

LAKSON INCOME 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](http://www.li.com.pk)  
E-mail: [info@li.com.pk](mailto:info@li.com.pk)

**Board of Directors of  
the Management Company**

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

**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.



## LAKSON INCOME FUND

### Bankers to the Fund

AlBaraka Bank Pakistan Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Dubai Islamic Bank Limited  
Faysal Bank Limited  
Finca Microfinance Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
Mobilink Microfinance Bank Limited  
National Bank of Pakistan  
NRSP Microfinance Bank Limited  
Silk Bank Limited  
Sindh Bank Limited  
Telenor Microfinance Bank Limited  
U Microfinance 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

A+(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 Income Fund ('LIF' or 'Fund') is pleased to submit its report together with Audited Financial Statements for the year ended June 30, 2024.

### **Fund Objective**

The investment objective of the Scheme is to provide competitive total returns through investment in a diversified portfolio of fixed income securities. The Scheme shall invest in various fixed income securities with a mix of short term, medium term, and longer-term maturities depending on the assessment by the Management Company of interest rate trends and prospective returns.

### **Principal activities**

The Fund is an open-end income fund and is listed on Pakistan Stock Exchange Limited. LIF invests in Investment-grade Debt Securities, Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts, and other fixed income instruments. The overall duration of the portfolio is kept below 4 years while at least 25% of Net Assets are kept in the form of cash or Treasury Bills of maximum 90 days maturity. LIF is managed through a team-driven, top-down process utilizing active sector rotation, duration and yield curve management. Economic conditions are constantly monitored to forecast interest rate changes. The added value for LIF comes from identifying opportunities to shift investments between various maturities and between different instruments. LIF is allowed to borrow up to 15% of Net Assets to meet redemptions however LIF did not utilize this facility during the period under review.

### **Fund Performance**

The LIF yielded an annualized return of 15.95% in the FY24 against the benchmark return of 21.91% p.a. The LIF underperformed by -5.96%. As of June 30, 2024, the LIF portfolio was invested 11.8% in cash, 1.7% in TFCs/Sukus, 2% in Commercial Papers, 67.4% in T-bills, 11.7 in PIBs and 5.4% in others while the weighted average maturity of the LIF portfolio stood at 403 days. The fund size of the LIF as of June 30, 2024 is PKR 7,786 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 payout of PKR 16.2433 per unit (16.2433% of face value of PKR 100/-) amounting to PKR 264.8157 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.

### **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 LIF at "AM2+" at "A+(f)" respectively.

### **Additional Matters:**

1. The detail of Directors of the Management Company is disclosed in this Annual Report.
2. The financial statements prepared by the Management Company present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in unit holders' fund.
3. Proper books of accounts of the Fund have been maintained.

4. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
5. Relevant International Financial Reporting Standards, as applicable in Pakistan, provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 ('NBFC Regulations), directives issued by the Securities & Exchange Commission of Pakistan and requirements of the constitutive documents of the Fund have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
6. The system of internal control is adequate and sound in design and has been effectively implemented and monitored.
7. There are no significant doubts upon the Fund's ability to continue as a going concern.
8. Key financial data has been summarized in this Annual Report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges have been fully disclosed in these financial statements.
10. The statement as to the value of investments of provident fund is not applicable in the case of the Fund as such expenses are borne by the Management Company.
11. The pattern of unit holding as at June 30, 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 4) 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.

**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**

### لیکن اکم فنڈ

30 جون 2024 کو فتح ہونے والے سال کے لیے  
میجنت کپنی کے ڈائریکٹرز کی رپورٹ

لیکن اکم فنڈ ("LIF" یا فنڈ) کی میجنت کپنی لیکن اوت سٹمپس لینڈز کے پورڈ آف ڈائریکٹرز کے لیے 30 جون 2024 کو فتح ہونے والے سال کے لیے اپنی رپورٹ مع آڈیٹ شدہ مالیاتی گوشوارے پیش کرنا باعث صورت ہے۔

### فنڈ کا مقصد

اس اسکیم کی اوت سٹمپس کا مقصد فنڈ اکم سکیوریٹیز کے متعدد پورٹ فولیو میں اوت سٹمپس کے ذریعے مالیتی مجموعی منافع جات فراہم کرنا ہے۔ یا اسکیم میجنت کپنی کی طرف سے اٹرسٹ ریٹ فریڈ زار مکانی منافع جات کے حوالے سے میجنت کپنی کی تفہیں کے لحاظ سے مختصر مدّتی، وسط مدّتی اور طویل مدّتی پھیوریز کے احتراج کے ساتھ مختلف فنڈ اکم سکیوریٹیز میں سرمایہ کاری کرے گی۔

### فنڈ کا تعارف

LIF اپنے ایدن اکم فنڈ ہے، جو پاکستان اسٹاک اسٹچن لینڈ میں لامدہ ہے اور اونیٹسٹمپس گریڈ یہ سٹ کیوں ریٹ فریڈ زار مکانی منافع آف اوت سٹمپس، Clean Placements، ہم فپازر ریٹسٹم اور دیگر فنڈ اکم اسٹریٹمیں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کا مجموعی دورانیہ 4 سال سے کم رکھا جاتا ہے اور خالص اٹاٹوں کا کم از کم 25% کیش بازیادہ سے زیادہ 90 دن کی پھیروائی اور فریڈ زاری بڑکی شکل میں رکھا جاتا ہے۔ LIF کا قائم ڈسٹریٹ کے مل پر پیش قدمی کرنے والی، اپر سے چیخنے کیوں کے قاتر سے استعمال کو روپ عمل لانے والی، دورانیہ اور پیڈ اور اس تو ازان پر لفہن رکھنے والی میجنت چلاتی ہے۔ اٹرسٹ ریٹ میں تدبیجوں کی پیش گوئی کے لیے معاشری صورت حال کی مسلسل گرانی کی جاتی ہے۔ LIF کی قدر و قیمت میں صل اضافہ مختلف پھیوریز اور مختلف اسٹریٹمیں کے درمیان اوت سٹمپس کے تباہ لے کے موقع کی شاخت سے آتا ہے۔ LIF کو یہ پھیوریز کی تجھیں کے لیے خالص اٹاٹوں کے 15% تک قرض لینے کی اجازت ہے، تاہم LIF نے اس کو ہوتا ہے جائزہ مدت کے دران استعمال نہیں کیا۔

### فنڈ کی کارکردگی

LIF نے سالانہ پیش رک منافع 21.91% کے مقابلے میں ماں سال 2024 میں 15.95% سالانہ منافع حاصل کیا۔ LIF نے 5.96% کم تر کارکردگی کا مظاہرہ کیا۔ 30 جون 2024 کے مطابق LIF اپرٹ فولیو کے 11.8% کی کیش میں، 1.7% کی اسکوک/TFCS میں، 2% کریش پیپریز میں، 67.4% کی فریڈ زاری میں اور 5.4% کی دیگر میں سرمایہ کاری کی گئی، جبکہ LIF اپرٹ فولیو کی تجیہ شدہ اوت سٹ پھیروائی 403 دن ہے۔ 30 جون 2024 کے مطابق LIF کا فنڈ گم 7,786 ملین روپے ہے۔

### فی شیسر آمدی (EPU)

فی شیسر آمدی (EPU) ظاہر نہیں کی گئی کیوں کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے مذکون اوسط یونٹس کا تین اپنے ایدن فنڈ کے لیے قابل

عمل فیں ہے۔

#### آمدنی کی تقسیم

چیف ایگزیکٹو فیسر نے میجنت کمپنی کے بروڈ آف ڈائریکٹرز کی طرف سے اختیار کے تحت 30 جون 2024 کو قائم ہونے والے سال کے لیے پونٹ 16.2433 روپے (100 روپے کی فیس ویلیو کا 16.2433%) کی عبوری کیش ادا سُکھی کا اعلان کیا ہے جس کی مالیت 264.8157 ملین روپے فیٹ ہے۔

#### اہم خطرات و خدشات

اتصالی عدم استحکام، بڑھتا ہوا کرنٹ کاؤنٹ خسارہ، زر مبادلے کے کم ہوتے ہوئے خاکہ بوقت سے زیادہ افزایا تر، روپے کی قدر میں کی، یک طرف اور دو طرف فرض فراہم کنندہ ایجنسیز کی طرف سے موقع سے کم مالی امداد، مزید مالیاتی تخفیف اور گزتے ہوئے خارجہ تعلقات پاکستان میں تمام کاروباری شعبوں کے لیے خطرہ ہے ہوئے ہیں۔

#### لسہیٹ فیجر اینڈ فنڈ رینگ

پاکستان کریڈٹ رینگ ایجنٹی لمبینڈ (PACRA) نے میجنت کمپنی کی لسہیٹ فیجر رینگ اور LIF کی فنڈ اسٹیلٹی رینگ بالترتیب +AM2 اور "A+(f)" پر برقرار رکھی ہے۔

#### اضافی محالات

- 1- میجنت کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ پورٹ میں ظاہر کی گئی ہے۔
- 2- میجنت کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج کیش ٹلوڑ اور یونٹ ہولڈرز کے فنڈ میں اقلیتی حرکت کی منصافتہ عکاسی کرتے ہیں۔
- 3- فنڈ کے کاؤنٹس کے لحاظ سے درست انداز میں رکھے گئے ہیں۔
- 4- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل یہودی کی گئی ہے اور شماریاتی تجھیسے مناسب اور معقول نظریات پرچمی ہیں۔
- 5- ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے میان الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، نان بینکنگ فناں کمپنیز (امیکن فنڈ ریگولیشن) روپر 2003 کے قاضوں، نان بینکنگ فناں کمپنیز اینڈ تو نیغاہ اینڈ فنڈ ریگولیشن، 2008 (NBFC، NBFC ریگولیشن)، سکیورٹیز اینڈ ایکچی کمیشن آف پاکستان کے جاری کردہ ڈائریکٹرز اور فنڈ کی دستوری و ستائرات کے قاضوں کی یہودی کی گئی ہے اور ان سے کسی بھی انحراف کی مناسب انداز میں نناندی کی گئی ہے۔
- 6- ائٹھول کا نظام مستلزم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل گرانی کی جاتی ہے۔
- 7- فنڈ کی روایں دوال رہنے کی صلاحیت کے بارے میں کوئی ٹکوک و شہبات نہیں ہیں۔
- 8- اہم مالیاتی ڈیتا کا خلاصہ اس سالانہ پورٹ میں شامل ہے۔

- 9- میکسز، ذیکریز، مخصوصات اور چارچوڑی کی مدیں واجب الادارہ کاری ادا نگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10- پروڈیٹ فنڈ کی سرمایہ کاری کی مالیت سے متعلق گوشوارہ فنڈ پر قابل اطاعت نہیں ہے جیسا کہ ایسے اخراجات میخفہ کپنی کی طرف سے برداشت کیے جاتے ہیں۔
- 11- 30 جون 2023 کے مطابق یونٹ ہولڈنگ کا پیہن اس سالانہ پورٹ میں دیا گیا ہے۔
- 12- کارکردگی کی جدول / ایم مالیاتی ذینا اس سالانہ پورٹ کے ساتھ مسلک ہے۔

#### جز و فی ذیکر

موجودہ آئیز بیسرز یوسف عادل، چارڑہ اکاؤنٹنس نے اب ہونے کی بنیاد پر 30 جون 2025 کو ختم ہونے والے سال کے لیے دوبارہ تقری کے لیے اپنی رضامندی ظاہر کی ہے۔ آٹھ کمیٹی کی سفارش پر بروڈ آف ذیکر کیز نے 30 جون 2025 کو ختم ہونے والے سال کے لیے بیسرز یوسف عادل، چارڑہ اکاؤنٹنس کی دوبارہ تقری کردی ہے۔

#### معاشری جانبزہ

ملک کو درجیش معاشری پلنجر کے حوالے سے مالی سال 2024 کے آغاز میں اس وقت کچھ راحت ملی، جب پاکستان نے آئی ایف کے 19 ایکسٹہنڈیمیٹ معاملے (SBA) پر دستخط کیے جس کی مالیت 3 ارب ڈالر ہے۔

ہم نے آئی ایف کی جانب سے دی گئی ہدایات کے تحت شروع کی گئی مالیاتی اور گلوبلیٹری اصلاحات کے ثابت تباہ کا تسلیم دیکھا۔ کرنٹ اکاؤنٹ خسارے کو کرنے والیوں کو شکوہ کے نتیجے میں کامیابی۔ برآمدات اور ترسیلات زر میں اضافے نے درآمدی طلب کو چھپے چھوڑ دیا، جس کی وجہ سے کرنٹ اکاؤنٹ بیلنس کا فرقہ 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 کشرا بھتی قرض دہنگان کی جانب سے معاونت میں مزید اضافہ کیا۔ جس سے اٹیٹیٹ بیک آن پاکستان کے زرہادلہ ذخیر میں سال پر سال 2 گنا اضافہ ہوا اور یہ 4.4 ہلین میلین امریکی ڈالر کے مقابلے میں پاکستانی روپے میں تقریباً استحکام رہا، جو جون 2024 میں اپورٹ کو رہی ایک سال قل کے 1.3 گنا کے مقابلے میں 2 گنا تک پہنچ گیا۔

مالی سال 2025 کے دوران آئی ایف کے ساتھ متوقع نئے پروگرام کی محفوظی سے زرہادلہ کے ذخیرہ مزید مسکن ہوں گے۔ مسکن ایکٹری 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 ڈالر پر امریکی ڈالر (شت 4 فیصد، سال پر سال) پر بند ہوا۔

مسکن کرنسی اور ہائی میں اثرات کے ساتھ ہائز شش ماہی سال کے مقابلے میں پاکستان نے مالی سال 2024 کی تیسری سماں میں شروع ہونے والا افراط از مریں کی کا سلسہ چاری رکھا۔ مالی سال 2024 کے لئے تیزیز پر اس انٹریکس (سی پی آئی) اوس طے 24 فیصد تھا جبکہ مالی سال 2023 میں یہ 29 فیصد تھا۔ تقریباً ذر کے دوران، مائیکر پالیسی کمیٹی (MPC) نے چار سال میں ہیلی بار مالیاتی نزی کا مل شروع کیا اور جون 2024 میں شروع سو ڈالر 1.5 فیصد کم کر کے 20.5 فیصد کر دیا۔ شروع سو ڈالر میں مزید کی کی تو قص پر، ٹالوی مارکیٹ میں قیمتوں میں اضافہ چاری رہا، جو ظرفیاتی شدہ پتھر مارک شروع سے کم رہا۔ مالی سال کے اختتام پر، حکومت نے مالی سال 2025 کے لئے وفاقی بھجت کا اعلان کیا، جس میں اضافی ٹکس اقدامات کی نشاندہی کی گئی ہے، جن کا مقصد

مالي سال 2025 کے مالي خسارے کو ڈني پي کے 5.9 فصد (سات سالوں میں سب سے کم) تک لانا ہے، جبکہ سال کے لئے ڈني پي کے 1.2 فصد کے پر اخیری ہیئت مقرر کیا گیا ہے۔

#### کلڈ اکھم بارکیٹ کا جائزہ

ٹانوی مارکیٹ کے منافع جات سال بھر اتار چھ عاد کا شکار ہے، مارکیٹ کی توقعات کے برکس مرکزی بینک نے سال بھر اپنی سخت مانیٹری پالنسی پر زیشن برقرا رکھی اور شرح سود کو جون 2024 تک 22 فصد پر برقرار کیا، جب شرح سود میں 150 بیس پالنس کی پہلی کوتی کا اعلان کیا گیا تھا۔ بدلتے ہوئے منافع جات سے فائدہ اٹھانے کے لیے بیکوں نے اپنی اضافی لیکوئید بینک کے لیے اسٹیٹ بینک کی وہد و سہولت کا استعمال جاری رکھا۔ سال کے دوران میں بیز اور فلور پی آئی ٹیڈی میں شرکت اور قبولیت زیادہ رہی، جہاں کم سے کم منافع شرح سود سے کم رہا، جس سے اور برے curve برقرار رہا۔

# ٹیچ مارک 6 کا کلی بور (Kibor) مالي سال 2024 کے دوران او۔ ٹھ۔ 3 فصد اضافے کے ساتھ 22 فصد تک پہنچ گیا تھا، تم اکتوبر 2023 کے بعد سے شرح سود سے کم ہے۔

#### ستقبل کا منظر نامہ

اسٹیٹ بینک نے جون 2024 میں اعلان کردہ شرح سود میں 150 بیس پالنس کی پہلی کوتی کے ساتھ مالیاتی زری کا گل شروع کر دیا ہے، جس کے بعد جولائی 2024 میں مزید 100 بیس پالنس کی کوتی کی گئی۔ شرح سود اب 19.8 فصد ہے۔ زری کا یہ اداز چار سال کے عرصے پر محیط سخت گیری اور ملکم شرح سود کا سلسہ دیکھنے کے بعد سامنے آیا اور مگر 2024 میں ہی پی آئی کے 11.8 فصد تک گرنے کے ساتھ، اس نے چاری افراط از کرکے رحان کو کمل کیا۔ مزید برآں ترسیلات زر میں اضافے کی مدد سے ایک تقریباً ہم سطح توازن ادا ہیگی (ہیٹس آف ہیکٹس) نے اسٹیٹ بینک کے زر مباردہ خارج میں استحکام لانے میں اہم کردار ادا کیا۔

ہم تو قع کرتے ہیں کہ پاکستان میں اگست 2024 کے بعد سے افراط از کرکے شرح سنگل ڈسونٹ میں آجائے گی، جس کی وجہ سے اسال کی بڑی ہوئی قیمتیوں کے سازگار بیس اثرات ہیں۔ اس سے آگے کرشمہ سود میں حزیک کوتی کی گنجائش بیہدا ہوگی۔ اکتوبر 2023 کے بعد سے ٹیچ مارک شرح سے نیچے گزی کرنے والی ڈانوی مارکیٹ کے منافع سے مالیاتی زری کی توقعات پہلی طاہر ہو چکیں۔

مزید برآں، مالي سال 2025 کے بھت میں مخصوصات کے زائد ہدف کے اعلان سے حکومت کو آئی ایف کے ساتھ اضافی یوں پر 37 ماہ کے 7 ارب ڈالر مالیت تو سمعی قند ٹسلیٹی ارجمند (ای ایف ایف) معابدہ کرنے میں مدد لی، جو آئی ایف کے لیگز کیلو بورڈ کی منظوری سے شروع ہے۔ قند کی طرف سے بیان کردہ اہم توجہ طلب شجوں میں (1) مخصوصات کے بڑے اہداف کے ساتھ مالی استحکام (مالي سال 2024 کے مالي خسارے میں پہلی ہی کچھ بہتری کی اطلاع دی گئی ہے)، (2) افراط از کر کرنے میں معاونت کرنے والی مانیٹری پالنسی پر مبنی موقف، (3) تو انہی کے شعبے میں اصلاحات شہوں برادرست سوسدی کی مہانت، (4) سرکاری نیکیت والے منافع بخش اداروں کی چکاری اور (5) جزوی 2025 سے زری شہبے پر جس لگانا شامل ہیں۔

آگے چل کر سرمایہ کاروں کے چند بات کو رواں ماہنیاں تقویت ملئے کی تو قع ہے کہ پاکستان کے لئے آئی ایف پروگرام، بورڈ کی سطح پر کمی مخصوصات کے قریب ہے۔ اس کے ساتھ مالیت دوست ممالک شامل چین، سعودی عرب اور تحدیدہ عرب مارات کے ساتھ قرضوں کی روی اسٹر کچر گگ اور بچکاری پروگرام کے لیے جاری مذاکرات کو فنڈ پروگرام کی جانب ایک اہم قدم کے طور پر دیکھا جا رہا ہے۔ یحوال، ملک کا پوری بیس آمدی اور تو انہی شعبے کے لگوٹی قرضوں

کے مسئلے کے حل میں پیش رفت کے ساتھ مل کر سرمایکاروں کے اعتماد کو بہتر بنانے اور موجودہ P/E 4X مالی قدر و قیمت میں تبدیلیاں لانا جاری رکھنے پر آمادہ دکھائی دیتے ہیں۔ سیاسی شروعوں میں اضافہ مذکورہ محکات کی راہ میں حاکم ایک اہم رکاوٹ ہے۔

**اطہار تفکر**

یہ بورڈ اپنے قابل قدر انویسٹر، سکیپریشنر ایڈیٹر اپچیخ کمپنیں آف پاکستان، اسٹریٹ پینک آف پاکستان، فنڈ کے ٹرستی سینٹرل ڈپازیٹری کمپنی آف پاکستان لمبینڈ اور پاکستان اسٹاک اپچیخ لمبینڈ کا، ان کے مسلسل تعاون اور تجارت پر ٹھگزار ہے۔ میکنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور داشمندانہ انتظام و انصرام کے لیے میکنٹ کمپنی کی نیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و نجائب بورڈ

ڈائریکٹر

چیف ائیریکاؤنیسر

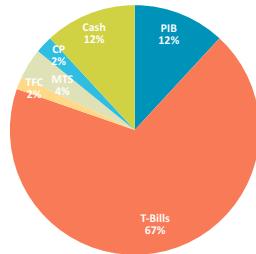
تاریخ: 12 نومبر 2024

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

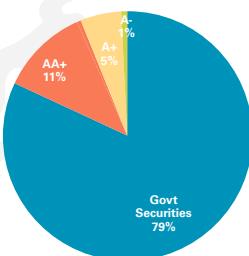
### Fund Facts

Fund Type	Open-End
Category	Income Fund
Net Assets (PKR Mil.)	7,786
NAV (30.06.2024)	101.9433
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	Yousuf Adil Saleem & Co.
Management Fee	Upto 1.5% (Current 1.08%)
Front End Load	1.50%
Back End Load	None
Launch Date	November 13, 2009
Benchmark	Average daily rate of 6M KIBOR (Ask)
Dealing Days	Mon - Fri
Cut-Off Time	04:00 PM (Mon-Fri)
Fund Rating	'A+ (f)' by PACRA (11.Mar.2024)
Asset Manager Rating	AM2+ by PACRA (25.Aug.2023)
Risk Profile	Medium Risk

### Asset Allocation



### Credit Split



Simple Annualized	LIF	Benchmark
FY24 - YTD	15.95%	21.91%
June-24	22.08%	20.38%
2 Months	21.96%	20.94%
3 Months	21.97%	21.16%
6 Months	20.61%	21.24%
12 Months	15.95%	21.91%
CY24- YTD	20.61%	21.24%
3 Years	21.29%	23.23%
5 Years	17.67%	19.40%
Since Inception	21.87%	22.24%

### 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 investment objective of the Scheme is to provide competitive total returns through investment in a diversified portfolio of fixed income securities. The Scheme shall invest in various fixed income securities with a mix of short term, medium term, and longer-term maturities depending on the assessment by the Management Company of interest rate trends and prospective returns.

### Investment Strategy

The LIF focused on constructing a liquid, diverse and high credit quality portfolio in accordance with its Investment Objective. Exposure of the LIF in T-Bills, TDRs, TFCs and other money market placements was managed based on the relative yield analysis of these instruments and the yield curve management. As of June 30, 2024, the LIF portfolio was invested 11.8% in cash, 1.7% in TFCs/Sukus, 2% in Commercial Papers, 67.4% in T-bills, 11.7 in PIBs and 5.4% in others while the weighted average maturity of the LIF portfolio stood at 403 days.

### **Fund Profile**

The Fund is an open-end income fund and is listed on Pakistan Stock Exchange Limited. LIF invests in Investment-grade Debt Securities, Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts, and other fixed income instruments. The overall duration of the portfolio is kept below 4 years while at least 25% of Net Assets are kept in the form of cash or Treasury Bills of maximum 90 days maturity. LIF is managed through a team-driven, top-down process utilizing active sector rotation, duration, and yield curve management. Economic conditions are constantly monitored to forecast interest rate changes. The added value for LIF comes from identifying opportunities to shift investments between various maturities and between different instruments. LIF is allowed to borrow up to 15% of Net Assets to meet redemptions, however LIF 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 LIF yielded an annualized return of 15.95% in the FY24 against the benchmark return of 21.91% p.a. The LIF underperformed by -5.96%. As of June 30, 2024, the LIF portfolio was invested 11.8% in cash, 1.7% in TFCs/Sukus, 2% in Commercial Papers, 67.4% in T-bills, 11.7 in PIBs and 5.4% in others while the weighted average maturity of the LIF portfolio stood at 403 days. The fund size of the LIF as of June 30, 2024 is PKR 7,786 million.



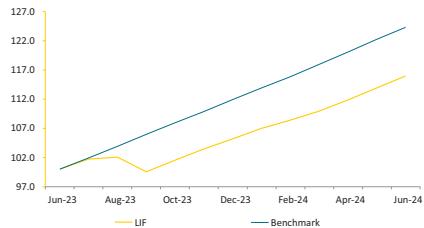
## LAKSON INCOME FUND

Performance Table	FY24	FY23
Net Assets - Beginning (PKR Mil.)	576	2,618
Net Assets - Ending (PKR Mil.)	7,786	576
Highest Offer Price (PKR)	119.8356	112.1301
Lowest Offer Price (PKR)	101.8528	102.9514
Highest Redemption Price (PKR)	117.8324	110.2557
Lowest Redemption Price (PKR)	100.1502	101.4299
Beginning NAV - Ex-Div. (PKR)	101.9766	101.3972
Interim Distributions (PKR)	16.2433	8.8585
Final Distribution (PKR)	-	-
Ending NAV - Ex-Div. (PKR)	101.9433	101.3972
Return	15.95%	15.95%
Net Income (PKR Mil.)	719.93	105.20

Distributions	FY24	FY23
	PKR per Unit	
Interim Distributions (PKR)	16.2433	8.8585
Final Distribution	-	-
NAV before Distribution	117.8324	101.3972
NAV after Distribution	101.5891	101.3972
Distribution Date	25-Jun-24	19-Jun-23

### LIF vs. Benchmark



### Fixed Income Market 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 payout of PKR 16.2433 per unit (16.2433% of face value of PKR 100/-) amounting to PKR 264.8157 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 4) 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 LIF at "AM2+" at "A+(f)" respectively.

**Other Disclosures**

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

There was no unit split undertaken during the year.

As of June 30, 2024, the LIF does not employ any leverage.

**Breakdown of Unit Holding by Size**

Units Range	No. of Clients	Units Held
Holding upto 100	23	410
101 - 500	2	295
501 - 1,000	5	3,470
1,001 - 5,000	6	12,823
5,001 - 10,000	5	35,230
10,001 - 50,000	6	153,874
50,001 - 100,000	5	316,043
100,001 - 500,000	16	3,312,555
500,001 - 1,000,000	3	2,429,268
1,000,001 - 5,000,000	15	39,188,523
5,000,001 - above	3	30,919,104
<b>89</b>		<b>76,371,595</b>

CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED

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URL: www.cdcPakistan.com  
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS



LAKSON INCOME 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 Income 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.

For the purpose of information, we would like to draw the attention of the unit holders towards clause 3.18.3 of the Master Circular which requires that the maximum exposure in Microfinance Banks, NBFCs and Modaribas shall not exceed 25% of the net assets of the Fund. In this regard, the Fund was non-compliant with the said requirement from February 22, 2024 to May 29, 2024 with exposure upto 31.11% of the Net Assets. The said non-compliance has also been reported to Securities and Exchange Commission of Pakistan.

  
Badiuddin Akber  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: September 25, 2024



## YOUSUF ADIL

**Yousuf Adil**  
Chartered Accountants

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### INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of Lakson Income Fund

Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Lakson Income 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 a summary of 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.	<b>Existence and Valuation of investments</b> <p>The investments represent 87% of the total assets amounted to Rs. 6,859 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"> <li>• We have reviewed the processes and key controls relating to existence and valuation and evaluated the design and implementation of such controls.</li> <li>• We have evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9.</li> <li>• We checked existence of investments from the Investor Portfolio Services (IPS) account statement and custodian statements.</li> </ul>

Indowards Correspondent 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"> <li>• We have recalculated provision on non-performing asset in accordance with the requirements of applicable regulations.</li> <li>• We have re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policy of the Fund.</li> <li>• 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.</li> </ul>

### 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.



Independent Chartered Accountant to  
Baitulla Tauchi Tijaratka 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.

  
Yousuf Adil  
Chartered Accountants

Place: Karachi  
Date: September 20, 2024  
UDIN: AR2024100999v7G8dfUT

Information Co-regulated From ICI  
Deloitte Touche Tohmatsu Limited

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

Assets	Note	June 30, 2024	June 30, 2023
(Rupees)			
Bank balances	5	930,814,808	39,589,225
Investments	6	6,859,617,046	537,133,989
Profit / mark-up receivable	7	57,315,139	8,546,993
Advances, deposits and other receivables	8	16,585,124	18,304,734
Receivable against sale of units		1,806,952	-
<b>Total assets</b>		<b>7,866,139,069</b>	603,574,941
<b>Liabilities</b>			
Payable to the Management Company	9	25,063,189	18,870,811
Payable to the Trustee	10	451,182	39,725
Payable to Securities and Exchange Commission of Pakistan	11	399,228	219,604
Accrued expenses and other liabilities	12	54,652,200	8,188,977
<b>Total liabilities</b>		<b>80,565,799</b>	27,319,117
<b>Net assets</b>		<b>7,785,573,270</b>	576,255,824
<b>Unit Holders' Fund (as per Statement of Movement In Unit Holders' Fund)</b>			
		<b>7,785,573,270</b>	576,255,824
<b>Contingencies and commitments</b>	14		----- (Number of units)-----
<b>Number of units in issue</b>	15	<b>76,371,595</b>	5,650,860
			----- (Rupees)-----
<b>Net assets value per unit</b>		<b>101.9433</b>	101.9766

The annexed notes from 1 to 23 form an integral part of these financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director



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## LAKSON INCOME FUND

## **Income Statement For the year ended 30 June 2024**

		June 30, 2024	June 30, 2023
	Note	(Rupees)	
<b>Income</b>			
Realised loss on sale of investments classified as at fair value through profit or loss -net		(9,929,934)	(12,347,925)
Unrealised diminution on revaluation of investments classified as at fair value through profit or loss -net		(19,822,271)	(1,680,199)
Profit / mark-up income		(29,752,205)	(14,028,124)
Markup on:			
Bank balances calculated using effective interest method		142,528,400	26,821,231
Government and other debt securities using effective interest method		686,865,905	140,986,421
Income from margin trading system		829,394,305	167,807,652
Income from certificate of deposit		6,124	633,573
Provision against non-performing debt securities		361,644	-
		<b>(31,968,000)</b>	<b>(31,966,400)</b>
		<b>768,041,868</b>	<b>122,446,701</b>
<b>Expenses</b>			
Remuneration to the Management Company		34,184,320	11,490,686
Sindh Sales tax on remuneration to the Management Company		4,444,356	1,491,403
Remuneration to the Trustee	10	3,205,470	933,063
Annual fee to the Securities and Exchange Commission of Pakistan	11	2,836,799	219,629
Securities and Exchange Commission of Pakistan supervisory fee		2,500	2,500
Brokerage, custody, settlement and bank charges		1,604,559	902,433
Auditors' remuneration		622,547	548,860
Fees and subscription		585,302	1,368,073
Legal and professional charges		589,999	288,071
Printing charges		36,138	6,780
<b>Total expenses</b>		<b>48,111,990</b>	<b>17,251,498</b>
<b>Net income from operating activities</b>		<b>719,929,878</b>	<b>105,195,203</b>
<b>Net income for the year before taxation</b>		<b>719,929,878</b>	<b>105,195,203</b>
Taxation	17	-	-
<b>Net income for the year after taxation</b>		<b>719,929,878</b>	<b>105,195,203</b>
<b>Allocation of net income for the year after taxation</b>			
Net income for the year after taxation		719,929,878	105,195,203
Income already paid on units redeemed		(431,435,290)	(76,552,444)
		<b>288,494,588</b>	<b>28,642,759</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains - net		-	-
- Excluding capital gains		288,494,588	28,642,759
Accounting income available for distribution		<b>288,494,588</b>	<b>28,642,759</b>

The annexed notes from 1 to 22 form an integral part of these financial statements.

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

#### Shifts in office

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

	2024	2023
	(Rupees)	
Net income for the year	<b>719,929,878</b>	105,195,203
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b><u>719,929,878</u></b>	<b><u>105,195,203</u></b>

The annexed notes from 1 to 23 form an integral part of these financial statements.



For Lakson Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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**LAKSON INCOME FUND**

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

	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year						
Issuance of units 132,090,538 (2023: 40,733,362 units)	531,233,960	45,021,864	576,255,824	2,575,601,975	42,744,662	2,618,346,637
- Capital value	13,470,143,924	-	13,470,143,924	4,130,248,829	-	4,130,248,829
- Element of income	905,814,969	-	905,814,969	63,205,970	-	63,205,970
Total proceeds on issuance of units	14,275,958,913	-	14,275,958,913	4,193,454,799	-	4,193,454,799
Redemption of 61,399,803 units (2023: 60,905,160 units)	(6,25,233,864)	(431,43,290)	(6,25,233,864)	(6,175,612,662)	(42,581,333)	(6,175,612,662)
- Capital value	(29,235,560)	(431,43,290)	(29,235,560)	(6,175,612,662)	(42,581,333)	(6,175,612,662)
- Element of loss	(6,477,59,424)	(431,43,290)	(6,477,59,424)	(6,218,193,995)	(76,552,444)	(6,294,746,439)
Total payments on redemption of units						
Distribution during the period:						
- Interim distribution on June 25, 2024 @ Rs. 16.2334 per unit (2023: Rs 8.5525 per unit)	(612,810,873)	(264,81,758)	(877,626,631)	(19,628,819)	(26,395,557)	(45,994,376)
Total comprehensive income for the year						
Net assets as at end of the year	<b>7,716,872,576</b>	<b>68,700,694</b>	<b>7,785,573,270</b>	<b>531,233,960</b>	<b>45,021,864</b>	<b>576,255,824</b>
Undistributed income brought forward						
- Realised gain	46,702,063			41,578,656		
- Unrealised loss / gain	(1,680,199)			1,166,006		
45,021,864				42,744,662		
Accounting income available for distribution						
Relating to capital gains						
- Excluding capital gains	288,494,588			28,642,759		
Net income for the year after taxation	288,494,588			28,642,759		
- Interim Distribution June 25, 2024 at 16.2334 per unit (2023: Rs 8.5525 per unit)	(264,815,758)			(26,395,557)		
Undistributed income carried forward	<b>68,700,694</b>			<b>45,021,863</b>		
Represented by:						
- Realised income at the end of the year	88,552,965			46,702,063		
- Unrealised loss at the end of the year	(19,822,771)			(1,680,199)		
68,700,694				45,021,864		
101,976				101,972		
101,943				101,976		

The annexed notes from 1 to 23 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 30 June 2024**

	2024	2023
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year	719,929,878	105,195,203
<b>Adjustments for non-cash charges and other items:</b>		
Mark-up income on investment	(829,394,305)	(167,807,652)
Income from Margin Trading System	(6,124)	(633,573)
Income from certificate of deposit	(361,644)	-
Realised loss on sale of investments classified as at fair value through profit or loss -net	9,929,934	12,347,925
Unrealised diminution on revaluation of investments classified as financial asset at fair value through profit or loss <sup>1</sup> -net	19,822,271	1,680,199
Provision against non-performing debt securities	31,968,000	31,966,400
	<u>(48,111,990)</u>	<u>(17,251,498)</u>
<b>(Increase) / decrease in assets</b>		
Investments	(5,344,598,562)	1,509,832,505
Advances, deposits and other receivables	1,719,610	8,186,128
Receivable against sale of units	(1,806,952)	-
	<u>(5,344,685,904)</u>	<u>1,518,018,633</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	6,192,378	(2,583,417)
Payable to the Trustee	411,457	(184,444)
Payable to Securities and Exchange Commission of Pakistan	179,624	(579,906)
Accrued expenses and other liabilities	46,162,334	(19,996,381)
	<u>52,945,793</u>	<u>(23,344,148)</u>
Profit received on bank balances and investments	780,626,159	220,659,339
Receipts under margin trading system	6,124	633,573
Receipts from certificate of deposit	361,644	-
<b>Net cash (used in) / generated from operating activities</b>	<u>(4,558,858,174)</u>	<u>1,698,715,899</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Received from issue of units	14,275,958,913	4,193,454,799
Paid on redemption of units	(6,908,944,714)	(6,294,746,439)
Dividend paid	(877,325,742)	(45,633,441)
<b>Net cash generated from / (used in) financing activities</b>	<u>6,489,688,457</u>	<u>(2,146,925,081)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>1,930,830,283</u>	<u>(448,209,182)</u>
Cash and cash equivalent at the beginning of the year	39,589,225	698,062,481
<b>Cash and cash equivalent at the end of the year</b>	<u>1,970,419,508</u>	<u>249,853,301</u>
<b>Cash and cash equivalents</b>		
Bank balances	5	930,814,808
Investments maturing within 3 months	6	1,039,604,700
		<u>1,970,419,508</u>
		<u>39,589,225</u>
		<u>210,264,076</u>
		<u>249,853,301</u>

The annexed notes from 1 to 23 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 30 June 2024**

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

- 1.1 Lakson Income Fund (the "Fund") was established under the Trust Deed executed on August 18, 2009 between 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 headoffice of the Fund 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 categorised as "Income Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and it primarily invests in Government securities, certificates of investment, certificates of deposits, term deposit receipts, commercial papers, reverse repo, preference shares, spread transactions and corporate debt securities, 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 A+(f) (Fund Stability Rating) to the Fund on March 11, 2024 based on the stability reviews for the year ended 30 June 2024 (2023: A+(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 was 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, 2023 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 Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirement of the Trust Deed differ from the IFRS Standards, the 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 requirement 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 that certain investments 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 amount have been rounded off to the nearest of rupees, unless otherwise indicated.

**2.4 Critical accounting estimates and judgments**

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

- a) classification of financial assets (Note 4.1.1.1);
- b) impairment of financial assets (Note 4.1.1.3);
- c) taxation (note 4.10); and
- d) provisions (Note 4.11).

**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, 2024 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 material accounting policy information is applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

**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 derecognised 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 derecognised, 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 recognising 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 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 / PKISRV 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**

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 2.1.1 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 derecognised (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 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 derecognised 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.

**4.2 Cash and cash equivalents**

Cash and cash equivalents comprise of balance in profit and loss and current accounts maintained with banks. Cash equivalents are short term (ranging from one month to three months) highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

**4.3 Trade date accounting**

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

**4.4 Receivable against Margin Trading System (MTS)**

Securities purchased under Margin Trading System are entered into contracted rates for specified rates for specified period of time. Amount paid under these agreements are recognised as receivable in respect of MTS. Cash releases are adjusted against the receivable as reduction in the amount of receivable. The maximum maturity of a MTS contract is 60 days out of which 25% exposure will be automatically released at expiry of every 15th day from the date of contract.

**4.5 Derivatives**

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

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

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

**4.7 Net assets value per unit**

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

**4.8 Revenue recognition**

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which transactions take place.
- Unrealised appreciation / (dimunition) arising on revaluation of investments classified as financial assets at fair value through profit or loss are included in the Income Statement in the period in which they arise.
- Profit on bank deposits, term deposit receipts, mark-up / return on investments in debt securities, income from government securities and income from margin trading system are recognised on a time proportion basis using the effective yield method.

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

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

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on the issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per the guidelines provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund

of capital is made in the form of additional units at zero price. Income already paid on redemption of units during the year are taken separately in the statement of movement in unitholders' fund.

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

#### **4.10 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 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

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

#### **4.11 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 will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each reporting date and are adjusted to reflect the current best estimate.

#### **4.12 Dividend distribution**

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.

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

#### **4.13 Other assets**

Other assets comprise of deposits and other receivables, receivable against Margin Trading System which are stated at cost less impairment losses, if any.

#### **4.14 Earnings per unit (EPU)**

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

			June 30, 2024	June 30, 2023
		Note	(Rupees)	
<b>5.</b>	<b>BANK BALANCES</b>			
	In profit and loss sharing accounts	5.1	<b>930,807,334</b>	39,581,751
	In current accounts		<b>7,474</b>	7,474
			<b>930,814,808</b>	39,589,225


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5.1 These represent profit and loss account maintained with banks carrying profit rates ranging from 18% to 20.5% (June 30, 2023: 11.25% to 19.5%) per annum.

6	INVESTMENTS	Note	June 30,	June 30,		
			2024	2023		
<b>(Rupees)</b>						
<b>Financial assets classified at fair value through profit or loss</b>						
Government securities						
- Market Treasury Bills	6.1	<b>5,302,426,751</b>	200,873,402			
- Pakistan Investment Bonds	6.2	<b>922,832,400</b>	-			
Listed equity securities (Spread Transaction)	6.3	-	-			
Term finance certificates - Unlisted	6.4	<b>131,165,737</b>	336,260,587			
		<b>6,356,424,888</b>	<b>537,133,989</b>			
<b>Financial assets classified at amortized cost</b>						
Short term sukuk	6.5	<b>173,325,720</b>	-			
Certificate of Deposit	6.6	<b>329,866,438</b>	-			
		<b>503,192,158</b>	-			
		<b>6,859,617,046</b>	<b>537,133,989</b>			

**6.1 Government Securities - 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 Fund	Market value as a percentage of total investments (%)
										(Number of Units)	(Number of Units)	(Rupees)	
Treasury Bills - 03 months	4-May-23	-	180,000	180,000	-	18,000,000	18,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	10-Aug-23	-	13,570,000	13,570,000	-	1,357,000,000	1,357,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	22-Jun-23	1,485,500	3,835,000	5,320,000	-	148,500,000	383,500,000	532,000,000	-	-	-	-	-
Treasury Bills - 03 months	7-Sep-23	-	21,820,000	21,820,000	-	2,182,000,000	2,182,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	21-Sep-23	-	2,500,000	2,500,000	-	250,000,000	250,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	24-Oct-23	-	7,000,000	7,000,000	-	700,000,000	700,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	30-Nov-23	-	6,740,000	6,740,000	-	674,000,000	674,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	13-Dec-23	-	2,000,000	2,000,000	-	200,000,000	200,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	2-Nov-23	-	2,700,000	2,700,000	-	270,000,000	270,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	20-Apr-23	600,000	-	600,000	-	60,000,000	60,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	7-Mar-24	-	3,750,000	3,750,000	-	375,000,000	375,000,000	-	-	-	-	-	-
Treasury Bills - 03 months	2-May-24	-	720,000	720,000	-	72,000,000	72,000,000	71,027,399	71,044,200	16,801	0.91	1.04	
Treasury Bills - 03 months	30-May-24	-	5,000,000	5,000,000	-	500,000,000	500,000,000	485,771,190	485,986,500	215,310	6.24	7.08	
Treasury Bills - 03 months	13-Jun-24	-	5,000,000	5,000,000	-	500,000,000	500,000,000	482,724,893	482,574,000	(150,893)	6.20	7.03	
Treasury Bills - 06 months	2-Nov-23	-	250,000	250,000	-	25,000,000	25,000,000	-	-	-	-	-	-
Treasury Bills - 01 year	30-Nov-23	-	2,400,000	2,400,000	-	240,000,000	240,000,000	-	-	-	-	-	-
Treasury Bills - 01 year	19-Oct-23	-	500,000	500,000	-	50,000,000	50,000,000	-	-	-	-	-	-
Treasury Bills - 01 year	2-Nov-23	-	14,600,000	14,600,000	-	1,460,000,000	1,460,000,000	-	-	-	-	-	-
Treasury Bills - 01 year	16-Nov-23	-	4,000,000	4,000,000	-	400,000,000	400,000,000	-	-	-	-	-	-
Treasury Bills - 01 year	14-Dec-23	-	1,600,000	1,600,000	-	160,000,000	160,000,000	-	-	-	-	-	-
Treasury Bills - 01 year	11-Jan-24	-	6,900,000	2,350,000	-	690,000,000	235,000,000	455,000,000	413,787,339	412,315,999	(1,471,154)	5.30	6.01
Treasury Bills - 01 year	28-Dec-23	-	8,770,000	7,750,000	-	877,000,000	775,000,000	102,000,000	93,225,298	92,972,796	(357,502)	1.19	1.36
Treasury Bills - 01 year	2-May-24	-	7,000,000	-	-	700,000,000	-	700,000,000	599,521,940	605,487,400	5,965,460	7.78	8.83
Treasury Bills - 01 year	18-Apr-24	-	7,250,000	-	-	725,000,000	-	725,000,000	625,266,855	631,303,900	6,037,045	8.11	9.20
Treasury Bills - 01 year	30-May-24	-	11,600,000	-	-	1,160,000,000	-	1,160,000,000	983,985,288	991,528,560	7,539,272	12.74	14.45
Treasury Bills - 01 year	13-Jun-24	-	18,000,000	-	-	1,800,000,000	-	1,800,000,000	1,529,920,860	1,529,213,400	(707,460)	19.64	22.29
<b>Total as at 30 June 2024</b>		<b>2,085,000</b>	<b>157,685,000</b>	<b>99,630,000</b>	<b>10,720,000</b>	<b>208,500,000</b>	<b>15,768,500,000</b>	<b>9,945,000,000</b>	<b>6,014,000,000</b>	<b>5,285,335,262</b>	<b>5,302,426,751</b>	<b>17,091,489</b>	<b>68.11</b>
<b>Total as at 30 June 2023</b>													<b>77.26</b>

6.1.1 All treasury bills have effective yield for closing treasury bills are 21.95 - 22%.

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**6.2 Pakistan Investment Bond - Face value of Rs. 100 each**

Name of Investments	Date of Issue	Date of Maturity	Term	Mark-up rate (%)	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 investments
									Carrying value as of the year ended June 30, 2024 before revaluation	Market value as of the year ended June 30, 2024 after revaluation	Unrealised appreciation/(diminution)		
						(Face value)			(Rupees)				
2 years Pakistan Investment Bond	30-Dec-21	30-Dec-23	2 years	7.62	-	500,000,000	500,000,000	-	-	-	-	-	-
3 years Pakistan Investment Bond	22-Oct-20	22-Oct-23	3 years	-	-	450,000,000	450,000,000	-	-	-	-	-	-
5 years Pakistan Investment Bond	21-Sep-23	21-Sep-28	5 years	-	-	500,000,000	-	500,000,000	488,081,039	481,400,000	(6,681,039)	6.18	7.02
5 years Pakistan Investment Bond	19-Oct-23	19-Oct-28	5 years	-	-	272,300,000	172,300,000	100,000,000	97,369,496	96,750,000	(619,496)	1.24	1.41
5 years Pakistan Investment Bond	14-Dec-23	14-Dec-28	5 years	-	-	558,000,000	200,000,000	358,000,000	346,800,502	344,682,400	(2,118,102)	4.43	5.02
5 years Pakistan Investment Bond	18-Apr-24	17-Apr-29	5 years	-	-	200,000,000	200,000,000	-	-	-	-	-	-
Total as at June 30, 2024						-	-	-	2,480,300,000	1,522,300,000	958,000,000	932,251,037	922,832,400
												11.85	13.45

Total as at June 30, 2023

**6.2.1 Profit which is variable receivable on these Pakistan Investments Bonds (PIB) on semi annual basis.**

**6.3 Listed equity securities (Spread Transaction) - At fair value through profit or loss**

Name of Security	As at July 01, 2023	Purchases during the year	Disposed during the year	As at June 30, 2024	Carrying Value	Market value	Unrealised gain / (loss) - net	Market value as percentage of total investment	Market value as percentage of net assets	% of holding in investor company
<b>Refinery</b>										
Attcock Refinery	-	187,500	187,500	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	1,820,000	1,820,000	-	-	-	-	-	-	-
<b>Cement</b>										
Maple Leaf Cement	-	1,067,500	1,067,500	-	-	-	-	-	-	-
<b>Oil and Gas Exploration Companies</b>										
Oil and Gas Development Company Limited	-	865,000	865,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	500	500	-	-	-	-	-	-	-
<b>Oil and Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	-	218,500	218,500	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	340,000	340,000	-	-	-	-	-	-	-
<b>Technology and Communication</b>										
TRG Pakistan Limited	-	759,000	759,000	-	-	-	-	-	-	-
Total as at June 30, 2024					-	-	-	-	-	-
Total as at June 30, 2023					-	-	-	-	-	-

**6.4 Term Finance Certificates - Un-listed - Face value of Rs. 100,000 each**

Performing	Date of Issue	Date of maturity	Rate (%)	Note	As at July 01, 2023	Acquired during the year	Disposed during the year	As at June 30, 2024	Carrying value	Balance as at June 30, 2024			Market value as a percentage of total investments	Market value as a percentage of size of the issue
										(Number of certificate)	(Rupees)	(%)		
<b>Commercial Bank</b>														
Bank Al Habib Limited Tier II TFCs 10 years (face value of Rs. 5000 each)	6-Dec-18	6-Dec-28	22.58%	-	12,600	-	12,600	-	-	-	-	-	-	-
Samba Bank Limited TFC (face value of Rs. 100,000 each)	1-Mar-21	1-Mar-31	23.08%	-	360	-	-	360	35,907,459	36,185,737	278,278	0.46	0.53	0.72
Jahangir Siddiqui Bank Limited (face value of Rs. 100,000 each)	28-Dec-21	28-Dec-28	23.44%	-	1,250	-	1,000	250	25,142,215	24,980,000	(162,225)	0.32	0.36	1.00
NRSP Micro Finance Bank (face value of Rs. 100,000 each)	9-Jul-21	9-Jul-28	24.87%	6.4.2	700	-	-	700	70,000,000	70,000,000	-	0.90	1.02	9.09
<b>Investment Company</b>														
Jahangir Siddiqui Company Limited PFTYC (face value of Rs. 5,000 each)	12-Jul-17	12-Jul-23	18.50%	-	15,000	-	15,000	-	-	-	-	-	-	-
Total as at June 30, 2024									131,049,683	131,165,737	116,054	1.68	1.91	10.81
Total as at 30 June 2023									309,374,465	304,292,587	(5,081,878)	52.92	56.77	21.43


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Non-performing	Date of Issue	Date of maturity	Rate (%)	Note	As at July 01, 2023	Acquired during the year	Disposed during the year	As at June 30, 2024	Carrying value	Balance as at June 30, 2024			
					(Number of certificate)				(Rupees)	Market value	Unrealized (diminution) / appreciation	Market value as a percentage of net assets of Fund	Face value as a percentage of total investments
Silk Bank Limited PTFC - 08 years (face value of Rs. 5,000 each)	10-Aug-17	12-Aug-25	12.58	6.4.1	16,000	-	-	16,000	31,968,000	(31,968,000)	-	-	-
Total as at 30 June, 2024									31,968,000	(31,968,000)	-	-	-
Total as at 30 June 2023									62,924,400	(31,966,400)	31,968,000	-	4.00%

- 6.4.1** This represents unlisted term finance certificates issued by Silk Bank Limited. Total size of the issue is Rs. 2,000 million and the term of the TFCs is eight years commencing from the date of issue of TFCs which was August 2017 and ending on August 2025. Profit on the instrument is receivable on semi-annually basis in arrears on the outstanding balance and the first such profit payment is due at the expiry of 6 months from the issue date and subsequently every six months thereafter. Profit rate on this term finance certificate is six months average KIBOR + 1.85% per annum. The instrument is structured to redeem 0.14% of the issue amount during the first 7 years and remaining 99.86% in the last two semi annual instalments of 49.93% each. The instrument is unsecured and subordinated to all other indebtedness of the Bank. The latest available rating of the instrument is BBB+ rated on December 23, 2021, after that there is no credit rating available as the TFC is non-performing.

During the year ended June 30, 2022 the issuer defaulted the coupon payment which was due on February 10, 2022, as a result the investment was classified as non-performing asset on February 25, 2022 and the markup income / coupon was suspended accordingly. As per the requirements of Circular No. 33 of 2012 issued by the SECP on October 24, 2012, the profit accrued until February 10, 2022 was reversed and an unrealised loss of Rs. 6.88 million and a provision of Rs. 9.1 million (Total amount of Rs. 15.98 million), which is 20% of outstanding principal amount of Rs. 79.93 million was recorded as an unrealised loss in year ended June 30, 2022 Till June 30, 2023, further provision of Rs. 31.97 million was recorded, which is 40% of principal amount followed by another provision of Rs. 31.97 million during the year ended June 30, 2024, which is remaining 40% of the principal amount.

- 6.4.1.1** The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010 prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for category assigned to such schemes or with the investment requirement of their consecutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. Lakson Asset Management Limited (the Management Company) classified Lakson Income Fund (the Fund) as an 'Income Scheme' in accordance with the said circular. As at June 30, 2024, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade. The following are the details of non-compliant investments held by the Fund:

Name of Non-compliant investment	Note	Type of Investment	Value of investment before provision	Provision held (if any)	Value of Investment after provision	Investment as percentage of Net Assets	Investment as percentage of Gross Assets
Silk Bank Limited	6.4.1	Term Finance Certificate	31,968,000	(31,968,000)	-	0.00%	0.00%

- 6.4.2** During the period it was classified as non-performing as of October 10, 2023 due to an overdue payment. As per the requirements of Circular No. 33 of 2012 issued by the SECP on October 24, 2012, the profit accrued until October 09, 2023 was reversed however, no provision for outstanding principal was recorded. The overdue profit amount was later received on 22 Nov 2023 and subsequently on Jan 09, 2024. The instrument was later automatically classified as "Performing" after the timely receipt of profit due on April 09, 2024, as stated in Circular No. 33 of 2012 by SECP.


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**6.4.3** Significant terms and conditions of term finance certificates outstanding as at June 30, 2024 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Maturity date	Rating
<b>Commercial Bank</b>			
Samba Bank Limited	6 months KIBOR + 1.35%	March 01, 2031	AA-
Jahangir Siddiqui Bank Limited	6 months KIBOR + 1.4%	December 28, 2028	A+
NRSP Micro Finance Bank	3 months KIBOR + 3%	July 09, 2028	A-

**6.4.3.1** The rating of the term finance certificates have been obtained from Pakistan Credit Rating Agency (PACRA). Markup on above term finance certificate is receivable on semi annually basis in arrears, except NRSP Micro Finance Bank which is receivable on quarterly basis in arrears with no floor or cap.

**6.5 Sukuk Certificates - Face value of Rs. 1,000,000 each**

**At amortised cost**

Name of security	Profit payments	Date of Maturity	Mark-up rate	Holding as at July 01, 2023	Purchases during the period	Disposed / matured during the period	Holding as at June 30, 2024	Carrying value as at June 30, 2024	Carrying value as a percentage of total investments	Carrying value as a percentage of net assets	Face value as a percentage of size of the issue
Ismail Industries limited	Semi-annually	13-Aug-24	6 months KIBOR plus base rate of 0.5%	-	160	-	160	173,325,720	2.53	2.23	0.04
Total as at June 30, 2024								173,325,720	2.53	2.23	0.04
Total as at June 30, 2023								-	-	-	-

**6.6 Certificate of Deposit - Face value of Rs. 100 each**

Name of security	Placement Date	Date of Maturity	Term (Number of Days)	Mark-up rate	Holding as at July 01, 2023	Purchases during the period	Disposed / matured during the period	Holding as at June 30, 2024	Carrying value as at June 30, 2024	Carrying value as a % of total investments	Carrying value as a % of net assets
Orix Leasing Private Company Limited	12-Jan-24	13-Jan-25	365	21.25%	-	300,000,000	-	300,000,000	329,866,438	4.81	4.24
Total as at June 30, 2024						300,000,000	-	300,000,000	329,866,438	4.81	4.24
Total as at June 30, 2023						-	-	-	-	-	-

	June 30, 2024	June 30, 2023
	Note	(Rupees)

Profit / return receivable on:

Profit and loss sharing accounts	<b>14,964,551</b>	549,647
Term finance certificates	<b>6,236,126</b>	7,997,346
Government securities	<b>36,114,462</b>	-
	<b>57,315,139</b>	<b>8,546,993</b>

**8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES**

Security deposits:

-Central Depository Company of Pakistan Limited	<b>100,000</b>	100,000
-National Clearing Company of Pakistan Limited	8.1	<b>2,750,000</b>
Advance tax	8.2	<b>13,735,124</b>
Receivable against redemption of investments	-	48,278
Other receivables	-	1,780,303
	<b>16,585,124</b>	<b>18,304,734</b>

- 8.1 This represents deposit with NCCPL in respect of the trading of listed securities.
- 8.2 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 withholdee.

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.

**9. REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY**

	Note	June 30, 2024	June 30, 2023
		(Rupees)	
Payable to the Management Company	9.1	<b>5,767,642</b>	288,009
Sindh Sales Tax on remuneration to Management Company	9.2	<b>750,187</b>	37,442
Federal Excise Duty on remuneration to Management Company	9.3	<b>18,545,360</b> <b>25,063,189</b>	<b>18,545,360</b> <b>18,870,811</b>

- 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 1.5% of average annual net assets of the fund, calculated on daily basis. The effective management fee rate for the year ended June 30, 2024 is 0.90% 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 June 30, 2017, 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, being prudent the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 18.54 million (2023: 18.54 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. 0.24 (June 30, 2023: Rs.3.28) per unit.

#### 10. REMUNERATION PAYABLE TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of Trust Deed. Trustee fee which is 0.075% per annum of the net assets.

The remuneration is paid to the trustee in arrears on monthly basis.

#### 11. ANNUAL FEE PAYABLE TO THE 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)	
<b>12. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		<b>418,214</b>	418,177
Brokerage payable		<b>371,021</b>	72,154
Payable to National Clearing Company of Pakistan Limited		<b>254,522</b>	275,015
Printing and stationery payable		<b>8,089</b>	-
Dividend payable		<b>661,824</b>	360,935
Withholding tax payable		<b>47,418,053</b>	1,592,719
PACRA rating fee payable		<b>598,373</b>	544,047
Others	12.1	<b>4,922,104</b>	4,925,930
		<b><u>54,652,200</u></b>	<b><u>8,188,977</u></b>

- 12.1 This amount includes excess profit credited by the a bank. During the year ended June 30, 2022, bank credited an amount of Rs. 4.27 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 1.27% as of June 30, 2024 (June 30, 2023: 1.58%) and this includes 0.21% (June 30, 2023: 0.16%) representing Sindh Sales tax and SECP fee. As per NBFC Regulation the total expense ratio of the Income Scheme shall be capped up to 2.5% (excluding government levies).

**14. CONTINGENCIES AND COMMITMENTS**

**14.1 Contingencies**

The Fund had no contingency at the period end except as those mentioned elsewhere in this financial statements.

	June 30, 2024	June 30, 2023
	(Rupees)	
<b>15. NUMBER OF UNITS IN ISSUE</b>		
Total outstanding as of 1 July	5,650,860	25,822,658
Issued during the year	<u>132,090,538</u>	<u>40,733,362</u>
Redeemed during the year	<u>(61,369,803)</u>	<u>(60,905,160)</u>
Total units in issue as of 30 June	<u><b>76,371,595</b></u>	<u><b>5,650,860</b></u>

	June 30, 2024	June 30, 2023
	(Numbers)	
<b>16. AUDITORS' REMUNERATION</b>		
Annual audit fee	397,530	382,976
Fee for the review of half yearly financial statements	<u>126,500</u>	<u>119,680</u>
Out of pocket and sales tax expenses	<u>98,517</u>	<u>46,204</u>
	<u><b>622,547</b></u>	<u><b>548,860</b></u>

**17. TAXATION**

The Fund is exempt from taxation under Clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. 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 statement.

**18. 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:

	2024	2023
	(Rupees)	
<b>18.1 Details of balances with related parties / connected persons at the year end</b>		
<b>Lakson Investments Limited - Management Company of the Fund</b>		
Remuneration payable to Management Company	<u>5,767,642</u>	288,009
Sindh Sales Tax on remuneration of Management Company *	<u>750,187</u>	37,442
Federal Excise Duty on Management Company's remuneration	<u>18,545,360</u>	18,545,360
<b>Central Depository Company of Pakistan Limited - Trustee of the Fund</b>		
Remuneration payable	<u>451,182</u>	39,725
Security deposit	<u>100,000</u>	100,000

**18.2 Details of transactions with related parties / connected persons during the year**

<b>Lakson Investments Limited - Management Company of the Fund</b>		
Remuneration to the Management Company	<u>34,184,320</u>	11,490,686
Sindh sales tax on remuneration of Management Company *	<u>4,444,356</u>	1,491,403
<b>Central Depository Company of Pakistan Limited - Trustee of the Fund</b>		
Remuneration for the year	<u>3,205,470</u>	933,063
Settlement charges for the year	<u>21,693</u>	22,818

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

**18.3**

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

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	Number of Units as at July 01, 2023	Units issued during the year	Refund / Adjustment of Units as element of income	Year ended June 30, 2024				Balance paid during the year	Dividend paid as at June 30, 2024
				Number of Units	Units redeemed during the year	Number of units as at June 30, 2024	Balance as at July 01, 2023		
<b>Associated companies / undertakings of the Management Company</b>									
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company	2,496,757 644,155	33,587 61,125,611	53,338 4,701,934	2,436,757 38,891,358	33,640,341	248,492,201 65,688,718	463,623,471 19,418,874	721,285,288 1,121,914,219	2,750,804 4,612,127
Accuray Surgical Limited	-	92,075	5,938	37,198	60,815	-	10,492,700	4,383,145	-
Accuray Surgical Limited Employees Contributory Provident Fund	24,508	1,031,853	43,449	-	1,075,303	-	109,239,045	-	109,619,917
Alan Private Limited	30,959	128,243	7,383	-	160,134	6,753,877	2,795,801	1,814,548	45,801
Century Insurance Company Limited - Gratuity Fund	40,997	105,876	5,109	-	141,941	2,922,117	217,700	-	16,724,588
Century Insurance Company Limited Employees Contributory Provident Fund Trust	37,420	216,258	1,505	39,387	215,796	13,961,342	816,977	1,350,000	14,70,201
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	397,676	2,389,387	14,882	-	2,801,945	125,568,502	3,471,895	23,900,000	3,471,895
Century Paper & Board Mills Limited - Employees Gratuity Fund	375,308	2,245,964	70,300	-	2,691,573	124,493,681	3,221,636	21,450,000	285,639,541
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund Trust	-	14,110,123	-	14,710,123	-	10,869,465	-	-	1,497,455,204
Colgate Palmolive Pakistan Limited - Employees Gratuity Fund	362,675	2,262,454	32,688	130,923	2,626,894	46,552,417	15,978,703	-	274,387,787
Cyber Internet Services (Pvt) Ltd. Employees Contributory Provident Fund Trust	413,366	2,770,667	92,350	31,600	3,244,793	68,936,136	3,528,892	-	1,499,598,469
Hasanali & Gulbanoo Lakhan Foundation Employees Contributory Provident Fund Trust	205,514	1,327,512	12,894	-	1,545,919	77,762,801	2,886,059	11,620,000	1,903,703
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust	153,318	20,784	-	393	173,709	14,280,775	1,265,250	-	3,333,892
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,546	25,210	2,546	-	33,504	2,745,016	578,221	857,321	-
Lakson Investments Limited Employees Contributory Provident Fund Trust	5,975	669	-	-	6,644	570,960	34,914	-	330,784,884
Merit Packaging Limited Employees Contributory Provident Fund Trust	24,209	144,603	11,045	673	179,184	10,782,960	1,074,992	124,992	18,266,569
Merit Packaging Limited Employees Gratuity Fund	38,745	210,830	10,540	-	260,115	8,346,273	3,928,898	1,085,164	26,516,958
NayatPay (Pvt) Limited Employee Contributory Provident Fund	24,816	129,588	4,757	15,404	143,755	2,586,904	2,517,930	772,083	14,56,897
Premier Fashions Private Limited Siza Commodities Private Limited Siza Foods Private Limited Employees Contributory Provident Fund Trust	-	108,227	15,325	-	123,553	-	11,904	-	12,355,351
Premier Fashions Private Limited Siza Commodities Private Limited Siza Foods Private Limited Employees Contributory Provident Fund Trust	-	525,795	2,693	462,810	65,678	-	-	645,060	6,995,401
Siza Services Private Limited Employees Contributory Provident Fund Trust	216,283	1,294,607	25,506	343,364	1,168,532	-	612,103	-	119,123,976
Siza Services Private Limited Employees Contributory Provident Fund Trust	-	3,494,654	283,891	-	3,778,545	-	-	13,166,962	1,211,382
Siza Services Private Limited Employees Contributory Provident Fund Trust	18,396	122,870	1,508	-	142,774	9,615,458	1,619,320	3,100,000	12,355,351
Sybird (Private) Limited Employees Contributory Provident Fund Trust	41,010	239,709	1,300	10,415	271,605	20,248,768	666,936	4,000,000	366,936
Sybird Private Limited	733	100	-	-	832	69,170	5,137	-	6,043
									27,688,302
									84,860

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	Year ended June 30, 2023					
	Number of Units as at July 01, 2022	Units issued during the year	Refund / Adjustment of units as element of income	Number of Units	Number of units as at June 30, 2023	Rupees
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons or the Management Company	4,731,345 11,264,336	4,394,008 182,206	168,979 6,817	6,857,575 10,893,204	2,436,757 644,155	479,745,098 1,142,172,080
<b>Associated companies / undertakings of the Management Company</b>	-	-	-	-	-	-
Accuracy Surgical Limited Employees Contributory Provident Fund	66,608	25,809	1,764	69,673	24,508	6,753,877 2,795,801
Alan Private limited	28,819	2,140	-	30,959	2,922,117 217,001	45,801 255,296
Century Insurance Company Limited - Gratuity Fund	137,690	8,038	-	104,730	40,997 689,220	1,350,000 5,993,905
Century Insurance Company Limited Employees	689,221	-	-	689,220	-	291,977 4,180,745
Century Paper & Board Mills Limited Employees	153,346	5,593	155	121,675	37,420	15,548,905 582,831
Century Paper & Board Mills Limited Trust	1,238,382	34,241	-	874,947	397,676 375,308	125,568,502 3,471,895
Century Paper & Board Mills Limited - Employees Gratuity Fund	1,227,782	31,772	-	884,246	124,493,681 3,221,936	23,900,000 21,450,000
Clover Pakstan United Employee Contributory Provident Fund	-	-	-	-	-	3,221,636 38,372,681
Colgate Palmolive Pakistan Limited	-	-	-	-	-	-
Colgate Palmolive Pakistan Limited Employees	-	-	-	-	-	-
Contributory Provident Fund Trust	-	-	-	-	-	-
Colgate Palmolive Pakistan Limited - Employees Gratuity Fund	-	-	-	-	-	-
Cyber Internet Services (Pvt) Ltd. Employees	-	-	-	-	-	-
Contributory Provident Fund Trust	-	-	-	-	-	-
GAM Corporation Private Limited Employees	-	-	-	-	-	-
Contributory Provident Fund Trust	-	-	-	-	-	-
Hasan Ali & Gulzar Ali Lakhani Foundation Employees	-	-	-	-	-	-
Contributory Provident Fund Trust	-	-	-	-	-	-
Lakson Business Solutions Limited Employees	-	-	-	-	-	-
Contributory Provident Fund Trust	-	-	-	-	-	-
Lakson Investments Limited Employees Contributory Provident Fund Trust	5,631	344	-	-	5,975	570,960 34,914
Prorden Fund Trust	106,344	10,077	515	92,728	24,209	10,782,960 1,074,992
Lakson Power Limited	-	-	-	-	-	1,674,000 124,992
Merti Packaging Limited Employees Contributory Provident Fund Trust	82,313	35,923	2,822	82,313	38,745 2,586,904	8,346,273 3,928,898
Merti Packaging Limited Employees Gratuity Fund	25,513	23,289	1,527	27,230	-	1,265,250 2,517,930
Premier Fashions Private Limited	-	-	-	-	-	-
Princeton Travels Private Limited Employees	-	-	-	-	-	-
Contributory Provident Fund Trust	-	-	-	-	-	-
Siza Commodity Private Limited	-	-	-	-	-	-
Siza Foods Private Limited Employees Contributory Provident Fund Trust	468,089 3,248	123,150 241	6,705 -	381,662 3,489	216,282 -	47,462,942 329,301
Siza Private Limited	-	-	-	-	-	-
Siza Services Private Limited	-	-	-	-	-	-
Sybird (Private) Limited Employees Contributory Provident Fund Trust	94,830	15,118	848	92,401	18,394 41,009	9,615,458 20,248,768
Sybird (Private) Limited Employees Contributory Provident Fund Trust	199,698	6,408	170	165,266	733 69,170	666,336 5,137
Sybird Private Limited	682	51	-	-	-	-
						366,336 6,043
						1,875,784 74,732
						4,181,911 22,055,735
						59,120 28,769
						3,551,056 12,330
						565,538 2,530,618
						609,337 4,180,745

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

**19. FINANCIAL RISK MANAGEMENT**

**Introduction and overview**

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

- credit risk (refer note 19.1);
- liquidity risk (refer note 19.2);
- market risk (refer note 19.3);
- operational risk (refer note 19.4); and
- unit holders' fund risk (refer note 19.5).

**Risk management framework**

The Management Company'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 Deed 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 and 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. The internal audit functions assists the audit committee by undertaking regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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 time limits.

**19.1 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, deposits and other receivables, receivable against Margin Trading System, term finance certificates, commercial papers and receivable against sale of marketable securities and security deposits.

#### 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. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimize the risk of default.

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.
- Analysing 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 considered 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, 2024 was as follows:

	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)	945,779,359	945,779,359	40,138,872	40,138,872
Investments (including markup receivable)	6,901,967,634	676,708,483	545,131,335	344,257,934
Deposits and other receivable	2,850,000	2,850,000	4,678,581	4,678,581
	<b>7,850,596,993</b>	<b>1,625,337,842</b>	<b>589,948,788</b>	<b>389,075,387</b>

Difference in the balance as per the statement of assets and liabilities and maximum exposure in investments is due to the fact that investment in government securities of Rs. 6.225 billion which are not considered to carry credit risk.

#### Bank balances

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


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Rating	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	----- Rupees -----	----- % -----		
AAA	<b>483,005</b>	315,157	<b>0.05</b>	0.79
AA+	<b>563,183,135</b>	39,367,381	<b>59.55</b>	98.11
AA	<b>149,407</b>	248,031	<b>0.02</b>	0.62
AA-	<b>35,939</b>	36,074	<b>0.00</b>	0.09
A+	<b>381,800,543</b>	88,625	<b>40.37</b>	0.22
A	<b>62,286</b>	59,058	<b>0.01</b>	0.15
A-	<b>52,578</b>	12,467	<b>0.01</b>	0.03
BBB+	<b>12,467</b>	12,078	<b>0.00</b>	0.03
Total balance including profit due	<b>945,779,360</b>	<u>40,138,872</u>	<b>100</b>	<u>100</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-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)	<b>576,522,006</b>	<b>51.38</b>	40,089,441	10.30
Micro Finance Bank	<b>369,257,353</b>	<b>32.91</b>	49,431	0.01
Commercial banks - Term Finance Certificates	<b>131,165,737</b>	<b>11.69</b>	326,869,913	84.01
Investment Company - Term Finance Certificates	-	-	9,390,674	2.41
Profit receivable on - Term Finance Certificates	<b>6,236,126</b>	<b>0.56</b>	7,997,346	2.06
Profit receivable on - Government securities	<b>36,114,462</b>	<b>3.22</b>	-	-
National Clearing Company of Pakistan Limited- Deposit and cash margin	<b>2,750,000</b>	<b>0.25</b>	2,750,000	0.71
Central Depository Company of Pakistan Limited - Deposit	<b>100,000</b>	<b>0.01</b>	100,000	0.03
Others	-	-	<b>1,828,582</b>	<b>0.47</b>
	<b>1,122,145,684</b>	<b>100</b>	<b>389,075,387</b>	<b>100</b>

**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 other than investments mentioned in note 6.4.1.

#### **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 honor its obligations to deliver cash, securities or other assets as contractually agreed on sale.

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

#### **19.2 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 risk is to ensure, as far as possible, that it has 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 risk of cash outflow on redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption rate per unit 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 the banks, the Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, in accordance with 58(1) (k) of NBFC Regulation, 2008, the Fund is entitled to borrow, with prior approval of trustee, for meeting redemptions. 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 within 90 days of such borrowings. No such borrowings 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 period no such option was exercised or considered necessary.

Units of Fund are redeemable on demand, however, the Fund does not anticipate significant redemptions of units.

#### **Maturity analysis for financial liabilities**

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

**Non-derivative financial liabilities  
(excluding unit holders' fund)**

Payable to the Management Company \*  
Remuneration payable to the Trustee \*  
Accrued expenses and other liabilities \*

<b>2024</b>		
<b>Contractual cash flows</b>		
<b>Carrying amount</b>	<b>Less than 3 month</b>	
----- (Rupees) -----		
<b>25,063,189</b>	<b>6,517,829</b>	
<b>451,182</b>	<b>451,182</b>	
<b>2,294,234</b>	<b>2,294,234</b>	
<b><u>27,808,605</u></b>	<b><u>9,263,245</u></b>	

**Non-derivative financial liabilities  
(excluding unit holders' fund)**

Payable to the Management Company \*  
Remuneration payable to the Trustee \*  
Accrued expenses and other liabilities \*

<b>2023</b>		
<b>Contractual cash flows</b>		
<b>Carrying amount</b>	<b>Less than 3 month</b>	
----- (Rupees) -----		
<b>18,870,811</b>	<b>325,451</b>	
<b>39,725</b>	<b>39,725</b>	
<b>1,965,323</b>	<b>1,965,323</b>	
<b><u>20,875,859</u></b>	<b><u>2,330,499</u></b>	

\*excluding provision for workers' welfare fund and Annual fee payable to the Securities and Exchange Commission of Pakistan.

Above financial liabilities do not carry any mark-up.

### 19.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - 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 optimizing 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. The Fund, in general, is exposed to currency risk, interest rate risk and equity price risk.

#### 19.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all transactions are carried out in Pakistan Rupees.

#### 19.3.2 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. Risk management procedures are the same as those mentioned in the credit risk management.

#### Exposure to interest rate risk

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

	Note	June 30, 2024	June 30 2023
		(Rupees)	
<b>Variable-rate instrument</b>			
Bank balances		<b>930,807,334</b>	39,581,751
Term finance certificates		<b>131,165,737</b>	336,260,587
		<b><u>1,061,973,071</u></b>	<b><u>375,842,338</u></b>

**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. 10.61 million (2023: Rs. 3.76 million). The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Above bank balances are repriced by the bank after changes in the State Bank of Pakistan's policy rate and do not have any contractual maturity.

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

	Note	June 30, 2024	June 30 2023
		(Rupees)	
<b>Fixed rate instruments</b>			
Pakistan Investment Bonds		<b>922,832,400</b>	-
Market treasury bills		<b>5,302,426,751</b>	200,873,402
Short term sukuk		<b>173,325,720</b>	-
Certificate of deposit		<b>329,866,438</b>	-
		<b><u>6,728,451,309</u></b>	<b><u>200,873,402</u></b>

There are no fixed rate instruments 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:


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	Note	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)		
<b>Financial assets</b>					<b>Rupees</b>	
Investments						
- Term finance certificates	6.4	12.38 - 24.97	-	131,165,737	-	131,165,737
- Government securities	6.1 & 6.2	20.39 - 24.78	-	922,832,400	5,302,426,751	6,225,259,151
- Short term sukuk	6.5	21.87	-	173,325,720	-	173,325,720
- Certificate of deposits	6.6	21.25	-	329,866,438	-	329,866,438
Bank Balances	5.1	18 - 23.9	930,807,334	-	7,474	930,814,808
Deposits and other receivable	8		-	-	2,850,000	2,850,000
			<u>930,807,334</u>	<u>1,557,190,295</u>	<u>5,305,284,225</u>	<u>7,793,281,854</u>
<b>Financial liabilities</b>						
Payable to the Management Company			-	-	5,767,642	5,767,642
Remuneration payable to the Trustee			-	-	451,182	451,182
Accrued expenses and other liabilities			-	-	2,294,234	2,294,234
<b>Total financial liabilities</b>			<u>-</u>	<u>-</u>	<u>8,513,058</u>	<u>8,513,058</u>
<b>On balance sheet gap</b>			<u>930,807,334</u>	<u>1,557,190,295</u>	<u>5,296,771,167</u>	<u>7,784,768,796</u>
<b>Cumulative interest rate gap *</b>			<u>930,807,334</u>	<u>2,487,997,629</u>		

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

----- June 30, 2023 -----

	Note	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)		
<b>Financial assets</b>					<b>Rupees</b>	
Investments						
- Term finance certificates	6.4	12.38 - 24.97	-	336,260,587	-	336,260,587
- Government securities	6.1 & 6.2	12.85 - 22	-	-	200,873,402	200,873,402
Bank Balances	5.1	5.5 - 16.26	39,581,751	-	7,474	39,589,225
Receivable from Margin Trading System			-	-	-	-
Deposits and other receivable	8		-	-	4,678,581	4,678,581
			<u>39,581,751</u>	<u>336,260,587</u>	<u>205,559,457</u>	<u>581,401,795</u>
<b>Financial liabilities</b>						
Payable to the Management Company			-	-	288,009	288,009
Remuneration payable to the Trustee			-	-	39,725	39,725
Accrued expenses and other liabilities			-	-	1,965,323	1,965,323
<b>Total financial liabilities</b>			<u>-</u>	<u>-</u>	<u>2,293,057</u>	<u>2,293,057</u>
<b>On balance sheet gap</b>			<u>39,581,751</u>	<u>336,260,587</u>	<u>203,266,400</u>	<u>579,108,738</u>
<b>Cumulative interest rate gap *</b>			<u>39,581,751</u>	<u>375,842,338</u>		

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

#### **19.3.3 Price risk**

The Fund was exposed to equity price risk i.e. the risk of unfavourable changes in the fair value of equity securities as a result changes in the levels of Pakistan Stock Exchange Index and the value of individual shares, which arises from investments measured at fair value through profit or loss.

The management of the Fund monitors the proportion of equity securities in its investment portfolio based on market indices. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines and the requirements of NBFC regulations. The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Fund with overall limit of 30% or index weight whichever is higher subject to maximum of 35% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations).

The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary goal of the Fund's investment strategy is to maximise investment returns.

As at year end, the fund holds no equity instrument and as such is not exposed to any price risk.

#### **19.4 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 the 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.

#### **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.

Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

#### 20. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value, based on:

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.

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

On-balance sheet financial instruments	2024							
	Carrying amount			Fair Value				
	Fair value through profit or loss investments	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees) -----								
<b>Financial assets measured at fair value</b>								
Government securities								
- Market treasury bills	6.1	5,302,426,751	-	5,302,426,751	-	5,302,426,751	-	5,302,426,751
- Pakistan Investment Bonds	6.2	922,832,400	-	922,832,400	922,832,400	-	-	922,832,400
Term finance certificates - Unlisted	6.4	131,165,737	-	131,165,737	131,165,737	-	-	131,165,737
		<b>6,356,424,888</b>	-	<b>6,356,424,888</b>	<b>1,053,998,137</b>	<b>5,302,426,751</b>	-	<b>6,356,424,888</b>
<b>Financial assets not measured at fair value</b>								
Short term sukuk	6.5	-	173,325,720	-	173,325,720	-	-	-
Certificate of deposits	6.6	-	329,866,438	-	329,866,438	-	-	-
Bank balances	5	-	930,814,808	-	930,814,808	-	-	-
Profit / mark-up receivable	7	-	57,315,139	-	57,315,139	-	-	-
Deposits and other receivables	8	-	2,850,000	-	2,850,000	-	-	-
		<b>- 1,494,172,105</b>	-	<b>- 1,494,172,105</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Payable to the Management Company	9	-	-	5,767,642	5,767,642	-	-	-
Remuneration payable to the Trustee	10	-	-	451,182	451,182	-	-	-
Accrued expenses and other liabilities	12	-	-	2,294,234	2,294,234	-	-	-
		<b>- 8,513,058</b>	-	<b>- 8,513,058</b>	-	-	-	-


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On-balance sheet financial instruments	2023							
	Carrying amount			Fair Value				
	Fair value through profit or loss investments	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)								
Financial assets measured at fair value								
Government securities								
- Market treasury bills	6.1	200,873,402	-	200,873,402	-	200,873,402	-	200,873,402
Term finance certificates - Unlisted	6.2	336,260,587	-	336,260,587	304,292,587	-	31,968,000	336,260,587
= 537,133,989								
Financial assets not measured at fair value	20.1							
Bank balances	5	-	39,589,225	-	39,589,225	-	-	-
Profit / mark-up receivable	7	-	8,546,993	-	8,546,993	-	-	-
Deposits and other receivables	8	-	4,678,581	-	4,678,581	-	-	-
= 52,814,799								
Financial liabilities not measured at fair value	20.1							
Payable to the Management Company	9	-	-	288,009	288,009	-	-	-
Remuneration payable to the Trustee	10	-	-	39,725	39,725	-	-	-
Accrued expenses and other liabilities	12	-	-	1,965,323	1,965,323	-	-	-
= 2,293,057								

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

**21. RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES**

	Redemption of Units	Dividend	Total
Opening balance as at 1 July 2023	-	360,935	360,935
Payable against redemption of units	6,908,944,714	-	6,908,944,714
Payable against dividend	-	877,626,631	877,626,631
	6,908,944,714	877,626,631	7,786,571,345
Amount paid on redemption of units	(6,908,944,714)	-	(6,908,944,714)
Dividend paid	-	(877,325,742)	(877,325,742)
	(6,908,944,714)	(877,325,742)	(7,786,270,456)
Closing balance as at 30 June 2024	-	661,824	661,824

**22. 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:

**22.1 Unit holding pattern of the Fund**

Category	June 30, 2024		
	No. of Investors	Investment amount	% of total net assets
	(Rupees)		
Individuals	40	94,044,061	1.20
Associated Companies and Directors	41	7,202,124,911	92.51
NBFC's (Management Company)	1	39,444,373	0.51
Retirement funds	1	676,542	0.01
Insurance	6	449,283,383	5.77
Total	89	7,785,573,270	100.00

Category	June 30, 2023		
	No. of Investors	Investment amount	% of total net assets
	(Rupees)		
Individuals	26	14,612,850	2.54
Associated Companies and Directors	30	312,211,918	54.18
NBFC's (Management Company)	2	248,492,201	43.12
Retirement funds	1	583,471	0.10
Insurance	2	349,940	0.06
Others	1	5,444	-
Total	<u>62</u>	<u>576,255,824</u>	<u>100.00</u>

**22.2 List of top 10 brokers by percentage of commission paid**

Name of broker	(Percentage %)	
	2024	2023
Topline Securities Private Limited	<b>31.91</b>	-
C&M Management Private Limited	<b>18.35</b>	-
JS Global Capital Limited	<b>13.86</b>	38.47
Bright Capital Private Limited	<b>9.84</b>	-
Continental Exchange Private Limited	<b>8.66</b>	3.10
Alfalah Securities Private Limited	<b>6.09</b>	-
Optimus Capital Management Private Limited	<b>5.33</b>	42.47
EFG Hermes Pakistan	<b>5.02</b>	-
Magenta Securities Private Limited	<b>0.70</b>	7.16
KTrade Securities	<b>0.19</b>	-

**22.3 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 2023, as Manager Compliance, where he is responsible for overseeing the Compliance Function.

**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	4

- 22.5 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.

**23. GENERAL**

- 23.1 Corresponding figures have been reclassified / rearranged wherever necessary.
- 23.2 These financial statements were authorized for issue by the Board of Directors of the Management Company on September 12, 2024.

For Lakson Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director


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

**LAKSON INCOME FUND**

Performance Table	FY24	FY23	FY22	FY21
Net Assets - Beginning (PKR Mil.)	576	2,618	5,100	3,061
Net Assets - Ending (PKR Mil.)	7786	576	2,618	5,100
Net Asset value per share	101.9433	101.9766	101.3972	101.1275
Selling Price for units	103.6764	103.7102	102.9182	102.6445
Repurchase Price for units	101.9433	101.9766	101.3972	101.1275
Highest Offer Price (PKR)	119.8356	112.1301	111.4865	109.6882
Lowest Offer Price (PKR)	101.8528	102.9514	102.6911	102.5166
Highest Redemption Price (PKR)	117.8324	110.2557	109.8389	108.0671
Lowest Redemption Price (PKR)	100.1502	101.4299	101.1735	101.0015
Beginning NAV - Ex-Div. (PKR)	101.9766	101.3972	101.1275	100.8591
Interim Distributions (PKR)	16.2433	8.8585	8.7114	6.9833
Final Distribution (PKR)	-	-	-	-
Ending NAV - Ex-Div. (PKR)	101.9433	101.3972	101.1275	101.1275
Return	15.95%	9.15%	8.90%	7.19%
Net Income (PKR Mil.)	720	105	115	169
Total Distribution (PKR Mil.)	265	46	109	163
Accumulated Capital Growth	556	101	42	36
WAM (Days)	403	1,251	1,444	697
Average Annual return of the Fund				
One Year	15.95%	9.15%	8.90%	7.19%
Two year	12.55%	9.03%	8.37%	10.94%
Three year	21.29%	8.81%	10.72%	10.38%
Since inception (November 13,2009)	21.87%	16.99%	16.70%	16.23%
Distributions	FY24	FY23	FY22	FY21
Interim Distribution	16.2433	8.8585	8.7114	6.9833
Final Distribution	-	-	-	-
NAV before Distribution	117.8324	101.3972	109.8389	108.0819
NAV after Distribution	101.5891	101.3972	101.1275	108.0819
Distribution Date	25-Jun-24	19-Jun-23	27-Jun-22	26-Jun-21

**Disclaimer**

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



A Lakson Group Company

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