining below the revised benchmark rates.

Towards the end of fiscal year, the government announced the Federal Budget for FY25, outlining higher tax measures that is targeted to improve FY25 fiscal deficit to 5.9% of GDP (lowest in seven years), while targeting primary balance of 1.2% of GDP for the year.

Fund Performance

The LMMF generated return of 22.61% in FY24 compared to Benchmark (70% average 3M T-Bills yield + 30% average 3M TDR rate of minimum AA rated banks) return of 22.79%. The LMMF underperformed the benchmark by -0.18%. Asset allocation was concentrated in T-bills at 61.6%, Commercial paper at 4.2%, Cash at 12.4%, placements with banks & DFIs at 9.9% and others at 9.2%. The weighted average maturity (WAM) of the LMMF portfolio stands at 72 days and fund size as of June 30, 2024 is PKR 31,865 million.

Performance Table	FY24	FY23	LMMF vs. Benchmark
Net Assets - Beginning (PKR Mil.)	22,967	12,325	
Net Assets - Ending (PKR Mil.)	31,865	22,967	
Highest Offer Price (PKR)	106.3082	105.0449	
Lowest Offer Price (PKR)	103.7697	101.4798	
Highest Redemption Price (PKR)	105.1203	103.8711	
Lowest Redemption Price (PKR)	102.6102	101.4798	
Beginning NAV - Ex-Div. (PKR)	102.6102	101.4435	
Interim Distributions (PKR)	20.9074	15.6044	
Final Distribution (PKR)	-	-	
Ending NAV - Ex-Div. (PKR)	102.8435	102.0738	
Return	22.61%	17.80%	
Net Income (PKR Mil.)	6,401	2,747	
WAM (Days)	72	25	

Fixed Income Markets Review

The secondary market yields remained volatile throughout the year, contrary to market expectations, the central bank maintained its tight monetary policy stance throughout the year, keeping Policy rate unchanged at 22%, until June-2024 when the first rate cut of 150bp was announced. To gain benefit from the changing yields, banks continued to utilize SBP window facility to place their excess liquidity. Participation and acceptance in T-Bill and Floater PIB auctions remained higher during the year where cut-off yields below the Policy Rate, maintaining an inverter yield curve.

Benchmark 6M Kibor were up 3% on average to 22% during FY24, however remains below the policy rate since Oct-2023.

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payouts of PKR 20.9074 per unit (20.9074% of face value of PKR 100/-) amounting to PKR 5,167.94 million in cash during the year ended June 30, 2024.

Future Outlook

The SBP has finally began monetary easing cycle with first cut of 150bps in Policy rate announced in June-2024, followed by another 100bps cut in July-2024. Policy rate now stands at 19.5%. This easing stance followed a four-year period of tightening and stable rates cycle, and complemented the ongoing disinflation trend with CPI dropping to 11.8% in May 2024. Additionally, a close-to-break-even Balance of Payments, supported by elevated remittances, contributed to the stability of SBP's foreign exchange reserves.

We expect Pakistan to enter single-digit inflation figure from August-2024 onwards, due to favorable base effect from last year's elevated prices. This will create room for further rate cuts ahead. Anticipation of monetary easing was already reflected in secondary market yields trading below the benchmark rate since Oct-2023.

Moreover, announcement of ambitious revenue target in the FY25 Budget, helped the government to secure IMF's staff-level agreement on a 37-month, US\$7bn Extended Fund Facility Arrangement (EFF), which is subject to IMF's Executive Board approval. The key focus areas outlined by the fund include

- 1) fiscal consolidation with tall revenue targets (FY24 fiscal deficit already reported some improvement),
- 2) disinflation-supportive monetary policy stance,
- 3) energy sector reforms including no direct subsidy,
- 4) privatization of profitable State-Owned Enterprises (SOEs) and
- 5) taxation of agriculture sector from Jan-2025.

Going forward, investor sentiment is expected to receive a significant boost this month as the IMF program for Pakistan nears final approval at the Board level. Concurrently, ongoing negotiations with friendly countries including China, Saudi Arabia and UAE for debt restructuring and privatization program are seen as a crucial step towards the Fund program. These developments, coupled strong corporate earnings and progress over resolution of energy sector circular debt results, are poised to improve investor confidence and continue unlocking valuations from the prevailing ~4x P/E. Extended political noise is a key hinderance to the aforementioned triggers.

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 LMMF at "AM2+" and "AA+(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, 2024, the LMMF does not employ any leverage.

Breakdown of Unit Holding by Size

Units Range	No. of Clients	Units Held
Units Range	No. of Clients	Units Held
Holding upto 100	43	788
101 - 500	20	4,545
501 - 1,000	6	4,040
1,001 - 5,000	14	37,373
5,001 - 10,000	8	52,005
10,001 - 50,000	18	528,184
50,001 - 100,000	18	1,456,965
100,001 - 500,000	33	7,889,324
500,001 - 1,000,000	5	3,264,458
1,000,001 - 5,000,000	25	66,624,360
5,000,001 - above	18	229,977,549
	208	309,839,590

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
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TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON 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 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 year ended June 30, 2024 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.


Badinuddin Akber
 Chief Executive Officer
 Central Depository Company of Pakistan Limited

Karachi: September 16, 2024



 **YOUSUF ADIL**

Yousuf Adil
 Chartered Accountants

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 KCHSU, Shahr-e-Faisal
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INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of Lakson Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Lakson Money Market Fund** (the Fund), which comprise the statement of assets and liabilities as at **June 30, 2024**, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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. This matter was 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 this matter.

S. No.	Key audit matter	How our audit addresses the key audit matter
1.	<p>Existence and Valuation of investments</p> <p>The investments represent 90% of the total assets amounted to Rs. 28,992 million of the fund at the year end.</p> <p>In view of the significant amount of total investments in relation to determination of net asset value of the fund, we have considered these to be a key audit matter.</p> <p>Refer to notes 4.1 and 6 of the financials statements of the fund for the year ended 30 June 2024 in relation to the above referred investments.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedure included the following:</p> <ul style="list-style-type: none"> • We have reviewed the processes and key controls relating to existence and valuation and evaluated the design and implementation of such controls. • We have evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9. • We checked existence of investments from the Investor Portfolio Services (IPS) account statement and custodian statements.

YA

Independent Member Firm to
 Deloitte Touche Tohmatsu Limited

 **YOUSUF ADIL**

Yousuf Adil
Chartered Accountants

S. No.	Key audit matter	How our audit addresses the key audit matter
		<ul style="list-style-type: none"> We have re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policy of the Fund. We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have not been provided with the other information yet and therefore, we have nothing to report in this regard.

Responsibilities of Management Company and Those Charged with Governance for the Financial Statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with 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, 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 Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are 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.

Y.A.

Independent Chartered Accountant Firm 22
Bakhtyar Taseer & Associates Limited

 **YOUSUF ADIL**

Yousuf Adil
Chartered Accountants

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 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 Those Charged with Governance 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 Those Charged with Governance 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 Those Charged with Governance 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

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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


Chartered Accountants

Place: Karachi
Date: September 20, 2024
UDIN: AR202410099bAH4UFq86

Independent Correspondent Firm to
Salute Finance Technology Limited

**Statement of Assets and Liabilities
As at June 30, 2024**

	Note	2024 (Rupees)	2023
Assets			
Bank balances	5	2,971,548,590	350,383,820
Investments	6	28,992,172,185	22,713,782,212
Profit / mark-up receivable	7	222,958,963	51,571,257
Advance income tax	8	19,154,000	17,453,982
Deposits and other receivables		100,000	100,000
Total assets		32,205,933,738	23,133,291,271
Liabilities			
Payable to the Management Company	9	63,135,555	46,692,031
Payable to the Trustee	10	1,715,080	1,143,068
Payable to Securities and Exchange Commission of Pakistan	11	2,069,289	3,328,597
Payable against redemption of units		1,807,069	-
Accrued expenses and other liabilities	12	272,235,041	115,475,182
Total liabilities		340,962,034	166,638,878
Net assets		31,864,971,704	22,966,652,393
Contingencies and commitments	14		
Unit holders' fund (as per the Statement of Movement in Unit Holder Fund)		31,864,971,704	22,966,652,393
		----- (Number of units) -----	
Number of units in issue	15	309,839,597	223,824,425
		----- (Rupees) -----	
Net assets value per unit		102.8435	102.6102

The annexed notes from 1 to 24 form an integral part of these financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

Income Statement For the year ended June 30, 2024

		2024	2023
	Note	(Rupees)	
INCOME			
Mark-up income on investments and bank deposits		6,664,492,193	2,883,570,652
Realized loss on sale of investments at fair value through profit or loss - net		(22,453,983)	(6,914,063)
Unrealised appreciation / (diminution) on revaluation of investments classified as financial asset at fair value through profit or loss - net		74,638,250	(11,611,510)
		<u>6,716,676,460</u>	<u>2,865,045,079</u>
EXPENSES			
Remuneration of the Management Company	9.1	235,398,509	88,571,220
Sindh Sales tax on remuneration to the Management Company	9.2	30,602,147	11,514,272
Remuneration to the Trustee	10	19,493,012	10,343,692
Annual fee to Securities and Exchange Commission of Pakistan	11	23,622,381	3,328,622
Securities' and Exchange Commission of Pakistan supervisory fee		2,500	2,500
Brokerage, settlement and bank charges		4,675,782	1,989,026
Auditors' remuneration	16	721,353	686,045
Fees and subscription		541,182	1,115,129
Legal and professional charges		988,484	789,940
Printing charges		37,290	20,340
Total expenses		<u>316,082,640</u>	<u>118,360,786</u>
Net income from operating activities		<u>6,400,593,820</u>	<u>2,746,684,293</u>
Net income for the year before taxation		<u>6,400,593,820</u>	<u>2,746,684,293</u>
Taxation	17	-	-
Net income for the year		<u>6,400,593,820</u>	<u>2,746,684,293</u>
Allocation of net income for the year			
Net income for the year		6,400,593,820	2,746,684,293
Income already paid on units redeemed		(1,152,570,640)	(490,244,927)
		<u>5,248,023,180</u>	<u>2,256,439,366</u>
Accounting income available for distribution:			
Relating to capital gains - net		45,694,054	-
Excluding capital gains		5,202,329,126	2,256,439,366
		<u>5,248,023,180</u>	<u>2,256,439,366</u>
Earning per unit	4.11		

The annexed notes from 1 to 24 form an integral part of these financial statements.

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


Chief Executive Officer


Chief Financial Officer


Director

**Statement of Comprehensive Income
For the year ended June 30, 2024**

	2024	2023
	(Rupees)	
Net income for the year	6,400,593,820	2,746,684,293
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>6,400,593,820</u>	<u>2,746,684,293</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.



For Lakson Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**Statement Of Movement in Unit Holders' Fund
For the year ended June 30, 2024**

	2024		2023	
	Capital value	Undistributed Income	Capital value	Undistributed Income
	(Rupees)			
Net assets at beginning of the year	22,611,566,002	355,086,391	22,966,652,393	145,863,650
Issuance of units 1,188,518,891 (2023: 783,141,614 units)				
- Capital value	121,954,161,156	-	79,444,626,324	-
- Element of income	1,680,778,666	-	730,759,894	-
Total proceeds on Issuance of units	123,634,939,822	-	80,175,386,218	-
Redemption of units 1,102,503,719 (2023: 741,654,809 units)				
- Capital value	(113,128,127,107)	-	(75,236,059,648)	-
- Element of loss	(451,750,285)	-	(218,170,400)	-
Total payments on redemption of units	(113,579,877,392)	-	(75,454,230,048)	-
Distributions during the year	(1,236,828,669)	(5,167,937,629)	(6,404,766,298)	(2,047,216,625)
Total comprehensive income for the year	-	6,400,593,820	-	2,746,684,293
Net assets as at end of the year	31,429,799,763	435,171,942	31,864,971,704	355,086,391
Undistributed income brought forward				
- Realised income at the beginning of the year	355,086,391		145,863,650	
- Unrealised income at the beginning of the year	355,086,391		145,863,650	
Accounting income available for distribution				
- Relating to capital gains	45,694,054		-	
- Excluding capital gains	5,202,329,126		2,256,439,366	
Net income for the year after taxation	5,248,023,180		2,256,439,366	
Cash Distributions during the year	(5,167,937,629)		(2,047,216,625)	
Undistributed income carried forward				
Represented by:				
- Realised income at the end of the year	360,533,692		355,086,391	
- Unrealised income at the end of the year	74,638,250		-	
Undistributed income at end of the year				
Net assets value per unit at beginning of the year	435,171,942		355,086,391	
Net assets value per unit at end of the year	102.6102		101.4435	
	102.8435		102.6102	

The annexed notes from 1 to 24 form an integral part of these financial statements.

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


Chief Executive Officer


Chief Financial Officer


Director

Statement of Cash Flows
For the year ended June 30, 2024

	Note	2024	2023
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		6,400,593,820	2,746,684,293
Adjustments for non-cash charges and other items:			
Markup income on investments		(6,664,492,193)	(2,883,570,652)
Realized loss on sale of investments at fair value through profit or loss - net		22,453,983	6,914,063
Unrealised (appreciation) / diminution on revaluation of investments classified as financial asset at fair value through profit or loss - net		(74,638,250)	11,611,510
		(316,082,640)	(118,360,786)
Decrease / (increase) in assets			
Investments		(1,059,530,781)	456,607,870
Advance tax		(1,700,018)	(9,631,738)
Receivable against sale of units		-	2,435,120
Deposits and other receivables		-	90,268
		(1,061,230,799)	449,501,519
Increase / (decrease) in liabilities			
Payable to the Management Company		16,443,524	3,335,456
Payable to the Trustee		572,012	225,450
Payable to Securities and Exchange Commission of Pakistan		(1,259,308)	845,887
Payable against redemption of units		1,807,069	(3,000,000)
Accrued expenses and other liabilities		173,588,276	(15,753,704)
		191,151,573	(14,346,911)
Profit received on bank balances and investments		6,493,104,487	3,045,851,309
Net cash generated from operating activities		5,306,942,621	3,362,645,132
CASH FLOW FROM FINANCING ACTIVITIES			
Received on issuance of units		123,634,939,822	80,175,386,218
Paid against redemption of units		(114,732,448,033)	(75,944,474,975)
Dividend paid		(6,421,594,715)	(2,499,918,851)
Net cash generated from financing activities		2,480,897,074	1,730,992,392
Net increase in cash and cash equivalents		7,787,839,695	5,093,637,524
Cash and cash equivalents at beginning of the year		350,383,820	17,970,529,578
Cash and cash equivalents at end of the year		8,138,223,515	23,064,167,102
Cash and cash equivalents			
Bank balances	5	2,971,548,590	350,383,820
Investments maturing within 3 months	6	5,166,674,925	22,713,783,282
		8,138,223,515	23,064,167,102

The annexed notes from 1 to 24 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, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The Lakson Money Market Fund (the "Fund") was established under the Trust Deed executed on September 2, 2009 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on September 18, 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore, while the head office is in the Lakson Square Building No. 2, Karachi.
- 1.2 The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- The Fund is categorized as "Money Market Scheme" as per the Circular No. 07 of 2009 issued by SECP and Fund primarily invests in Government Securities, Certificates of Investment, Certificates of Deposits, Term Deposit Receipts, Commercial Papers etc. subject to the guidelines issued by SECP from time to time.
- Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.3 The Pakistan Credit Rating Agency Limited (PACRA) has maintained AA+(f) (Fund Stability Rating) to the Fund on March 11, 2024 based on the stability reviews for the year ended 30 June 2024 (2023: AA+(f) on 06 March 2023) and has also maintained asset manager rating of the Company to AM2+ (stable outlook), on 26 August 2023 (2023: AM2+ as on 26 August 2023).
- 1.4 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trust Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Trusts including Collective Investment Scheme, private Funds etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. Accordingly, on January 31, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

- 2.1.1 The SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular No. 33 of 2012 for impairment of debt securities.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest of rupees, unless otherwise indicated.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 4.1.1.1);
- Impairment of financial assets (note 4.1.1.3);
- Taxation (notes 4.4 and 17); and
- Classification and measurement of financial liabilities (notes 4.1.2.1).

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

4.1.1 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

4.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognized, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (OCI), interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon Derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

4.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

The government debt securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV rates) which are based on the remaining tenor of the securities.

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

4.1.1.3 Impairment of financial assets

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

As disclosed in note 2.1.2 of these financial statements, the Fund follows the requirements of Circular No. 33 of 2012 (the "circular") for impairment of debt securities. Under the circular, provision for non-performing debt securities is made on the basis of time based criteria as prescribed under the circular. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed under circular no. 13 of 2009 dated May 04, 2009 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.1.1.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset.

4.1.2 Financial liabilities

4.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fair value through profit or loss.

4.1.2.2 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

4.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.1.4 Regular way contracts

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

4.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of

the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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.

4.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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 and approved by the Board of Directors of the Management Company.

4.6 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 during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to 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 asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

4.7 Element of income / (loss) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the 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 the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net asset value per unit

The Net Asset Value (NAV) per unit as 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.

4.9 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.

- Unrealised appreciation / diminution arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income from investments in government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

4.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the Management Company, determination of weighted average units for calculating EPU is not practicable.

5.	BANK BALANCES	Note	June 30, 2024	June 30, 2023
			(Rupees)	
	Local currency			
	- Profit and loss sharing accounts	5.1	2,971,541,492	350,376,722
	- Current accounts		7,098	7,098
			<u>2,971,548,590</u>	<u>350,383,820</u>

5.1 These represents profit and loss accounts maintained with banks carrying profit rates ranging from 18.5% to 20.5% (June 30, 2023: 12.75% to 19.75%) per annum.

6. INVESTMENTS

Financial assets classified as fair value through profit or loss

Government securities				
	- Market treasury bills	6.1	19,835,483,567	18,566,556,500
	- Pakistan investment bonds	6.2	3,989,200,000	1,795,678,930
			<u>23,824,683,567</u>	<u>20,362,235,430</u>

Financial assets classified as at amortised cost

	Short term sukuk	6.3	1,910,006,973	340,894,727
	Letter of placements	6.4	3,257,481,645	2,010,652,055
			<u>5,167,488,618</u>	<u>2,351,546,782</u>
			<u>28,992,172,185</u>	<u>22,713,782,212</u>

6.1 Market Treasury Bills - Face value of Rs. 100 each

Tenure	Date of Issue	As at July 01, 2023	Acquired during the year	Disposed / matured during the year	As at June 30, 2024	As at July 01, 2023	Acquired during the year	Disposed / matured during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of net assets of Fund	Market value as a percentage of total investments
										Carrying value	Market value	Unrealized appreciation / (diminution)		
(Number of Units)										(Rupees)			(%)	
Treasury bills - 03 months	20-Apr-23	87,500,000	-	87,500,000	-	8,750,000,000	-	8,750,000,000	-	-	-	-	-	-
Treasury bills - 03 months	4-May-23	50,000,000	-	50,000,000	-	5,000,000,000	-	5,000,000,000	-	-	-	-	-	-
Treasury bills - 03 months	18-May-23	36,000,000	69,700,000	105,700,000	-	3,600,000,000	6,970,000,000	10,570,000,000	-	-	-	-	-	-
Treasury bills - 03 months	15-Jun-23	15,000,000	97,100,000	112,100,000	-	1,500,000,000	9,710,000,000	11,210,000,000	-	-	-	-	-	-
Treasury bills - 03 months	1-Jun-23	-	9,000,000	9,000,000	-	-	900,000,000	900,000,000	-	-	-	-	-	-
Treasury bills - 03 months	22-Jun-23	-	183,500,000	183,500,000	-	-	18,350,000,000	18,350,000,000	-	-	-	-	-	-
Treasury bills - 03 months	19-Jul-23	-	52,840,000	52,840,000	-	-	5,284,000,000	5,284,000,000	-	-	-	-	-	-
Treasury bills - 03 months	25-Jul-23	-	50,000,000	50,000,000	-	-	5,000,000,000	5,000,000,000	-	-	-	-	-	-
Treasury bills - 03 months	10-Aug-23	-	183,250,000	183,250,000	-	-	18,325,000,000	18,325,000,000	-	-	-	-	-	-
Treasury bills - 03 months	24-Aug-23	-	67,530,000	67,530,000	-	-	6,753,000,000	6,753,000,000	-	-	-	-	-	-
Treasury bills - 03 months	7-Sep-23	-	92,280,700	92,280,700	-	-	9,228,070,000	9,228,070,000	-	-	-	-	-	-
Treasury bills - 03 months	21-Sep-23	-	51,491,000	51,491,000	-	-	5,149,100,000	5,149,100,000	-	-	-	-	-	-
Treasury bills - 03 months	19-Oct-23	-	7,000,000	7,000,000	-	-	700,000,000	700,000,000	-	-	-	-	-	-
Treasury bills - 03 months	2-Nov-23	-	25,937,500	25,937,500	-	-	2,593,750,000	2,593,750,000	-	-	-	-	-	-
Treasury bills - 03 months	16-Nov-23	-	55,800,000	55,800,000	-	-	5,580,000,000	5,580,000,000	-	-	-	-	-	-
Treasury bills - 03 months	30-Nov-23	-	39,130,000	39,130,000	-	-	3,913,000,000	3,913,000,000	-	-	-	-	-	-
Treasury bills - 03 months	28-Dec-23	-	30,263,000	30,263,000	-	-	3,026,300,000	3,026,300,000	-	-	-	-	-	-
Treasury bills - 03 months	11-Jan-24	-	1,482,000	1,482,000	-	-	148,200,000	148,200,000	-	-	-	-	-	-
Treasury bills - 03 months	26-Jan-24	-	3,750,000	3,750,000	-	-	375,000,000	375,000,000	-	-	-	-	-	-
Treasury bills - 03 months	7-Feb-24	-	10,000,000	10,000,000	-	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Treasury bills - 03 months	7-Mar-24	-	30,000,000	30,000,000	-	-	3,000,000,000	3,000,000,000	-	-	-	-	-	-
Treasury bills - 03 months	21-Mar-24	-	41,780,000	41,780,000	-	-	4,178,000,000	4,178,000,000	-	-	-	-	-	-
Treasury bills - 03 months	4-Apr-24	-	33,750,000	33,750,000	-	-	3,375,000,000	3,375,000,000	-	-	-	-	-	-
Treasury bills - 03 months	18-Apr-24	-	4,500,000	4,500,000	-	-	450,000,000	450,000,000	447,459,055	447,476,850	17,795	1.40	1.54	
Treasury bills - 03 months	2-May-24	-	5,000,000	5,000,000	-	-	500,000,000	493,236,143	493,362,500	124,357	1.55	1.70		
Treasury bills - 03 months	30-May-24	-	5,000,000	5,000,000	-	-	500,000,000	485,771,130	485,986,500	215,310	1.53	1.68		
Treasury bills - 03 months	13-Jun-24	-	5,000,000	5,000,000	-	-	500,000,000	482,724,893	482,574,000	(150,893)	1.51	1.66		
Treasury bills - 06 months	20-Apr-23	-	20,000,000	20,000,000	-	-	2,000,000,000	2,000,000,000	-	-	-	-	-	-
Treasury bills - 06 months	19-Oct-23	-	10,064,000	10,064,000	-	-	1,006,400,000	1,006,400,000	-	-	-	-	-	-
Treasury bills - 06 months	2-Nov-23	-	39,437,500	39,437,500	-	-	3,943,750,000	3,943,750,000	-	-	-	-	-	-
Treasury bills - 06 months	16-Nov-23	-	10,000,000	10,000,000	-	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Treasury bills - 06 months	30-Nov-23	-	25,880,000	25,880,000	-	-	2,588,000,000	2,588,000,000	-	-	-	-	-	-
Treasury bills - 06 months	11-Jan-24	-	1,250,000	1,250,000	-	-	125,000,000	125,000,000	-	-	-	-	-	-
Treasury bills - 06 months	25-Jan-24	-	3,750,000	3,750,000	-	-	375,000,000	375,000,000	370,435,269	370,021,875	(413,194)	1.16	1.28	
Treasury bills - 06 months	7-Feb-24	-	5,000,000	5,000,000	-	-	500,000,000	490,368,246	489,681,500	(886,748)	1.54	1.69		
Treasury bills - 06 months	7-Mar-24	-	3,750,000	3,750,000	-	-	375,000,000	362,447,126	361,930,500	(516,626)	1.14	1.25		
Treasury bills - 06 months	4-Apr-24	-	3,750,000	3,750,000	-	-	375,000,000	356,401,751	356,421,375	19,624	1.12	1.23		
Treasury bills - 06 months	18-Apr-24	-	6,340,000	6,340,000	-	-	634,000,000	597,854,986	598,176,464	321,478	1.88	2.06		
Treasury bills - 06 months	2-May-24	-	5,000,000	5,000,000	-	-	500,000,000	467,748,093	468,802,000	1,053,907	1.47	1.62		
Treasury bills - 06 months	30-May-24	-	15,000,000	15,000,000	-	-	1,500,000,000	1,386,341,724	1,386,550,500	208,776	4.35	4.78		
Treasury bills - 06 months	13-Jun-24	-	5,000,000	5,000,000	-	-	500,000,000	459,276,187	458,943,500	(332,687)	1.44	1.58		
Treasury bills - 01 year	27-Mar-23	-	14,100,000	14,100,000	-	-	1,410,000,000	1,410,000,000	-	-	-	-	-	-
Treasury bills - 01 year	6-Apr-23	-	11,440,000	11,440,000	-	-	1,144,000,000	1,144,000,000	-	-	-	-	-	-
Treasury bills - 01 year	15-Jun-23	-	23,695,150	23,695,150	-	-	2,369,515,000	2,369,515,000	-	-	-	-	-	-
Treasury bills - 01 year	13-Jul-23	-	119,400,000	83,400,000	36,000,000	-	11,940,000,000	8,340,000,000	3,580,610,534	3,579,814,800	(3,795,734)	11.23	12.35	
Treasury bills - 01 year	19-Oct-23	-	7,150,000	7,150,000	-	-	715,000,000	674,877,460	674,599,640	(272,820)	2.12	2.33		
Treasury bills - 01 year	2-Nov-23	-	43,600,000	43,600,000	-	-	4,360,000,000	4,076,856,485	4,087,953,440	11,096,955	12.83	14.10		
Treasury bills - 01 year	16-Nov-23	-	26,445,000	26,445,000	-	-	2,644,500,000	2,457,658,773	2,461,865,341	4,206,788	7.73	8.49		
Treasury bills - 01 year	30-Nov-23	-	16,400,000	16,400,000	-	-	1,640,000,000	1,514,097,650	1,515,961,880	1,864,230	4.76	5.23		
Treasury bills - 01 year	14-Dec-23	-	7,221,000	5,000,000	2,221,000	-	722,100,000	500,000,000	221,100,000	203,373,368	489,334	0.64	0.70	
Treasury bills - 01 year	28-Dec-23	-	50,000,000	40,000,000	10,000,000	-	5,000,000,000	4,000,000,000	911,552,582	911,498,000	(54,582)	2.86	3.14	
Total as at June 30, 2024		188,500,000	1,629,756,850	1,608,350,850	208,506,000	18,850,000,000	162,875,685,000	160,835,085,000	20,890,600,000	19,822,088,515	19,835,483,567	13,395,052	62.25	68.42
Total as at June 30, 2023		-	-	-	-	-	-	-	-	18,578,497,668	18,566,556,500	(11,941,168)	80.84	81.74

6.1.1 The effective yield for closing treasury bills are 21.12 - 21.8%. All the above treasury bills have face value of Rs. 100

6.2 Pakistan Investment Bonds - Face value of Rs. 100 each

	Date of Issue	Date of Maturity	As at 01 July 2023	Acquired during the year	Disposed / matured during the year	As at 30 June 2024	Balance as at June 30, 2024			Market value as a percentage of net assets of Fund	Market value as a percentage of total investment
							Carrying value	Market value	Unrealised appreciation (diminution)		
(Face value)						(Rupees)					
2 Years Pakistan Investment Bond	26-Aug-21	26-Aug-23	18,000,000	17,500,000	35,500,000	-	-	-	-	-	
2 Years Pakistan Investment Bond	30-Dec-21	30-Dec-23	-	194,341,000	194,341,000	-	-	-	-	-	
3 Years Pakistan Investment Bond	22-Oct-20	22-Oct-22	-	52,000,000	52,000,000	-	-	-	-	-	
3 Years Pakistan Investment Bond	7-Oct-21	6-Oct-24	-	40,000,000	-	40,000,000	3,992,268,778	3,989,200,000	(3,068,778)	12.52	13.76
Total as at 30 June 2024			18,000,000	303,841,000	281,841,000	40,000,000	3,992,268,778	3,989,200,000	(3,068,778)	12.52	13.76
Total as at 30 June 2023						1,796,918,515	1,795,680,000	(1,238,515)	8.00	8.00	

6.2.1 Profit which is variable in nature, is recoverable on semi annual basis on these Pakistan investment bonds. The fee value of these Pakistan investment bond is Rs. 100 each.

6.3 Short term sukuk - Face value of Rs. 1,000,000 each

Date of Issue	Date of maturity	Total Face Value (maturity value)	Term	Mark-up rate	As at July 01, 2023	Acquired during the year	Matured during the year	As at June 30, 2024	Carrying Value as at 30 June 2024	Carrying value as % of total investments	Carrying value as % of net assets	Face value as % of size of the issue
					(Number of certificate)			(Rupees)			(%)	
Lucky Electric Power Co. Limited Sukuks (A1+, PACRA)	14-Feb-23	15-Aug-23	315,000,000	Semi-annually	6 months KIBOR plus base rate of 0.1%	315	-	315	-	-	-	-
Face value of Rs 1,000,000 each												
K Electric Power Co. Limited Sukuks (A1+, PACRA)	13-Feb-24	14-Aug-24	50,000,000	Semi-annually	6 months KIBOR plus base rate of 0.65%	-	50	-	50	54,055,165	0.19	0.17
Face value of Rs 1,000,000 each												
K Electric Power Co. Limited Sukuks (A1+, PACRA)	30-Apr-24	31-Oct-24	500,000,000	Semi-annually	6 months KIBOR plus base rate of 0.1%	-	500	-	500	517,827,398	1.79	1.63
Face value of Rs 1,000,000 each												
PMCL Limited Sukuks (A1+, PACRA)	23-Apr-24	23-Oct-24	800,000,000	Semi-annually	6 months KIBOR plus base rate of 0.25%	-	800	-	800	832,848,657	2.87	2.61
Face value of Rs 1,000,000 each												
PTCL Limited Sukuks (A1+, PACRA)	12-Jun-24	12-Dec-24	500,000,000	Semi-annually	6 months KIBOR plus base rate of 0.15%	-	500	-	500	505,275,753	1.74	1.59
Face value of Rs 1,000,000 each												
Total as at June 30, 2024					315	1,850	315	1,850	1,910,006,973	6.59	6.00	25.66
Total as at June 30, 2023								340,894,727	1.50	1.50	6.30	

6.4 Letter of placements

Placement Date	Date of Maturity	Term (Number of Days)	Mark-up rate	As at July 01, 2023	Acquired during the year	Matured during the year	As at June 30, 2024	Carrying value as at the year ended June 30, 2024	Carrying value as % of total investments	Carrying value as a % of net assets	Face value as % of size of the issue
				(Rupees)						(%)	
Pak Oman Investment Company Limited	22-Jun-23	24-Jul-23	32	21.60%	2,000,000,000	-	2,000,000,000	-	-	-	-
Saudi Pak Investment Company	11-Jul-23	12-Jul-23	1	21.75%	-	2,300,000,000	2,300,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	13-Jul-23	17-Jul-23	4	21.55%	-	300,000,000	300,000,000	-	-	-	-
Pak Kuwait Investment Company	13-Jul-23	17-Jul-23	4	21.55%	-	2,300,000,000	2,300,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	17-Jul-23	21-Jul-23	4	21.25%	-	2,300,000,000	2,300,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	17-Jul-23	21-Jul-23	4	21.25%	-	1,500,000,000	1,500,000,000	-	-	-	-
Pak Oman Investment Co COI	22-Jun-23	24-Jul-23	32	21.60%	-	800,000,000	800,000,000	-	-	-	-
Pak Kuwait Investment Company	17-Jul-23	1-Aug-23	15	21.50%	-	2,300,000,000	2,300,000,000	-	-	-	-
Pak Oman Investment Co	24-Jul-23	1-Aug-23	8	21.30%	-	2,300,000,000	2,300,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	1-Aug-23	2-Aug-23	1	21.10%	-	2,300,000,000	2,300,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	16-Aug-23	17-Aug-23	1	22.25%	-	400,000,000	400,000,000	-	-	-	-
Pak Oman Investment Co	10-Aug-23	18-Aug-23	8	22.00%	-	400,000,000	400,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	24-Aug-23	25-Aug-23	1	21.30%	-	1,050,000,000	1,050,000,000	-	-	-	-
Pak Kuwait Investment Company	25-Aug-23	28-Aug-23	3	21.75%	-	2,200,000,000	2,200,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	28-Aug-23	29-Aug-23	1	21.50%	-	2,000,000,000	2,000,000,000	-	-	-	-
Pak Oman Investment Co	29-Aug-23	30-Aug-23	1	21.10%	-	2,540,000,000	2,540,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	30-Aug-23	1-Sep-23	2	21.20%	-	2,600,000,000	2,600,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	7-Sep-23	8-Sep-23	1	21.20%	-	2,600,000,000	2,600,000,000	-	-	-	-
Pak Kuwait Investment Company	7-Sep-23	15-Sep-23	8	21.50%	-	50,000,000	50,000,000	-	-	-	-
Pak Kuwait Investment Company	7-Sep-23	15-Sep-23	8	21.50%	-	2,600,000,000	2,600,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	8-Sep-23	15-Sep-23	7	21.40%	-	2,275,000,000	2,275,000,000	-	-	-	-
Pak Brunei Investment Company	13-Sep-23	15-Sep-23	2	21.50%	-	170,000,000	170,000,000	-	-	-	-
Pak Brunei Investment Company	13-Sep-23	15-Sep-23	2	21.50%	-	2,700,000,000	2,700,000,000	-	-	-	-
Pak Kuwait Investment Company	15-Sep-23	18-Sep-23	3	21.10%	-	2,600,000,000	2,600,000,000	-	-	-	-
Pak Brunei Investment Company	15-Sep-23	18-Sep-23	3	21.11%	-	2,900,000,000	2,900,000,000	-	-	-	-
Pak Kuwait Investment Company	18-Sep-23	19-Sep-23	1	21.10%	-	1,600,000,000	1,600,000,000	-	-	-	-
Pak Brunei Investment Company	18-Sep-23	19-Sep-23	1	21.10%	-	2,900,000,000	2,900,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	18-Sep-23	19-Sep-23	1	21.10%	-	1,750,000,000	1,750,000,000	-	-	-	-
Pak Brunei Investment Company	19-Sep-23	20-Sep-23	1	21.10%	-	3,000,000,000	3,000,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	19-Sep-23	21-Sep-23	2	21.10%	-	3,000,000,000	3,000,000,000	-	-	-	-
Pak Kuwait Investment Company	19-Sep-23	21-Sep-23	2	21.20%	-	2,800,000,000	2,800,000,000	-	-	-	-
Pak Brunei Investment Company	21-Sep-23	22-Sep-23	1	21.10%	-	2,500,000,000	2,500,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	21-Sep-23	22-Sep-23	1	21.00%	-	2,800,000,000	2,800,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	22-Sep-23	25-Sep-23	3	21.05%	-	2,800,000,000	2,800,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	25-Sep-23	26-Sep-23	1	21.10%	-	3,000,000,000	3,000,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	26-Sep-23	27-Sep-23	1	21.75%	-	1,000,000,000	1,000,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	25-Sep-23	28-Sep-23	3	21.10%	-	2,000,000,000	2,000,000,000	-	-	-	-
Pak Brunei Investment Company	27-Sep-23	28-Sep-23	1	21.50%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Kuwait Investment Company	21-Sep-23	6-Oct-23	15	21.50%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	21-Sep-23	6-Oct-23	15	21.50%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	10-Oct-23	11-Oct-23	1	22.10%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	11-Oct-23	12-Oct-23	1	22.30%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Kuwait Investment Company	12-Oct-23	13-Oct-23	1	22.30%	-	1,000,000,000	1,000,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	23-Oct-23	24-Oct-23	1	21.60%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	24-Oct-23	25-Oct-23	1	21.70%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	24-Oct-23	25-Oct-23	1	21.70%	-	1,000,000,000	1,000,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	25-Oct-23	26-Oct-23	1	21.75%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	25-Oct-23	26-Oct-23	1	21.80%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	26-Oct-23	27-Oct-23	1	21.70%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	26-Oct-23	27-Oct-23	1	21.70%	-	1,000,000,000	1,000,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	2-Nov-23	10-Nov-23	8	21.25%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	3-Nov-23	16-Nov-23	13	21.35%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	16-Nov-23	17-Nov-23	1	21.65%	-	1,000,000,000	1,000,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	21-Nov-23	22-Nov-23	1	21.80%	-	1,000,000,000	1,000,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	17-Nov-23	24-Nov-23	7	21.95%	-	1,000,000,000	1,000,000,000	-	-	-	-
Pak Oman Investment Co	23-Nov-23	24-Nov-23	1	22.10%	-	1,000,000,000	1,000,000,000	-	-	-	-
Zaral Taraqiati Bank Limited	14-Dec-23	15-Dec-23	1	21.75%	-	1,000,000,000	1,000,000,000	-	-	-	-

LAKSON MONEY MARKET FUND

	Placement Date	Date of Maturity	Term (Number of Days)	Mark-up rate	As at July 01, 2023	Acquired during the year	Matured during the year	As at June 30, 2024	Carrying value as at the year ended June 30, 2024	Carrying value as % of total investments	Carrying value as a % of net assets	Face value as % of the issue	
						(Rupees)	(Rupees)		(%)				
Zarai Taraqati Bank Limited	15-Dec-23	18-Dec-23	3	21.25%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Pak Oman Investment Co	18-Dec-23	4-Jan-24	17	22.30%	-	3,000,000,000	3,000,000,000	-	-	-	-	-	
Pak Oman Investment Co	29-Dec-23	5-Jan-24	7	22.20%	-	700,000,000	700,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	2-Jan-24	5-Jan-24	3	21.90%	-	3,390,000,000	3,390,000,000	-	-	-	-	-	
Pak Kuwait Investment Company	2-Jan-24	5-Jan-24	3	21.75%	-	2,690,000,000	2,690,000,000	-	-	-	-	-	
Pak Oman Investment Co	2-Jan-24	5-Jan-24	3	21.65%	-	390,000,000	390,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	8-Jan-24	11-Jan-24	3	21.50%	-	3,300,000,000	3,300,000,000	-	-	-	-	-	
Pak Brunei Investment Company	9-Jan-24	11-Jan-24	2	21.20%	-	3,000,000,000	3,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	11-Jan-24	19-Jan-24	8	21.25%	-	3,200,000,000	3,200,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	22-Jan-24	25-Jan-24	3	21.25%	-	3,200,000,000	3,200,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	25-Jan-24	29-Jan-24	4	21.80%	-	3,200,000,000	3,200,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	29-Jan-24	30-Jan-24	1	22.00%	-	3,200,000,000	3,200,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	30-Jan-24	31-Jan-24	1	22.00%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	31-Jan-24	1-Feb-24	1	22.00%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	30-Jan-24	1-Feb-24	2	22.00%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	
Pak Oman Investment Co	5-Jan-24	2-Feb-24	28	21.60%	-	3,300,000,000	3,300,000,000	-	-	-	-	-	
Pak Kuwait Investment Company	5-Jan-24	2-Feb-24	28	21.55%	-	3,300,000,000	3,300,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	1-Feb-24	2-Feb-24	1	22.00%	-	2,500,000,000	2,500,000,000	-	-	-	-	-	
Saudi Pak Investment Company	16-Jan-24	6-Feb-24	21	21.00%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	6-Feb-24	7-Feb-24	1	21.50%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Pak Brunei Investment Company	11-Jan-24	12-Feb-24	32	20.90%	-	2,200,000,000	2,200,000,000	-	-	-	-	-	
Pak Brunei Investment Company	11-Jan-24	12-Feb-24	32	20.90%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	9-Feb-24	12-Feb-24	3	21.50%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	12-Feb-24	13-Feb-24	1	21.10%	-	2,500,000,000	2,500,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	13-Feb-24	14-Feb-24	1	21.05%	-	2,500,000,000	2,500,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	14-Feb-24	15-Feb-24	1	21.10%	-	2,500,000,000	2,500,000,000	-	-	-	-	-	
Pak Kuwait Investment Company	2-Feb-24	22-Feb-24	20	21.15%	-	2,650,000,000	2,650,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	22-Feb-24	23-Feb-24	1	21.75%	-	2,000,000,000	2,000,000,000	-	-	-	-	-	
Pak Brunei Investment Company	27-Feb-24	28-Feb-24	1	21.05%	-	2,000,000,000	2,000,000,000	-	-	-	-	-	
Pak Brunei Investment Company	27-Feb-24	28-Feb-24	1	21.05%	-	500,000,000	500,000,000	-	-	-	-	-	
Pak Kuwait Investment Company	28-Feb-24	29-Feb-24	1	21.05%	-	2,200,000,000	2,200,000,000	-	-	-	-	-	
Pak Brunei Investment Company	28-Feb-24	29-Feb-24	1	21.05%	-	1,660,000,000	1,660,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	23-Feb-24	1-Mar-24	7	21.85%	-	3,000,000,000	3,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	28-Feb-24	1-Mar-24	2	21.10%	-	400,000,000	400,000,000	-	-	-	-	-	
Pak Brunei Investment Company	29-Feb-24	1-Mar-24	1	21.00%	-	3,400,000,000	3,400,000,000	-	-	-	-	-	
Pak Kuwait Investment Company	1-Mar-24	4-Mar-24	3	21.05%	-	3,000,000,000	3,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	4-Mar-24	5-Mar-24	1	21.30%	-	3,000,000,000	3,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	5-Mar-24	6-Mar-24	1	21.25%	-	3,000,000,000	3,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	6-Mar-24	7-Mar-24	1	21.30%	-	3,600,000,000	3,600,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	8-Mar-24	11-Mar-24	3	21.30%	-	2,200,000,000	2,200,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	11-Mar-24	14-Mar-24	3	21.20%	-	1,500,000,000	1,500,000,000	-	-	-	-	-	
Pak Brunei Investment Company	1-Mar-24	15-Mar-24	14	21.40%	-	2,500,000,000	2,500,000,000	-	-	-	-	-	
Pak Oman Investment Co	2-Feb-24	19-Mar-24	46	21.50%	-	3,300,000,000	3,300,000,000	-	-	-	-	-	
Saudi Pak Investment Company	9-Feb-24	19-Mar-24	39	21.35%	-	3,300,000,000	3,300,000,000	-	-	-	-	-	
Pak Oman Investment Co CP	19-Mar-24	20-Mar-24	1	21.90%	-	3,700,000,000	3,700,000,000	-	-	-	-	-	
Pak Brunei Investment Company CP	19-Mar-24	20-Mar-24	1	21.80%	-	1,700,000,000	1,700,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	19-Mar-24	20-Mar-24	1	21.80%	-	500,000,000	500,000,000	-	-	-	-	-	
Pak Brunei Investment Company	15-Mar-24	22-Mar-24	7	21.40%	-	2,000,000,000	2,000,000,000	-	-	-	-	-	
Pak Brunei Investment Company	22-Mar-24	31-May-24	70	21.50%	-	3,700,000,000	3,700,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	15-Apr-24	16-Apr-24	1	21.70%	-	500,000,000	500,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	16-Apr-24	17-Apr-24	1	21.75%	-	500,000,000	500,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	17-Apr-24	18-Apr-24	1	21.75%	-	500,000,000	500,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	19-Apr-24	22-Apr-24	3	21.75%	-	500,000,000	500,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	22-Apr-24	23-Apr-24	1	22.00%	-	500,000,000	500,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	22-Apr-24	23-Apr-24	1	22.00%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	23-Apr-24	24-Apr-24	1	22.00%	-	1,200,000,000	1,200,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	24-Apr-24	25-Apr-24	1	22.10%	-	2,000,000,000	2,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	25-Apr-24	26-Apr-24	1	22.10%	-	1,350,000,000	1,350,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	9-May-24	10-May-24	1	21.70%	-	450,000,000	450,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	21-May-24	22-May-24	1	21.80%	-	600,000,000	600,000,000	-	-	-	-	-	
Pak Oman Investment Co	24-May-24	27-May-24	3	21.40%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	27-May-24	29-May-24	2	21.65%	-	800,000,000	800,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	29-May-24	30-May-24	1	21.75%	-	650,000,000	650,000,000	-	-	-	-	-	
Pak Brunei Investment Company	22-Mar-24	31-May-24	70	21.50%	-	3,700,000,000	3,700,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	3-Jun-24	4-Jun-24	1	21.50%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Pak Oman Investment Co	4-Jun-24	5-Jun-24	1	21.50%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	5-Jun-24	6-Jun-24	1	21.50%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	6-Jun-24	7-Jun-24	1	21.10%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Pak Oman Investment Co	7-Jun-24	11-Jun-24	4	21.60%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	
Zarai Taraqati Bank Limited	10-Jun-24	11-Jun-24	1	22.00%	-	500,000,000	500,000,000	-	-	-	-	-	
Pak Oman Investment Co	20-Jun-24	21-Jun-24	1	20.75%	-	900,000,000	900,000,000	-	-	-	-	-	
Pak Brunei Investment Company	31-May-24	30-Jul-24	60	21.15%	-	3,200,000,000	-	3,200,000,000	3,257,481,645	11.24	10.22	100.00	
June 30, 2024						2,000,000,000	229,565,000,000	228,365,000,000	3,200,000,000	3,257,481,645	11.24	10.22	100.00
June 30, 2023						-	52,657,000,000	50,657,000,000	2,000,000,000	2,010,652,055	8.85	8.75	100.00

		June 30, 2024	June 30, 2023
7.	PROFIT / MARK-UP RECEIVABLE	(Rupees)	
	Profit / return receivable on:		
	Profit and loss sharing accounts	21,200,249	12,855,116
	Government securities	201,758,714	38,716,141
		<u>222,958,963</u>	<u>51,571,257</u>
8.	ADVANCE INCOME TAX		
	<p>As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, withholding tax on profit on bank balances paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide its "Circular C.No.1 (43) DG (WHT) / 2008 - Vol.II - 66417 - R dated May 12, 2015" which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.</p> <p>For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on bank balances have been shown as advance tax under assets as at June 30, 2024, as in the opinion of the management, the amount of tax deducted at source will be refunded.</p>		
9.	PAYABLE TO THE MANAGEMENT COMPANY	(Rupees)	
	Remuneration to the Management Company	24,337,518	9,786,029
	Sindh Sales Tax on remuneration of Management Company	3,164,218	1,272,184
	Federal Excise Duty on remuneration to the Management Company	35,633,819	35,633,818
		<u>63,135,555</u>	<u>46,692,031</u>
9.1	As per regulation 61 of the NBFC and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 1% of average annual net assets of the fund, calculated on daily basis. During the year Management Company has charged fee at 0.75% of average annual net assets calculated on daily basis.		
9.2	The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2023: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Federal Excise Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 9.3.		

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 35.63 million (2023: 35.63 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at June 30, 2024 would have been higher by Re. 0.12 (June 30, 2023: Re. 0.16) per unit.

10. PAYABLE TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of Trust Deed, which is 0.055% per annum (2023: 0.055% per annum) of the net assets.

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.075% per annum of the average daily net assets of the fund. These rates are revised with effect from July 1 2023, in accordance with the regulation 62 of the NBFC Regulation, 2008.

	Note	June 30, 2024	June 30, 2023
		(Rupees)	
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		525,974	516,161
Brokerage payable		600,773	681,113
Rating fee payable		553,007	542,631
Withholding tax payable		157,802,512	17,442,290
Professional fee payable		59,977	11,494
Dividend payable		29,171,360	12,342,943
Others	12.1	83,521,438	83,938,550
		<u>272,235,041</u>	<u>115,475,182</u>

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

13. TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), Total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 1.34% as of June 30, 2024 (June 30, 2023: 0.71%) and this includes 0.18% (June 30, 2023: 0.1%) representing Sindh Sales tax and SECP fee. As per NBFC Regulation the total expense ratio of the Money Market Scheme shall be capped up to 2% (excluding government levies).

14. CONTINGENCIES AND COMMITMENTS

Other than tax contingencies disclosed in note 17.2 to financial statements, there are no contingencies and commitments as at 30 June 2024.

	June 30, 2024	June 30, 2023
15. NUMBER OF UNITS IN ISSUE	(Number of units)	
Total outstanding as of 1 July	223,824,425	182,337,620
Issued during the year	1,188,518,891	783,141,614
Redemptions during the year	(1,102,503,719)	(741,654,809)
Total units in issue as of 30 June	<u>309,839,597</u>	<u>223,824,425</u>

16. AUDITORS' REMUNERATION

Annual audit fee	442,750	415,800
Fee for the review of half yearly financial statements	164,450	228,690
Out of pocket and sales tax expenses	114,153	41,555
	<u>721,353</u>	<u>686,045</u>

17. TAXATION

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

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

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

The Management Company had filed an appeal before Commissioner Appeals (Inland Revenue) against the order which was decided in favour of the Fund whereby super tax demand was deleted. The department had filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and no provision has been made for super tax in these financial statements.

- b) The Fund has also received an order for Tax Year 2016 whereby demand amounting to Rs. 24 million has been created mainly on account of the fact that the Fund has made less than 90% distribution out of its distributable profit due to the misinterpretation of the facts of the case. The Fund has filed an appeal against the said order to Commissioner Income Tax (Appeals) which was decided against the fund. The fund filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and considers that the case will be decided in Fund's favor. Hence, no provision has been in these financial statements.
- c) The Fund has also received an order for Tax Year 2018 whereby demand amounting to Rs. 100.2 million has been created mainly on account of the fact that the Fund has made less than 90% distribution out of its distributable profit due to the misinterpretation of the facts of the case. The Fund has filed an appeal against the said order to Commissioner Income Tax (Appeals) whereby CIP (Appeals) remand back the case for fresh proceedings as clarified by FBR vide its letter dated February 25, 2021 and considers that the case will be in fund's favour. Hence, no provision has been in these financial statements.
- d) The Fund has also received an order for Tax Year 2019 whereby demand amounting to Rs. 227.8 million has been created mainly on account of the fact that the Fund has made less than 90% distribution out of its distributable profit due to the misinterpretation of the facts of the case. The Fund has filed an appeal against the said order to Commissioner Income Tax (Appeals) whereby CIP (Appeals) remand back the case for fresh proceedings as clarified by FBR vide its letter dated February 25, 2021 and considers that the case will be in fund's favor. Hence, no provision has been in these financial statements.
- e) During the year ended June 30, 2020, the Fund received show-cause notice under section 4B of the Income Tax Ordinance, 2001 for the recovery of super tax not paid with return of income in respect of the stated Fund for the Tax year 2019. The Deputy Commissioner considered that the Fund has failed to pay super tax on the profit of debt income earned during the tax year 2019, as the total profit of debt income of the Fund was Rs.916 million and raised a demand of Rs.18.321 million in this respect. The Fund filed an appeal against the said order to Commissioner Income Tax (Appeals) which was decided against the Fund. The Fund had filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and considers that the case will be decided in Fund's favor. Hence, no provision has been in these financial statements.
- f) During the year ended June 30, 2022, the Fund has received order u/s 122(1) in respect of Audit for Tax Year 2015 whereby element of loss and capital losses included in the prices of units issued less in units redeemed- net amounting to Rs. 404.8 million, dividend

distribution at Rs. 129 million, sales tax and FED on management fee amounting to Rs. 11.5 and Rs. 10.6 million respectively have been added by Deputy Commissioner resulting in demand of Rs. 180.2 million. The Fund has filed an appeal against the said order with Commissioner Income Tax (Appeals) which is pending adjudication. The Management Company considers that it has a good arguable case which will be decided in fund's favor. Hence, no provision has been in these financial statements.

18. DISTRIBUTIONS DURING THE YEAR

June 30, 2024				
	Per unit rate	Declaration date	Distribution of income	Refund of Capital
----- (Rupees in) -----				
First interim distribution	1.9217	Aug 02, 2023	380,069,470	63,520,112
Second interim distribution	1.9585	Sep 05, 2023	401,335,562	96,282,252
Third interim distribution	1.6343	Oct 04, 2023	349,416,157	133,993,101
Fourth interim distribution	1.9894	Nov 07, 2023	488,855,429	143,531,345
Fifth interim distribution	1.8979	Dec 12, 2023	475,325,164	114,573,865
Sixth interim distribution	1.6083	Jan 09, 2024	431,398,963	77,442,425
Seventh interim distribution	1.5121	Feb 06, 2024	412,818,104	126,519,023
Eighth interim distribution	1.5448	Mar 06, 2024	390,583,706	153,688,477
Ninth interim distribution	0.6324	Mar 18, 2024	203,743,794	26,490,197
Tenth interim distribution	0.7556	Apr 03, 2024	203,785,619	32,353,986
Eleventh interim distribution	1.9146	May 08, 2024	463,937,651	101,138,765
Twelfth interim distribution	2.3589	Jun 05, 2024	635,589,816	115,255,957
Thirteen interim distribution	1.1789	Jun 26, 2024	331,078,193	52,039,164
			<u>5,167,937,629</u>	<u>1,236,828,669</u>

June 30, 2023				
	Per unit rate	Declaration date	Distribution of income	Refund of Capital
----- (Rupees in) -----				
First interim distribution	0.5267	July 14, 2022	65,036,021	3,343,946
Second interim distribution	0.7489	Aug 04, 2022	89,024,088	6,559,950
Third interim distribution	1.3654	Sept 08, 2022	154,675,974	12,882,507
Fourth interim distribution	1.1279	Oct 06, 2022	123,124,498	44,983,825
Fifth interim distribution	1.3772	Nov 10, 2022	159,311,143	38,692,510
Sixth interim distribution	1.0665	Dec 07, 2022	132,202,332	38,238,939
Seventh interim distribution	1.4674	Jan 11, 2023	221,843,489	70,285,279
Eighth interim distribution	1.2369	Feb 10, 2023	168,832,751	34,329,462
Ninth interim distribution	0.9748	Mar 08, 2023	124,448,512	27,584,748
Tenth interim distribution	1.4417	Apr 05, 2023	193,987,957	35,729,022
Eleventh interim distribution	1.9831	May 10, 2023	265,264,758	70,308,262
Twelfth interim distribution	1.5586	June 07, 2023	226,177,797	55,003,631
Thirteenth interim distribution	0.7293	June 21, 2023	123,287,305	22,748,839
			<u>2,047,216,625</u>	<u>460,690,920</u>

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee and the custodian, SIZA services Private Limited being holding company of the management company, SIZA Services Private Limited being holding company of the Management Company, associated companies of the Management Company, key management personnel and other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at June 30, 2024.

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

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

	June 30, 2024	June 30, 2023
19.1 Details of balance with related parties / connected persons at the year end	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable to the Management Company	<u>24,337,518</u>	<u>9,786,029</u>
Sindh Sales Tax on remuneration of the Management Company *	<u>3,164,218</u>	<u>1,272,184</u>
Federal Excise Duty on the Management Company's remuneration*	<u>35,633,819</u>	<u>35,633,819</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	<u>1,715,080</u>	<u>1,143,068</u>
Security deposit	<u>100,000</u>	<u>100,000</u>
19.2 Details of transaction with related parties / connected persons during the year		
Lakson Investments Limited - Management Company of the Fund		
Remuneration to the Management Company	<u>235,398,509</u>	<u>88,571,220</u>
Sindh sales tax on remuneration of Management Company *	<u>30,602,147</u>	<u>11,514,272</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the year *	<u>19,493,012</u>	<u>10,343,692</u>
Settlement charges for the year	<u>1,130</u>	<u>5,085</u>

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

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

	Number of Units				Rupees			
	For the Year ended June 30, 2024							
	Number of Units as at July 01, 2023	Units issued during the year	Units redeemed during the year	Number of units as at June 30, 2024	Balance as at July 01, 2023	Units issued during the year	Dividend paid during the year	Units redeemed during the year
					Balance as at July 01, 2023	Units issued during the year	Dividend paid during the year	Units redeemed during the year
								Balance as at June 30, 2024
Lakson Investments Limited - Management Company	6,564,164	105,764,376	101,373,462	11,005,078	673,550,173	7,915,843,223	101,987,210	5,711,644,761
Directors, Chief Executive and their spouse and minors	53,426,157	444,729,021	465,485,112	32,670,067	5,482,088,687	20,495,670,201	402,057,334	13,744,920,663
Key management personnel, employees and connected persons of the Management Company	66,862	842,855	369,859	539,858	6,860,740	34,636,443	1,108,927	38,051,016
								55,520,926
Holding company / associated companies / undertakings of the Management Company								
Accurat Surgical Limited - Management Company	107,672	25,296	132,968	-	11,048,202	37,953,065	432,649	33,411,398
Accurat Surgical Limited	2,919,720	2,718,078	3,488,354	2,149,445	299,593,097	259,091,078	14,985,490	20,000,000
Alan Private Limited	3,330,532	767,148	-	4,097,680	341,746,568	50,979,712	48,211,426	-
Baluchistan Polypro ducts Private Limited	74,807	465,663	24,235	516,235	7,675,884	13,691,328	342,739	6,125,000
Century Insurance Company Limited	176,505	28,940	205,446	-	18,111,277	6,417,267	909,645	45,735,707
Century Insurance Company Limited	1,592,216	21,044,380	20,863,761	1,772,835	163,377,636	1,664,858,968	2,232,661	1,646,885,857
Century Insurance Company Limited	164,057	31,378	185,385	-	16,833,912	95,034,398	1,157,259	87,650,531
Century Insurance Company Limited	-	9,924,644	9,924,644	-	-	-	-	-
Century Paper & Board Mills Limited	1,743,846	370,449	1,968,017	146,272	178,936,395	522,239,410	12,364,687	462,299,104
Century Paper & Board Mills Limited	1,647,334	565,504	2,095,816	117,022	169,033,256	4,435,945	394,450,037	12,034,955
Colgate Palmolive Pakistan Limited	28,744,962	29,768,110	29,121,584	29,391,488	2,949,526,250	2,237,176,203	279,930,827	700,000,000
Colgate Palmolive Pakistan Limited	970,495	187,388	1,157,883	-	99,582,755	527,827,724	10,272,486	551,645,992
Colgate Palmolive Pakistan Limited	1,806,103	1,026,400	2,832,503	-	185,324,603	598,462,521	4,126,561	429,989,429
Cyber Internet Services Private Limited - Employee	771,523	201,979	973,502	-	79,166,129	275,189,413	6,198,917	-
Express Publications Private Limited	45,483	6,508	53,991	53,991	4,666,975	562,749	682,058	5,552,621
Hasanali & Gulabnari Lakhani Foundation	427,222	312,666	306,462	433,426	-	32,491,138	5,383,762	17,000,000
Hasanali & Gulabnari Lakhani Foundation	24,155	35,402	59,556	-	43,837,296	21,537,285	-	20,247,346
Lakson Investments Limited Employee Contribution	96,364	62,637	159,001	3,719	2,478,515	57,507,679	397,010	48,989,209
Lakson Investments Limited Employee Contribution	3,883	657	823	-	9,887,961	48,898	57,527	20,000
Lakson Power Limited	169,854	44,483	214,337	-	398,569	40,432,694	308,384	23,642,807
Merit Packaging Limited Employees Contribution	109,315	31,629	140,944	-	17,428,778	48,801,847	332,262	37,995,767
Merit Packaging Limited Employees Contribution	5,069,217	6,962,343	10,817,944	1,213,616	11,216,792	489,257,233	10,826,577	97,500,000
Premier Fashions Private Limited	3,925,687	6,864,318	6,130,994	4,659,011	520,153,990	354,121,270	40,153,667	141,700,000
Sia Commodities Private Limited	948,526	67,715	1,016,241	7,552,026	403,815,542	334,098,589	4,042,952	250,894,401
Sia Food Private Limited Employees Contribution	1,951,239	17,265,605	11,664,818	7,552,026	97,338,429	508,783,235	15,746,159	520,000,000
Sia Private Limited	12,579,113	19,773,338	24,701,477	7,550,974	200,216,982	929,099,852	102,743,970	166,000,000
Sia Services Private Limited	43,795	58,218	96,294	5,719	1,290,745,258	21,595,063	308,582	18,087,696
Sia Services Private Limited Employees Contribution	179,638	13,287	192,925	-	4,493,745	75,948,218	1,098,132	61,090,087
Sybird Private Limited Employee Contribution	6,321	742	6,719	344	18,432,693	40,226,003	264,545	40,000,000
Sybird Private Limited	1,656	1,703,398	1,687,160	17,894	648,565	20,490	24,106	-
Television Media Network Private Limited	4,822,270	1,000,572	2,396,774	3,426,568	169,931	76,200,000	5,312,602	263,047,205
Orthopedic & Medical Institute Private Limited	4,471,365	12,079,189	11,988,926	4,981,628	494,865,368	351,896,718	61,054,963	300,000,000
Cyber Internet Services Private Limited	1,162	174,392	173,800	1,754	458,807,653	2,111,429	13,446	2,000,000
Ice Animations Private Limited	-	97,572	-	97,572	-	-	-	212,710
Nagaray Private Limited Employee Contribution	2,781,855	443,043	683,747	2,541,151	285,446,742	45,585,449	71,000,000	53,453,920
Trustee / Custodian	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited	-	30,542,428	7,729,956	22,812,473	-	3,148,596,943	800,000,000	145,560,612
Holding more than 10% units	-	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	-	-	-	-	-	-	2,346,114,544

For the Year ended June 30, 2023									
	Number of Units				Rupees				
	Number of Units as at July 01, 2022	Units issued during the year	Units redeemed during the year	Number of units as at June 30, 2023	Balance as at July 01, 2022	Units issued during the year	Dividend paid during the year	Units redeemed during the year	Balance as at June 30, 2023
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company	2,536,558 29,106,888 92,734	77,725,496 201,273,788 343,987	73,697,890 176,954,499 369,859	6,564,164 53,426,157 66,862	257,317,322 2,952,702,157 9,407,289	7,915,843,223 20,495,670,201 34,636,443	101,387,210 402,057,334 1,108,927	5,711,644,761 13,744,920,663 38,051,016	673,550,173 5,482,068,687 6,860,740
Holding company / associated companies / undertakings of the Management Company									
Accurat Surgical Limited Employees Contribution Provident Fund	60,998	372,177	325,504	107,672	6,187,819	37,953,065	432,649	33,411,398	11,048,202
Accurat Surgical Limited	572,036	2,542,143	194,459	2,919,720	58,029,320	259,091,078	14,985,490	20,000,000	299,593,097
Alan Private Limited	2,829,465	501,067	-	3,330,532	287,030,833	50,979,712	48,211,426	-	341,746,568
Baluchistan Polypro ducts Private Limited	3	134,517	59,714	74,807	309	13,691,328	342,739	6,125,000	7,675,884
Century Insurance Company Limited Gratuity Fund	10,332	611,908	445,735	176,505	1,048,104	62,417,267	909,645	45,735,707	18,111,277
Century Insurance Company Limited	1,220,211	16,358,961	15,986,955	1,592,216	123,782,481	1,664,888,968	2,323,661	1,646,883,857	163,377,636
Century Insurance Company Limited Employees Contribution Provident Fund Trust	83,867	933,207	853,017	164,057	8,507,736	95,094,398	1,157,259	87,630,531	16,833,912
Century Paper & Board Mills Limited Employees Contribution Provident Fund	1,137,296	5,120,579	4,514,029	1,743,846	115,371,335	522,239,410	12,364,687	462,299,104	178,936,395
Century Paper & Board Mills Limited Employees Gratuity Fund	100,945	5,389,540	3,943,151	1,647,334	10,240,213	545,922,413	4,435,945	394,450,037	169,033,256
Colgate Palmolive Pakistan Limited	13,608,786	21,975,609	6,839,433	28,744,962	1,380,522,883	2,237,176,203	279,930,827	700,000,000	2,949,526,250
Colgate Palmolive Pakistan Limited Employee Contribution Provident Fund Trust	1,181,201	5,180,109	5,390,814	970,495	119,825,114	527,827,724	10,272,486	551,645,992	99,582,755
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	139,538	5,864,901	4,198,336	1,806,103	14,155,228	598,462,521	4,126,561	429,989,429	185,324,603
Cyber Internet Services Private Limited - Employee Contribution Provident Fund Trust	502,140	2,699,400	2,430,016	771,523	50,938,826	275,189,413	6,198,917	248,797,782	79,166,129
Express Publications Private Limited	39,954	5,529	-	45,483	4,053,086	562,749	662,098	-	4,666,975
Gam Corporation Private Limited Employees Contribution Provident Fund	260,414	1,139,412	1,399,826	427,222	26,417,284	115,059,378	1,745,639	143,678,221	-
Hasanail & Gulbaroo Lakhani Foundation	273,615	319,672	166,065	427,222	27,796,424	32,491,198	5,383,762	17,000,000	43,837,296
Hasanail Karabail Foundation Employee Contribution Provident Fund Trust	8,986	17,775	4,767,325	1,794,772	935,522	5,750,678	397,010	48,899,209	2,479,615
Lakson Power Limited	3,600	563,975	476,364	96,364	96,364	57,507,678	48,898	48,899,209	9,887,965
Lakson Power Limited	8,600	480	197	3,883	365,156	48,898	57,527	20,000	388,569
Merit Packaging Limited Employees Contribution Provident Fund Trust	4,748	395,863	230,756	169,854	481,661	40,432,694	308,384	23,642,807	17,428,778
Premier Fashions Private Limited	-	478,955	369,641	109,315	-	480,821,847	332,262	37,995,767	11,216,792
Siza Commodities Private Limited	1,235,426	4,787,931	954,140	5,069,217	125,325,956	489,257,233	10,826,577	97,500,000	520,153,390
Siza Foods Private Limited	1,832,294	3,475,434	1,382,041	3,925,687	185,874,309	354,121,270	40,153,667	141,700,000	402,815,542
Siza Foods Private Limited Employees Contribution Provident Fund Trust	113,168	3,275,197	2,339,839	948,526	11,480,166	334,088,589	4,042,962	250,594,401	97,328,429
Siza Private Limited	2,021,744	4,995,692	5,066,197	1,951,239	205,092,798	508,783,235	15,756,159	520,000,000	200,216,982
Siza Services Private Limited	5,088,771	9,112,679	1,622,337	12,579,113	516,222,741	929,099,852	102,743,970	166,000,000	1,290,745,258
Siza Services Private Limited Employees Contributory Provident Fund Trust	7,488	211,825	175,518	43,795	759,644	21,595,063	308,582	18,087,696	4,493,745
Syrid Private Limited Employee Contribution Provident Fund Trust	29,712	3,059,418	5,540	1,538,688	3,059,418	1,068,618	1,068,618	18,435,000	18,435,000
Television Media Network Private Limited	395,170	6,321	389,570	73,121	40,706,003	264,545	40,000,000	-	48,565
Orthopedic & Medical Institute Private Limited	1,455	201	389,570	1,656	147,591	20,490	24,106	-	169,931
Cyber Internet Services Private Limited	6,648,647	748,265	2,974,142	4,822,770	674,462,056	76,200,000	5,312,602	263,047,205	494,865,368
Cyber Internet Services Private Limited	3,955,824	3,457,137	2,941,597	4,471,365	401,292,623	351,896,718	61,054,963	300,000,000	458,807,653
Ice Animations Private Limited	-	20,698	19,536	1,162	-	2,111,429	13,446	2,000,000	119,232
Trustee / Custodian									
Central Depository Company of Pakistan Limited	-	2,781,855	-	2,781,855	-	282,405,082	38,119,265	-	285,446,742

- 19.4 Remuneration payable to the Management Company and the Trustee have been determined in accordance with the offering document within in the limits prescribed u/s 60(5)(b) of NBFC Regulations.
- 19.5 Dividend distributed by the Fund is recognised at the amount/units declared to all the unit holders.
- 19.6 Purchase and redemption of the Fund's unit by related parties / connected persons are recorded at the applicable net asset value per unit on the date of purchase or redemption as the case may be. Other transactions are at agreed rates.

20. FINANCIAL RISK MANAGEMENT

Introduction and overview

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

- credit risk (refer note 20.1);
- liquidity risk (refer note 20.2);
- market risk (refer note 20.3);
- operational risk (refer note 20.4); and
- Unit holder's fund risk (refer note 20.5).

Risk management framework

The Fund's board of directors has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup based on limits established by the management company, Fund's Trust Deeds and the rules, regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk exposure limits, set up controls and to monitor risks and adherence to exposure limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

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

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

20.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, receivable against sale of marketable securities, security deposits and profit receivables.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations.

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

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is considered along with the financial background so as to minimize the risk of default.
- Analysis of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimize the risk of default and transactions are settled or paid for only upon delivery.

Exposure to credit risk

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

Note	June 30, 2024		June 30, 2023	
	Statement of Assets and Liabilities	Maximum exposure	Statement of Assets and Liabilities	Maximum exposure
	----- (Rupees) -----		----- (Rupees) -----	
Bank balances (including profit due)	2,992,748,839	2,992,748,839	363,238,935	363,238,935
Investments	29,193,930,899	5,167,488,618	22,752,498,353	2,351,546,782
Deposit	100,000	100,000	100,000	100,000
	<u>32,186,779,738</u>	<u>8,160,337,457</u>	<u>23,115,837,288</u>	<u>2,714,885,717</u>

Bank balances

The Fund held cash and cash equivalents with banks had following credit ratings:

Rating	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	----- Rupees -----		----- % -----	
AAA	100,453,064	395,781	3.36	0.11
AA+	1,500,515,767	360,406,001	50.14	99.22
AA	1,391,764,034	2,421,179	46.50	0.67
A-	15,974	15,974	0.00	0.00
Total balance including profit due	<u>2,992,748,839</u>	<u>363,238,935</u>	<u>100.00</u>	<u>100.00</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

Details of Fund's concentration of credit risk of financial instruments by industrial distribution are as follows:

	June 30, 2024		June 30, 2023	
	(Rupees)	(%)	(Rupees)	(%)
Commercial banks (including profit due)	2,992,748,839	29.72	363,238,935	13.38
Power generation and distribution - commercial papers	1,910,006,973	18.97	340,894,727	12.56
NBFC- letter of placements	3,257,481,645	32.35	2,010,652,055	74.06
Short term sukkuk	1,910,006,973	18.97	-	-
Deposits	100,000	0.00	100,000	0.00
	10,070,344,429	100.00	2,714,885,717	100.00

Past due and impaired assets and collaterals held

None of the financial assets of the Fund are past due or impaired as at June 30, 2024 (June 30, 2023: nil).

Settlement risk

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

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through brokers with good credit worthiness to ensure that transactions are settled only when both parties have fulfilled their contractual settlement obligations.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

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

In accordance with regulation 58(1)(k) of the NBFC regulations, 2008, the Fund is entitled to borrow, with prior approval of trustee, for meeting redemptions. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment with in 90 days of such borrowings. No such borrowing were made during the year.

In order to manage the Fund's overall liquidity, the Fund is also allowed in accordance with regulation 57(10) of NBFC Regulations, 2008, to withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, during the year no such option was exercised or considered necessary.

Maturity analysis for financial liabilities

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

		2024	
		Contractual cash flows	
		Carrying amount	Less than 3 month
		----- (Rupees) -----	
Non-derivative financial liabilities (excluding unit holders' fund)			
Payable to the Management Company		63,135,555	27,501,736
Remuneration payable to the Trustee		1,715,080	1,715,080
Accrued expenses and other liabilities		34,852,529	34,852,529
		<u>99,703,164</u>	<u>64,069,345</u>
		2023	
		Contractual cash flows	
		Carrying amount	Less than 3 month
		----- (Rupees) -----	
Non-derivative financial liabilities (excluding unit holders' fund)			
Payable to the Management Company		46,692,031	11,058,213
Remuneration payable to the Trustee		1,143,068	1,143,068
Accrued expenses and other liabilities		18,452,892	18,452,892
		<u>66,287,991</u>	<u>30,654,173</u>

Above financial liabilities do not carry any mark-up.

20.3 Market risk

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

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The aggregate risk resulting from financial instruments equals their fair values. Market risk faced by the Fund includes interest rate risk.

20.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Investment Committee of the Fund reviews the investment portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

Exposure to interest rate risk

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

	June 30, 2024	June 30, 2023
Variable-rate instrument	(Rupees)	
Pakistan investment bonds	3,989,200,000	1,795,678,930
Short term sukkuk	1,910,006,973	340,894,727
Bank balances	<u>2,971,541,492</u>	<u>350,376,722</u>
Fixed-rate instrument		
Letter of placements	3,257,481,645	2,010,652,055
Market treasury bills	<u>19,835,483,567</u>	<u>18,566,556,500</u>

Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased unit holder fund and income statement by Rs. 88.70 million (2023: Rs. 24.87 million).

Sensitivity analysis for fixed rate instruments

Fund has fixed rate financial assets (market treasury bills) at fair value through profit or loss, therefore, changes in interest rate by 100 basis points at the reporting date would impact the income statement by Rs. 198.35 million (2023: Rs. 185.67 million)

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

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of the future movements in interest rates.

Yield/profit sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

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

June 30, 2024						
	Interest rate %	Note	Exposed to interest rate risk		Not exposed to interest rate risk	Total
			No later than one month	More than one year (note 7.2)		
----- Rupees -----						
Financial assets						
Bank balances	5.1		2,971,541,492	-	-	2,971,541,492
Profit receivable on bank deposits	18.5 - 21.9		-	-	222,958,963	222,958,963
Investments - Market treasury bills	0	19.92 - 21.68	-	-	19,835,483,567	19,835,483,567
Investments - Pakistan investment bonds	6.2	21.60	-	3,989,200,000	-	3,989,200,000
Investments - Short term sukuk	6.3	20.27 - 22.04	-	1,910,006,973	-	1,910,006,973
Investments - Letter of placements	6.4	20.75 - 22.72	-	-	3,257,481,645	3,257,481,645
Deposit			-	-	100,000	100,000
Total financial assets			<u>2,971,541,492</u>	<u>5,899,206,973</u>	<u>23,316,024,175</u>	<u>32,186,772,640</u>
Financial liabilities						
Payable to the Management Company			-	-	63,135,555	63,135,555
Remuneration payable to the Trustee			-	-	1,715,080	1,715,080
Accrued expenses and other liabilities			-	-	34,852,529	34,852,529
Total financial liabilities			<u>-</u>	<u>-</u>	<u>99,703,164</u>	<u>99,703,164</u>
On balance sheet gap			<u>2,971,541,492</u>	<u>5,899,206,973</u>	<u>23,216,321,011</u>	<u>32,087,069,476</u>
Cumulative interest rate gap *			<u>2,971,541,492</u>	<u>8,870,748,465</u>		

* There were no off balance sheet financial instruments for the Fund.

----- June 30, 2023 -----					
	Interest rate %	Exposed to interest rate risk		Not exposed to interest rate risk	Total
		No later than one month	More than one year (note 7.2)		
----- Rupees -----					
Financial assets					
Bank balances	5.1		350,376,722	-	350,376,722
Profit receivable on bank deposits		12.75 - 19.75	-	-	51,571,257
Investments - Market treasury bills	0	21.8 - 21.12	-	-	18,566,556,500
Investments - Pakistan investment bonds	6.2	21.98	-	1,795,678,930	1,795,678,930
Investments - Commercial papers	6.3	22.72	-	340,894,727	340,894,727
Investments - Letter of placements	6.4	21.6	-	-	2,010,652,055
Deposit			-	-	100,000
Total financial assets			<u>350,376,722</u>	<u>2,136,573,657</u>	<u>20,628,879,812</u>
Financial liabilities					
Payable to the Management Company			-	-	46,692,031
Remuneration payable to the Trustee			-	-	1,143,068
Accrued expenses and other liabilities			-	-	18,452,892
Total financial liabilities			<u>-</u>	<u>-</u>	<u>66,287,991</u>
On balance sheet gap			<u>350,376,722</u>	<u>2,136,573,657</u>	<u>20,562,591,821</u>
Cumulative interest rate gap *			<u>350,376,722</u>	<u>2,486,950,379</u>	

* There were no off balance sheet financial instruments for the Fund.

20.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors of Management Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

20.5 Unit holder's fund risk management

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

21. Fair value of financial instruments

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

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

		2024					
		Carrying amount			Fair Value		
		Fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Total
(Rupees)							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Government securities							
Market treasury bills	0	19,835,483,567	-	19,835,483,567	-	19,835,483,567	19,835,483,567
Pakistan investment bonds	6.2	3,989,200,000	-	3,989,200,000	3,989,200,000	-	3,989,200,000
		23,824,683,567	-	23,824,683,567	3,989,200,000	19,835,483,567	23,824,683,567
Financial assets not measured at fair value*							
Bank balances	5	-	2,971,548,590	2,971,548,590	-	-	2,971,548,590
Profit receivable		-	222,958,963	222,958,963	-	-	222,958,963
Letter of placements	6.3	-	1,910,006,973	1,910,006,973	-	-	1,910,006,973
Short term sukuk	6.4	-	3,257,481,645	3,257,481,645	-	-	3,257,481,645
Deposits and other receivables		-	100,000	100,000	-	-	100,000
		-	8,362,096,171	8,362,096,171	-	-	8,362,096,171
Financial liabilities not measured at fair value*							
Payable to the Management Company	9.1	-	27,501,736	27,501,736	-	-	-
Payable to the Trustee	10	-	1,715,080	1,715,080	-	-	-
Accrued expenses and other liabilities	12	-	34,852,529	34,852,529	-	-	-
		-	64,069,345	64,069,345	-	-	-

* the estimated book value of financial assets and liabilities not measured at fair value is considered not to be significantly different from their respective book values.

		2023					
		Carrying amount			Fair Value		
		Fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Total
(Rupees)							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Government securities - Market							
Market treasury bills	6.1	18,566,556,500	-	18,566,556,500	-	18,566,556,500	18,566,556,500
Pakistan investment bonds	6.2	1,795,678,930	-	1,795,678,930	1,795,678,930	-	1,795,678,930
		20,362,235,430	-	20,362,235,430	-	18,566,556,500	20,362,235,430
Financial assets not measured at fair value*							
Bank balances	5	-	350,383,820	350,383,820	-	-	350,383,820
Profit receivable		-	51,571,257	51,571,257	-	-	51,571,257
Investments - Commercial papers	6.3	-	340,894,727	340,894,727	-	-	340,894,727
Letter of placements	6.4	-	2,010,652,055	2,010,652,055	-	-	2,010,652,055
Deposits and other receivables		-	100,000	100,000	-	-	100,000
		-	2,753,601,859	2,753,601,859	-	-	2,753,601,859
Financial liabilities not measured at fair value*							
Payable to the Management Company	9.1	-	11,058,213	11,058,213	-	-	-
Payable to the Trustee	10	-	1,143,068	1,143,068	-	-	-
Accrued expenses and other liabilities	12	-	18,452,891	18,452,891	-	-	-
		-	30,654,172	30,654,172	-	-	-

* the estimated book value of financial assets and liabilities not measured at fair value is considered not to be significantly different from their respective book values.

22. RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Redemption of Units	Dividend	Total
Opening balance as at 1 July 2023	-	(12,342,943)	(12,342,943)
Payable against redemption of units	114,732,448,033	-	114,732,448,033
Payable against dividend	-	6,404,766,298	6,404,766,298
	114,732,448,033	6,404,766,298	121,137,214,331
Amount paid on redemption of units	(114,732,448,033)	-	(114,732,448,033)
Dividend paid	-	(6,421,594,715)	(6,421,594,715)
	(114,732,448,033)	(6,421,594,715)	(121,154,042,748)
Closing balance as at 30 June 2024	-	(29,171,360)	(29,171,360)

23. 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:

23.1 Unit holding pattern of the Fund

Category	June 30, 2024		
	No of Investors	Investment amount (Rupees)	% of total net assets
Individuals	106	624,842,040	1.96
Associated Companies and Directors	58	10,259,354,086	32.20
NBFC's (Management Company)	1	1,131,800,777	3.55
Retirement Funds	11	120,543,500	0.38
Other Corporates	32	19,728,431,301	61.91
Total	208	31,864,971,704	100.00

Category	June 30, 2023		
	No of Investors	Investment amount (Rupees)	% of total net assets
Individuals	93	528,313,928	2.30
Associated Companies and Directors	65	13,580,736,325	59.13
Insurance Companies	1	818,629	0.00
NBFC's (Management Company)	1	673,550,173	2.93
Retirement Funds	10	148,928,478	0.65
Other Corporates	20	8,034,304,859	34.98
Total	190	22,966,652,393	100.00

23.2 List of top 10 brokers by percentage of commission paid

Name of broker	(Percentage %)	
	2024	2023
Bright Capital Private Limited	22.13%	2.09%
C&M Private Limited	19.77%	0.00%
Continental Exchange (Pvt.) Ltd	18.47%	20.96%
Optimus Market (Pvt.) Ltd	17.09%	23.06%
Invest One Markets Ltd	7.22%	13.95%
Alfalah securities Limited	5.78%	0.00%
Ktrade Securities	3.48%	0.00%
AKD Securities	2.27%	0.00%
Magenta Capital (Pvt.) Ltd	2.07%	34.72%
Icon Securities	1.12%	1.62%

23.3 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. Danial Baig

Mr. Babar Ali Lakhani - Chief Executive Officer

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

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

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

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

Mr. Kashif Mustafa – Executive Director and COO

Mr. Mustafa has more than fifteen 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 fifteen 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 thirteen 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. Mirza Danial Baig

Mr. Baig has a Master's degree in Business Administration, with over eight (8) 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.

23.4 Directors meeting attendance

2023 - 2024

Name of directors	Meeting Attended	September 04, 2023	October 20, 2023	February 27, 2024	April 30, 2024
Mr. Iqbal Ali Lakhani	4	✓	✓	✓	✓
Mr. Babar Ali Lakhani	4	✓	✓	✓	✓
Mr. Amin Mohammed Lakhani	4	✓	✓	✓	✓
Mr. Jamil Ahmed Mughal	4	✓	✓	✓	✓
		4	4	4	4

23.5 Rating of the Fund and the management company

Details of the ratings of the Fund and the management company are given in note 1.3.

24. GENERAL

24.1 Corresponding figures have been reclassified / rearranged wherever necessary.

24.2 These financial statements were authorised for issue on September 12, 2024 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

LAKSON MONEY MARKET FUND

Performance Table	FY24	FY23	FY22	FY21
Net Assets - Beginning (PKR Mil.)	22,967	18,497	12,325	10,315
Net Assets - Ending (PKR Mil.)	31,865	22,967	18,497	12,325
Net Asset value per share	102.8435	102.6102	101.4435	100.8248
Selling Price for units	104.0057	103.7697	101.4435	100.8248
Repurchase Price for units	102.8435	102.6102	101.4435	100.8248
Highest Offer Price (PKR)	106.3082	105.0449	102.1716	101.4088
Lowest Offer Price (PKR)	103.7696953	101.4798	100.8248	100.5955
Highest Redemption Price (PKR)	105.1203	103.8711	102.1716	101.4088
Lowest Redemption Price (PKR)	102.6102	101.4798	100.8248	100.5955
Beginning NAV - Ex-Div. (PKR)	102.6102	101.4435	100.8248	100.5955
Interim Distributions (PKR)	20.9074	15.6044	10.0053	6.4882
Final Distribution (PKR)	-	-	-	-
Ending NAV - Ex-Div. (PKR)	102.8435	102.6102	101.4435	100.8248
Return	22.61%	17.80%	11.05%	6.88%
Net Income (PKR Mil.)	6,401	2,746	1,075	630
Total Distribution (PKR Mil.)	5,168	2,047	988	605
Accumulated Capital Growth	2,079	845	145	58
WAM (Days)	72	25	4	3
Average Annual return of the Fund				
One Year	22.61%	17.80%	11.05%	6.88%
Two year	20.21%	14.42%	9.93%	10.52%
Three year	22.94%	13.27%	10.73%	10.32%
Since inception (November 13,2009)	21.60%	17.92%	15.08%	12.96%

LAKSON MONEY MARKET FUND

Distributions	FY24	FY23	FY22	FY21
1st Interim Distribution	1.9217	0.5267	0.7439	0.5328
NAV before Distribution	104.5319	101.9702	101.5479	101.1283
NAV after Distribution	102.6723	101.4798	100.8235	100.5955
Distribution Date	2-Aug-23	13-Jul-22	8-Aug-21	29-Jul-20
2nd Interim Distribution	1.9585	0.7489	1.0267	0.4588
NAV before Distribution	104.6308	102.2287	101.8502	101.0543
NAV after Distribution	102.7416	101.5233	100.8432	100.614
Distribution Date	5-Sep-23	3-Aug-22	5-Sep-21	28-Aug-20
3rd Interim Distribution	1.6343	1.3654	0.7306	0.6199
NAV before Distribution	104.3759	102.8887	101.5738	101.2339
NAV after Distribution	102.8017	101.5671	100.8647	100.6337
Distribution Date	4-Oct-23	7-Sep-22	10-Oct-21	2-Oct-20
4th Interim Distribution	1.9894	1.1279	0.4503	0.5425
NAV before Distribution	104.7911	102.695	101.315	101.1762
NAV after Distribution	102.8577	101.6084	100.8973	100.652
Distribution Date	7-Nov-23	5-Oct-22	2-Nov-21	2-Nov-20
5th Interim Distribution	1.8979	1.3772	0.6076	0.4328
NAV before Distribution	104.7556	102.9856	101.5049	101.0848
NAV after Distribution	102.924	101.6512	100.9215	100.6715
Distribution Date	12-Dec-23	8-Nov-22	2-Dec-21	27-Nov-20
6th Interim Distribution	1.6083	1.0665	0.5875	0.4751
NAV before Distribution	104.5323	102.7177	101.509	101.1466
NAV after Distribution	102.9813	101.695	100.9493	100.6909
Distribution Date	9-Jan-24	6-Dec-22	28-Dec-21	28-Dec-20
7th Interim Distribution	1.5121	1.4674	1.2223	0.6643
NAV before Distribution	104.4934	103.1624	102.1716	101.3552
NAV after Distribution	103.0368	101.7383	100.9773	100.706
Distribution Date	6-Feb-24	10-Jan-23	4-Feb-22	29-Jan-21
8th Interim Distribution	1.5448	1.2369	0.7441	0.615
NAV before Distribution	104.5816	102.9752	101.7214	101.321
NAV after Distribution	103.0944	101.7835	101.0055	100.7245
Distribution Date	6-Mar-24	9-Feb-23	5-Mar-22	5-Mar-21
9th Interim Distribution	0.6324	0.9748	0.9535	0.4949
NAV before Distribution	103.7268	102.7583	101.959	101.2194
NAV after Distribution	103.149	101.835	101.0387	100.7445
Distribution Date	18-Mar-24	7-Mar-23	8-Apr-22	5-Apr-21
10th Interim Distribution	0.7556	1.4417	1.0998	0.6643
NAV before Distribution	103.9046	103.2767	102.1385	101.4088
NAV after Distribution	103.2057	101.888	101.0768	100.7632
Distribution Date	7-Apr-24	4-Apr-23	12-May-22	7-May-21
11th Interim Distribution	1.9146	1.9831	1.0783	0.508
NAV before Distribution	105.1203	103.8711	102.1551	101.2712
NAV after Distribution	103.2642	101.9519	101.1218	100.7832
Distribution Date	8-May-24	9-May-23	8-Jun-22	7-Jun-21
12th Interim Distribution	2.3589	1.5586	0.7607	0.4798
NAV before Distribution	105.6231	103.5105	101.8825	101.263
NAV after Distribution	102.6102	102.0143	101.1689	100.804
Distribution Date	5-Jun-24	6-Jun-23	26-Jun-22	29-Jun-21
13th Interim Distribution	1.1789	0.7293		
NAV before Distribution	103.7891	102.7436		
NAV after Distribution	102.6102	102.0738		
Distribution Date	26-Jun-24	20-Jun-23		
Final Distribution	-	-	-	-

Disclaimer

Past performance is not Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.



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