

# LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND

## Half Yearly Report (December 31, 2024)



**LAKSON INVESTMENTS**

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN



## CONTENTS

Fund's Information	1
Review Report of the Directors of the Management Company (English)	3
Review Report of the Directors of the Management Company (Urdu)	5
Trustee Report to the Unit Holders	9
Auditors' report to the Unit Holders on review of Interim Financial Information	10
Condensed Interim Statement of Assets and Liabilities	11
Condensed Interim Income Statement	12
Condensed Interim Statement of Comprehensive Income	13
Condensed Interim Statement of Movement in Unit Holders' Fund	14
Condensed Interim Cash Flow Statement	15
Notes to and forming part of the Condensed Interim Financial Information	16

## Fund's Information

<b>Management Company</b>	<p>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: <a href="http://www.li.com.pk">www.li.com.pk</a> E-mail: <a href="mailto:info@li.com.pk">info@li.com.pk</a></p>
<b>Board of Directors of the Management Company</b>	<p>Mr. Iqbal Ali Lakhani - Chairman Mr. Babar Ali Lakhani - Chief Executive Officer Mr. Jamil Ahmed Mughal Mr. Amin Mohammed Lakhani</p>
<b>Chief Financial Officer</b>	Mr. Junaid Arshad
<b>Company Secretary of the Management Company</b>	Ms. Nobia Shams
<b>Audit Committee</b>	<p>Mr. Amin Mohammed Lakhani Mr. Iqbal Ali Lakhani Mr. Jamil Ahmed Mughal</p>
<b>Human Resource and Remuneration Committee</b>	<p>Mr. Iqbal Ali Lakhani - Chairman Mr. Babar Ali Lakhani</p>
<b>Trustee</b>	<p>Central Depository Company of Pakistan Limited CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, Pakistan.</p>
<b>Auditors</b>	<p>BDO Ebrahim &amp; Co. Chartered Accountants 2nd Floor, Block C, Lakson Square, Building No. 1, Sarwar Shaheed Road, Karachi - 74200.</p>
<b>Bankers to the Fund</b>	<p>Allied Bank Limited Bank Alfalah Limited Dubai Islamic Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Habib Bank AG Zurich National Bank of Pakistan United Bank Limited</p>

**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**

Rabia Fida  
BMA Capital Management

**Rating**

1-Star (One Year)  
3-Star (Three Years)  
3-Star (Five Years)  
Fund Performance Ranking  
AM2+ : Asset Manager Rating by PACRA

**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND  
REVIEW REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY  
FOR THE PERIOD ENDED DECEMBER 31, 2024**

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Asset Allocation Developed Markets Fund ("LAADMF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended December 31, 2024.

**Fund Objective**

The investment objective of the Fund is to provide long-term capital appreciation by investing in a mix of domestic debt and Developed Markets Securities.

**Principal activities**

LAADMF is an open-end asset allocation scheme and is listed on Pakistan Stock Exchange Limited. The Scheme is managed using an active investment management style which focuses on an analysis of the macro factors such as government policies, global economic data, commodities prices and supply/demand dynamics. The Scheme switches exposure between the domestic Government Securities and the Developed Markets securities based on the outlook of the Investments Team of the performance of the Developed Markets. The Scheme may be overweight or underweight countries relative to its benchmark for Developed Markets investments, the MSCI World Index. Exposure of the Scheme in the fixed income securities is managed through duration and yield curve management by shifting between different maturities of the Government Securities.

**Fund performance**

LAADMF generated an absolute return of 0.44% in the 2QFY25 compared to the benchmark return of -0.04%. The LAADMF has outperformed the benchmark by 0.48%. The Fund maintains 30.6% exposure in ETFs, 9.2% in T-Bills, 34.8% in PIBs and 25.4% in cash. The fund size of the LAADMF as of December 31, 2024, is PKR 1,522.54 mln.

**Earning per Unit (EPU)**

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

**Economic Review**

The quarter ended 4QCY24 marked the end of an exceptional year on the back of economic stability driven by key reforms and strong fiscal management. The country's macro-economic indicators saw a notable improvement with inflation rates under control and improvements in external balances.

During the quarter, inflation averaged 5.4% down from 9.2% in the previous quarter. This can be mainly attributed to the decline in food inflation, lower commodity prices and high base effects. Higher than expected drop in inflation provided the Central Bank with ample room for further monetary easing, reducing the policy rate by 450bps to 13%. On the external front, the current account recorded a surplus of USD 1.6bn in comparison to a deficit of USD 156 mln during same period last year. This can be mainly attributed to 5% YoY growth in exports versus 3% YoY growth in imports. Additionally, inflows from remittances increase by 27% YoY to USD 9.0bn during the period under review. During 1HFY25 Pakistan recorded a surplus of USD 1.2bn versus a deficit of USD 1.3bn in 1HFY24.

Forex reserves also witnessed continued improvement as SBP reserves increased to USD 11.7bn in Dec-24 as compared to USD 10.7bn in Sep-24.

**Fixed Income Market Review**

Over the past few months, the government securities market has seen significant yield reductions, driven by SBP's policy rate cuts and excess liquidity. T-Bill yields dropped sharply in October and November, reflecting

expectations of policy rate cuts. December's auctions saw a slower pace of yield decline, particularly for longer tenors. SBP decreased the policy rate by cumulative 450 bps in the quarter taking the policy rate to 13%. Secondary market yields are still hovering lower, indicating market anticipation of further rate cuts in the upcoming MPC.

### **Developed Markets Review**

During the quarter, developed markets remained volatile. The quarter began with a drop in MSCI World Index, driven by growth concerns and uncertainty surrounding the U.S. election. The MSCI World Index rebounded driven by strong momentum in S&P 500 following Donald Trump's re-election. In contrast, Japan's market underperformed while European equities continued to struggle with economic weakness and political instability in Germany. The MSCI index plummeted again in December due to profit taking and weakness in European economy, however, the Japanese market rebounded due to investor optimism regarding increased competitiveness of Japanese exports. The index ended the year with a 17% return in 2024, lagging the S&P 500.

Moving forward, equities performance will depend on US policy actions, inflation readings in developed markets, FED interest rate decisions, corporate earnings and developments on ongoing geopolitical tensions.

### **Future Outlook**

In 2024, Pakistan focused on economic consolidation through tight fiscal and monetary policies, supported by the IMF's Extended Fund Facility (EFF) program. These measures have led to positive results, with inflation sharply decreasing from a peak of 28% in January to around 4% in December 2024. The policy rate was reduced significantly from 22% to 13%, helping to lower interest rates and foster a more favorable economic environment. The current account also showed improvement, moving from a deficit of USD 1.4B in 1HFY24 to a surplus of USD 1.2B in 1HFY25, driven by higher remittances and exports. While the IMF's upcoming review in the first quarter of 2025 is crucial for continued progress, however the tax collection shortfall is expected to be a key challenge.

Looking ahead, Pakistan's economic growth is expected to pick up pace in 2025 and 2026, with GDP growth projected to average around 3% in FY25 and 4% in FY26. The revival of growth will be supported by declining interest rates, structural reforms under the IMF program, and a favorable inflation outlook, with inflation expected to remain subdued through 1Q2025 before rising to long term average. Despite these positive developments, the country faces risks from high utility prices and potential fluctuations in international commodity prices or geopolitical tensions. However, with continued external support and a manageable current account deficit, the Pakistani Rupee might not undergo significant depreciation in 2025.

### **Acknowledgement**

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

For and on Behalf of the Board

**Chief Executive Officer**

**Director**

Dated: February 19, 2025

لیکسن ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ  
31 دسمبر 2024ء کو ختم ہونے والی مدت کے لیے  
مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ ("LAADMF") کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کیلئے 31 دسمبر 2024ء کو ختم ہونے والی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی معلومات پیش کرنا باعث مسرت ہے۔

### فنڈ کا مقصد

لیکسن ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ کی سرمایہ کاری کا مقصد، مختلف طرح کے ملکی قرضوں اور ڈیویلپڈ مارکیٹس سیکورٹیز میں سرمایہ کاری کرتے ہوئے طویل مدت کے لیے اصل سرمائے کی قدر میں اضافہ کرنا ہے۔

### نمایاں سرگرمیاں

LAADMF ایک اوپن اینڈ ایسیٹ ایلوکیشن اسکیم ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ اسکیم کو انویسٹمنٹ مینجمنٹ کے ایک فعال انداز کو اختیار کرتے ہوئے چلایا جاتا ہے، جس میں بڑے عوامل جیسے حکومتی پالیسیز، گلوبل اکنامک ڈیٹا، کموڈٹیز کی قیمتیں اور سپلائی/ڈیمانڈ ڈائنمکس کے تجزیوں کو پیش نظر رکھا جاتا ہے۔ اس اسکیم سے ڈومیسٹک گورنمنٹ سیکورٹیز اور ڈیویلپڈ مارکیٹس سیکورٹیز کے درمیان باہمی تبادلے کے ساتھ سرمایہ کاری کی جاتی ہے، جو ڈیویلپڈ مارکیٹس کی کارکردگی کے متعلق انویسٹمنٹس ٹیم کی توقعات کی بنیاد پر ہوتی ہے۔ یہ اسکیم ڈیویلپڈ مارکیٹس کی سرمایہ کاری سے متعلق بینچ مارک MSCI World Index کے حوالے سے متعلقہ ممالک کو اور ویٹ یا انڈرویٹ کر سکتی ہے۔ فلسفہ انکم سیکورٹیز میں اسکیم کی سرمایہ کاری کو دورانہ اور yield curve مینجمنٹ کے ذریعے حکومتی سیکورٹیز کی مختلف میچورٹیز کے مابین منتقل کرتے ہوئے منظم کیا جاتا ہے۔

### فنڈ کی کارکردگی

لیکسن ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ نے مالی سال 2025ء کی دوسری سہ ماہی میں بینچ مارک منافع 0.04% کے مقابلے میں 0.44% کا مطلق منافع حاصل کیا۔ فنڈ نے بینچ مارک کے مقابلے میں 0.48% بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ ETFs میں 30.6%، ٹی بلز میں 9.2%، پی آئی بیز میں 34.8% اور کیش میں 25.4% سرمایہ کاری رکھتا ہے۔ 31 دسمبر 2024ء کے مطابق LAADMF کا فنڈ حجم 1,522.54 ملین روپے ہے۔



## فی یونٹ آمدنی (EPU)

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

## معاشی جائزہ

کلینڈر سال 2024 کی چوتھی سہ ماہی میں ختم ہونے والی مدت میں اہم اصلاحات اور مضبوط مالیاتی مینجمنٹ کے سبب آنے والے معاشی استحکام کے تناظر میں ایک غیر معمولی سال کا اختتام ہوا۔ افراط زر کی شرح کنٹرول میں اور بیرونی توازن میں بہتری کے ساتھ ملک کے میکرو اکنامک انڈیکسز میں نمایاں بہتری دیکھی گئی۔

سہ ماہی کے دوران افراط زر کی شرح گزشتہ سہ ماہی کے 9.2 فیصد سے اوسطاً 5.4 فیصد کم رہی۔ اس کی بنیادی وجہ غذائی افراط زر میں کمی، اجناس کی کم قیمتوں اور ہائی بیس انڈیکس کو قرار دیا جاسکتا ہے۔ افراط زر میں توقع سے زیادہ کمی نے مرکزی بینک کو مزید مالیاتی نرمی کی کافی گنجائش فراہم کی، شرح سود کو 450 بی پی ایس کم کر کے 13 فیصد کر دیا گیا۔ بیرونی محاذ پر کرنٹ اکاؤنٹ میں 1.6 ارب ڈالر کا سرپلس ریکارڈ کیا گیا جبکہ گزشتہ سال کے اسی عرصے کے دوران 15 کروڑ 60 لاکھ ڈالر کا خسارہ ہوا تھا۔ اس کی بنیادی وجہ برآمدات میں سال بہ سال 5 فیصد اضافہ جبکہ درآمدات میں سال بہ سال 3 فیصد اضافہ ہے۔ مزید برآں ترسیلات زر کی صورت میں آنے والی رقم سال بہ سال 27 فیصد اضافے کے ساتھ 9.0 ارب ڈالر تک پہنچ گئیں۔ مالی سال 2025ء کی پہلی ششماہی کے دوران پاکستان نے 1.2 ارب ڈالر سرپلس ریکارڈ کیا جبکہ مالی سال 2024ء کی پہلی ششماہی میں 1.3 ارب ڈالر کا خسارہ ہوا تھا۔

زرمبادلہ کے ذخائر میں بھی مسلسل بہتری دیکھی گئی کیونکہ اسٹیٹ بینک کے ذخائر دسمبر 24ء میں بڑھ کر 11 ارب 70 کروڑ ڈالر ہو گئے جو ستمبر 24ء میں 10 ارب 70 کروڑ ڈالر تھے۔

## فلسفہ انکم مارکیٹ کا جائزہ

گزشتہ چند ماہ کے دوران اسٹیٹ بینک کی جانب سے شرح سود میں کمی اور اضافی لیکویڈیٹی کی وجہ سے حکومتی سیکورٹیز مارکیٹ میں منافع میں نمایاں کمی دیکھنے میں آئی ہے۔ اکتوبر اور نومبر میں ٹی بلز کے منافع میں تیزی سے کمی آئی، جو شرح سود میں کمی کی توقعات کی عکاسی کرتی ہے۔ دسمبر کی نیلامیوں میں، خاص طور پر طویل مدت کے لئے، منافع میں سست رفتار کمی دیکھی گئی۔ اسٹیٹ بینک نے سہ ماہی کے دوران شرح سود میں مجموعی طور پر 450 بی پی ایس کی کمی کی جس سے پالیسی ریٹ 13 فیصد ہو گیا۔ ثانوی مارکیٹ کے منافع جات اب بھی کم ہو رہے ہیں، جو آئندہ ’ایم پی سی‘ میں شرح سود میں مزید کٹوتی کی توقع کی طرف اشارہ کرتے ہیں۔

## ڈیویڈ مارکیٹس کا جائزہ

سہ ماہی کے دوران ڈیویڈ مارکیٹیں اتار چڑھاؤ کا شکار رہیں۔ سہ ماہی کا آغاز MSCI ورلڈ انڈیکس میں گراؤٹ کے ساتھ ہوا، جس کی وجہ ترقی سے متعلق خدشات اور امریکی انتخابات کے بارے میں غیر یقینی صورتحال تھی۔ ڈونلڈ ٹرمپ کے دوبارہ منتخب ہونے کے بعد S&P 500 میں مضبوط تحریک کی وجہ سے ورلڈ انڈیکس میں دوبارہ تیزی آئی۔ اس کے برعکس، جاپان کی مارکیٹ نے ناقص کارکردگی کا مظاہرہ کیا جبکہ یورپی ایکویٹیز جرمنی میں سیاسی عدم استحکام اور معاشی کمزوری کے ساتھ بدستور جدوجہد میں مصروف رہیں۔ منافع اندوزی اور یورپی معیشت میں کمزوری کی وجہ سے دسمبر میں MSCI انڈیکس میں ایک بار پھر گراؤٹ آئی، تاہم جاپانی برآمدات کی بڑھتی ہوئی مسابقتی صلاحیت کے بارے میں سرمایہ کاروں کی پُر امیدی کے سبب جاپانی مارکیٹ میں تیزی آگئی۔ انڈیکس نے 2024 میں سال کا اختتام 17 فیصد منافع کے ساتھ کیا، جو S&P 500 سے کم ہے۔

آگے بڑھتے ہوئے ایکویٹیز کی کارکردگی کا انحصار امریکی پالیسی اقدامات، ڈیویڈ مارکیٹس میں افراط زر کے مطالعات، FED کے شرح سود سے متعلق فیصلوں، کارپوریٹ آمدنی اور جاری جیو پالیٹیکل تناؤ کے حوالے سے پیش رفت پر ہوگا۔

## مستقبل کا منظر نامہ

2024 میں پاکستان نے آئی ایم ایف کے توسیعی فنڈ سہولت (ای ایف ایف) پروگرام کی مدد سے سخت مالی اور زری پالیسیوں کے ذریعے معاشی استحکام پر توجہ مرکوز کی۔ ان اقدامات کے مثبت نتائج سامنے آئے ہیں اور افراط زر کی شرح جنوری 2024 میں 28 فیصد کی بلند ترین سطح سے کم ہو کر دسمبر 2024 میں تقریباً 4 فیصد رہ گئی۔ پالیسی ریٹ کو 22 فیصد سے کم کر کے 13 فیصد کر دیا گیا جس سے شرح سود کو کم کرنے اور زیادہ سازگار معاشی ماحول کو فروغ دینے میں مدد ملی۔ کرنٹ اکاؤنٹ میں بھی بہتری دیکھنے میں آئی اور مالی سال 2024 کی پہلی ششماہی میں 1.4 ارب ڈالر کے خسارے سے بہتر ہو کر مالی سال 2025 کی پہلی ششماہی میں 1.2 ارب ڈالر کے سرپلس تک پہنچ گیا، جس کی وجہ ترسیلات زر اور برآمدات میں اضافہ ہے۔ اگرچہ 2025 کی پہلی سہ ماہی میں آئی ایم ایف کا اگلا جائزہ مسلسل پیش رفت کے لئے اہم ہے، تاہم ٹیکس وصولیوں میں کمی ایک اہم چیلنج ثابت ہونے کی توقع ہے۔

مستقبل کو مد نظر رکھتے ہوئے 2025 اور 2026 میں پاکستان کی اقتصادی ترقی کی رفتار تیز ہونے کی توقع ہے، مالی سال 2025 میں جی ڈی پی کی شرح نمو اوسطاً 3 فیصد اور مالی سال 26ء میں 4 فیصد کے آس پاس رہنے کا تخمینہ ہے۔ شرح نمو کی بحالی کو شرح سود میں کمی، آئی ایم ایف پروگرام کے تحت ڈھانچا جاتی اصلاحات اور افراط زر کے سازگار منظر نامے سے مدد ملے گی۔ توقع ہے کہ افراط زر کی شرح طویل مدتی اوسط تک بڑھنے سے پہلے 2025 کی پہلی سہ ماہی میں کم رہے گی۔ تمام تر مثبت پیش رفت کے باوجود ملک کو زائد یوٹیلیٹی قیمتوں اور اجناس کی عالمی قیمتوں میں ممکنہ اتار چڑھاؤ یا جیو پالیٹیکل تناؤ کے باعث خطرات کا سامنا ہے۔ تاہم، مسلسل بیرونی مدد اور کرنٹ اکاؤنٹ کے قابل برداشت خسارے کی وجہ سے پاکستانی روپے کو 2025 میں نمایاں کمی کا سامنا نہیں کرنا پڑے گا۔

اظہار تشکر

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

برائے و منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 19 فروری 2025ء

**Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi - 74400, Pakistan.  
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Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Lakson Asset Allocation Developed Markets Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 24, 2025



## **INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF LAKSON ASSET ALLOCATION DEVELOPED MARKET FUND**

### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND** ("the Fund") as at December 31, 2024 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flows and material accounting policy information and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "condensed interim financial information"). Lakson Investments Limited (the "Management Company") is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2024 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### **Other matters**

The figures for the quarter ended December 31, 2024 and December 31, 2023 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditors' review report is Zulfikar Ali Causer.

KARACHI

DATED: 27 FEB 2025

UDIN: RR202410067zksxoDMqp



**BDO EBRAHIM & CO.**  
**CHARTERED ACCOUNTANTS**

**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2024**

		<b>December 31, 2024 (Un-audited)</b>	<b>June 30, 2024 (Audited)</b>
	<b>Note</b>	<b>------(Rupees)-----</b>	
<b>ASSETS</b>			
Bank balances	4	386,091,515	63,198,259
Investments	5	1,136,086,575	1,486,570,596
Accrued mark-up and other receivable		14,952,639	18,329,203
<b>Total Assets</b>		<u>1,537,130,729</u>	<u>1,568,098,058</u>
<b>LIABILITIES</b>			
Payable to the Management Company	6	8,157,332	8,046,455
Payable to the Trustee		245,741	235,874
Annual fee payable to the Securities and Exchange Commission of Pakistan		122,321	120,206
Accrued expenses and other liabilities	7	6,070,144	20,538,178
<b>Total Liabilities</b>		<u>14,595,538</u>	<u>28,940,713</u>
<b>NET ASSETS</b>		<u><u>1,522,535,191</u></u>	<u><u>1,539,157,345</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>REPRESENTED BY:</b>			
<b>UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)</b>		<u><u>1,522,535,191</u></u>	<u><u>1,539,157,345</u></u>
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<u><u>7,720,040</u></u>	<u><u>8,282,094</u></u>
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<u><u>197.2185</u></u>	<u><u>185.8415</u></u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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



**CHIEF EXECUTIVE OFFICER**



**CHIEF FINANCIAL OFFICER**



**DIRECTOR**




**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

	Note	Half Year Ended		Quarter Ended	
		2024	2023	2024	2023
		(Rupees)		(Rupees)	
<b>INCOME</b>					
Realized gain / (loss) on sale of investment at fair value through profit or loss - net		4,966,239	1,899,927	4,492,609	(259,551)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss' - net	5.1, 5.2 & 5.3	14,622,560	(696,125)	(15,529,479)	(3,647,678)
		19,588,800	1,203,802	(11,036,870)	(3,907,229)
Dividend income on investments at fair value through profit or loss		-	3,930,044	-	-
Markup on:					
- Bank balances calculated using effective interest method		1,799,926	4,432,481	1,500,028	3,528,663
- Government and other debt securities using effective interest method		92,199,935	99,517,961	41,564,251	49,675,980
		93,999,861	103,950,442	43,064,279	53,204,643
Exchange gain / (loss) on foreign currency current account		29,657	274,839	118,717	(735,219)
<b>Total income</b>		113,618,318	109,359,127	32,146,126	48,562,195
<b>EXPENSES</b>					
Remuneration to the Management Company	6.1	17,259,612	17,931,816	8,598,743	8,942,193
Sindh Sales tax on remuneration to the Management Company	6.2	2,585,149	2,331,128	1,289,812	1,162,485
Remuneration to the Trustee		1,461,606	1,393,013	729,354	702,478
Annual fee to the Securities and Exchange Commission of Pakistan		728,739	692,554	363,058	351,781
SECP supervisory fee		1,260	1,288	840	644
Custody charges		471,427	462,966	235,097	229,661
Auditors' remuneration		395,931	384,928	169,722	192,464
Fees and subscription		120,757	155,243	75,712	82,205
Brokerage charges		2,749	1,494,874	1,442	16,159
Bank charges		46,825	49,257	20,477	49,257
<b>Total expenses</b>		23,074,055	24,897,067	11,484,258	11,729,327
Net operating income and net income before taxation		90,544,263	84,462,060	20,661,868	36,832,868
Taxation	9	-	-	-	-
Net income for the period		90,544,263	84,462,060	20,661,868	36,832,868
Allocation of net income for the period					
Net income for the year after taxation		90,544,263	84,462,060	20,661,868	36,832,868
Income already paid on units redeemed		(2,716,045)	(21,349,885)	(1,440,522)	24,395
		87,828,218	63,112,175	19,221,346	36,857,263
Accounting income available for distribution					
-Relating to capital gains		18,584,069	-	-	-
-Excluding capital gains		69,244,150	63,112,175	19,221,346	36,857,263
Accounting income available for distribution		87,828,218	63,112,175	19,221,346	36,857,263

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**

**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

	<b>Half Year Ended</b>		<b>Quarter Ended</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>(Rupees)</b>		<b>(Rupees)</b>	
Net income for the period	90,544,263	84,462,060	20,661,868	36,832,868
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>90,544,263</u>	<u>84,462,060</u>	<u>20,661,868</u>	<u>36,832,868</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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



**CHIEF EXECUTIVE OFFICER**



**CHIEF FINANCIAL OFFICER**



**DIRECTOR**





**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**  
**CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS'S FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	2024			2023		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees) -----					
Net assets at beginning of the period	1,428,173,132	110,984,214	1,539,157,345	1,306,571,347	109,000,315	1,415,571,662
Issuance of 662 units (2023: 2,579,586 units)						
as capital refund						
- Capital value	122,989	-	122,989	478,771,210	-	478,771,210
- Element on income	3,853	-	3,853	20,540,528	-	20,540,528
Total proceeds on issuance of units	126,841		126,841	499,311,738	-	499,311,738
Redemption of 562,716 units (2023: 2,610,205 units)						
- Capital value	(104,576,007)	-	(104,576,007)	(484,454,126)	-	(484,454,126)
- Element on income / (loss)	(1,207)	(2,716,045)	(2,717,252)	148,639	(21,349,885)	(21,201,246)
Total payments on redemption of units	(104,577,214)	(2,716,045)	(107,293,259)	(484,305,487)	(21,349,885)	(505,655,372)
Total comprehensive income for the period	-	90,544,263	90,544,263	-	84,462,060	84,462,060
Net assets as at end of the period	1,323,722,760	198,812,432	1,522,535,191	1,321,577,598	172,112,489	1,493,690,088
Undistributed income brought forward:						
- Realized income		114,876,289			34,413,723	
- Unrealized income		(3,892,076)			74,586,591	
		110,984,213			109,000,314	
Accounting income available for distribution:						
Relating to capital gains		18,584,069			-	
Excluding capital gains		69,244,150			63,112,175	
		87,828,218			63,112,175	
Undistributed income at end of the period		198,812,431			172,112,490	
Undistributed income carried forward						
- Realized income		184,189,871			172,808,615	
- Unrealized income / (loss)		14,622,560			(696,125)	
Undistributed income at end of the period		198,812,431			172,112,490	
Net assets value per unit at beginning of the period			185.8415			185.8415
Net assets value per unit at end of the period			197.2185			196.6066

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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



**CHIEF EXECUTIVE OFFICER**



**CHIEF FINANCIAL OFFICER**



**DIRECTOR**



**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	<b>Half Year Ended</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Rupees)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	90,544,263	84,462,060
Adjustments for non cash and other items:		
Realized gain on sale of investment at fair value through profit or loss - net	(4,966,239)	(1,899,927)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss' - net	(14,622,560)	696,125
Dividend income	-	(3,930,044)
	<u>70,955,464</u>	<u>79,328,214</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	370,072,820	62,592,174
Accrued mark-up and other receivable	3,376,564	(7,906,870)
	<u>373,449,384</u>	<u>54,685,304</u>
<b>Decrease / (increase) in liabilities</b>		
Payable to the Management Company	110,877	(7,233)
Payable to the Trustee	9,867	3,079
Annual fee to Securities and Exchange Commission of Pakistan	2,115	(1,269)
Accrued expenses and other liabilities	(14,468,034)	(14,623,466)
	<u>(14,345,175)</u>	<u>(14,628,889)</u>
Net cash generated from operating activities	<u>430,059,673</u>	<u>119,384,629</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend received	-	3,930,044
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash received from issue of units	126,842	499,311,738
Cash paid on redemption of units	(107,293,259)	(505,655,372)
Net cash used in financing activities	<u>(107,166,418)</u>	<u>(6,343,634)</u>
Net increase in cash and cash equivalent during the period	322,893,256	116,971,039
Cash and cash equivalent at the beginning of the period	63,198,259	63,198,259
Cash and cash equivalent at the end of the period	<u>386,091,515</u>	<u>180,169,298</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**For Lakson Investments Limited  
Management Company**



**CHIEF EXECUTIVE OFFICER**



**CHIEF FINANCIAL OFFICER**



**DIRECTOR**



**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 The Lakson Asset Allocation Developed Market Fund (the "Fund") was established under the Trust Deed executed on May 30, 2011 between the Lakson Investments Limited as its Management Company, a company incorporated under the repealed Companies ordinance 1984 (the Companies Act, 2017) and the Central Depository Company of Pakistan Limited (CDC) as its Trustee, also incorporated under the repealed Companies Ordinance 1984 (now Companies Act, 2017). The Fund has been registered as a Notified Entity on July 07, 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).
- 1.2 The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore, while the head office is in the Lakson Square Building No. 2, Karachi.
- 1.3 The Fund is an open end mutual fund and is listed on the Pakistan Stock Exchange. 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 "Asset Allocation Scheme" as per the Circular 07 of 2009 issued by SECP and is authorised to invest within the prescribed limit mentioned in the offering document of the fund in Government securities, deposits and foreign currency deposits with local or foreign banks etc. in Pakistan. Further, as allowed by SECP and State Bank of Pakistan, the Fund can invest abroad up to 30% of the aggregated funds mobilized (including foreign currency funds) subject to a maximum limit of USD 15 million. The investments authorized outside Pakistan include exchange traded funds based on equities / debt with exposure in the commodities, index tracker funds tracking different commodities indices, actively managed commodities based funds, equities and debt securities of companies with exposure in commodities, future contracts of different commodities and foreign currency deposits etc.

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

- 1.4 Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated August 23, 2024 (2023: AM2+ as on August 25, 2023).

On May 23, 2024, VIS assigned following rankings to the Fund based on the performance review for the year ended June 30, 2025:

1-year ranking: MFR 1-Star

3-year ranking: MFR 3-Star

5-year ranking: MFR 3-Star

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

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan comprising of below:

- International Accounting Standard 34 (IAS 34), 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), directives issued by the SECP and requirements of the Trust Deed.

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

These condensed interim financial statements are being submitted to the unit holders as required under Regulation 38 (g) of the NBFC Regulations and are unaudited.

- 2.2 These condensed interim financial statements do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended June 30, 2024. However, selected explanatory notes are included to explain events and transactions that are significant.

- 2.3 In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2024.

## **2.4 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention, except for investments that are stated at fair values.

## **2.5 Functional and presentation currency**

These condensed interim financial statements are presented in Pakistan rupee ('Rupees' or 'Rs.') which is the functional and presentation currency of the Fund. All amount have been rounded off to the nearest of rupees, unless otherwise indicated.

## **2.6 Critical accounting estimates and judgements**

The preparation of condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

## **3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION, SIGNIFICANT ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT POLICIES**

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements as at and for the year ended June 30, 2024.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgements made by management in applying the fund's accounting policies and key sources of estimation and uncertainty are the same as those applied to the financial statements as at and for the year ended June 30, 2024.

- 3.4 There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 01, 2024. However, these do not have any material impact on the Fund's financial information and, therefore, have not been detailed in these condensed interim financial information.
- 3.5 There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 01, 2025. However, the new standards, interpretations and amendments to the approved accounting standards will not have any material impact on the Fund's financial information in the period of adoption and, therefore, have not been detailed in these condensed interim financial information.
- 3.6 The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2024.

		December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
	Note	-----	-----
		(Rupees)	(Rupees)
<b>4</b>	<b>BANK BALANCES</b>		
Local currency			
In profit and loss sharing accounts	4.1	346,588,440	23,724,839
In current accounts		8,504	8,504
In foreign currency			
In current account	4.2	39,494,572	39,464,916
		<u>386,091,515</u>	<u>63,198,259</u>

4.1 These carry mark-up rates ranging from 13.5% to 20.5% (June 30, 2024: from 19.5% to 20.5%) per annum.

4.2 This represents USD denominated current account maintained in foreign country to USD 141,787 (June 30, 2024: USD 141,787 ).

## 5 INVESTMENTS

At fair value through profit or loss

Government Securities:

-Treasury Bills	5.1	140,498,400	505,127,625
-Pakistan Investment Bonds	5.2	529,713,300	525,450,500
		670,211,700	1,030,578,125

Exchange Traded Funds (Foreign Investments)

5.3	465,874,875	455,992,471
	<u>1,136,086,575</u>	<u>1,486,570,596</u>

5.1 Government securities - Market Treasury Bills - at fair value through profit or loss

Name of investee company	Date of Maturity	----- Number of Treasury bills -----				Balance as at December 31, 2024			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
		Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value as of December 31, 2024 before revaluation	Market value as of December 31, 2024 after revaluation	Unrealised appreciation		
						----- (Rupees) -----				
Treasury bills - 03 months	25-Jul-24	1,430,000	-	1,430,000	-	-	-	-	0.00%	0.00%
Treasury bills - 01 year	23-Jan-25	500,000	-	500,000	-	-	-	-	0.00%	0.00%
Treasury bills - 01 year	24-Jul-25	-	3,000,000	1,500,000	1,500,000	140,021,043	140,498,400	477,357	9.23%	12.37%
Treasury bills - 01 year	26-Dec-24	3,500,000	4,440,000	7,940,000	-	-	-	-	0.00%	0.00%
Treasury bills - 01 year	17-Oct-24	-	1,735,000	1,735,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 3 month	28-Feb-25	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
As at December 31, 2024 (Un-audited)						140,021,043	140,498,400	477,357	9.23%	12.37%
As at June 30, 2024 (Audited)						506,317,502	505,127,625	(1,189,877)	32.82%	33.98%

5.1.1 These represent 1 year Government Treasury bill carrying a fixed mark-up rate of 21.90% per annum and will mature at July 24, 2025. The face value of Treasury Bills held as at December 31, 2024 amounted to Rs. 150 million. (June 30, 2024: 543 million)

5.2 Government securities - Pakistan Investments Bonds - at fair value through profit or loss

Name of investee company				----- Number of PIBs -----				Balance as at December 31, 2024			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments		
				Date of Maturity	Mark-up rate	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value as of December 31, 2024 before revaluation			Market value as of December 31, 2024 after revaluation	Unrealised appreciation
										----- (Rupees) -----				
5 years Pakistan Investment Bond	7.2.1	19-Oct-28	22.85%	3,590,000	-	-	3,590,000	347,332,500	350,096,800	2,764,300	22.99%	30.82%		
5 years Pakistan Investment Bond	7.2.2	14-Dec-28	21.33%	1,850,000	-	-	1,850,000	178,567,947	179,616,500	1,048,553	11.80%	15.81%		
As at December 31, 2024 (Un-audited)								525,900,447	529,713,300	3,812,853	34.79%	46.63%		
As at June 30, 2024 (Audited)								528,421,190	525,450,500	(2,970,690)	34.14%	35.35%		

5.2.1 This represents investments in 5 years Pakistan Investment Bond carrying an effective profit rate of 22.85% and having maturity on October 19, 2028. The face value of Pakistan Investment Bond as at December 31, 2024 amounted to Rs. 359 million.

5.2.2 This represents investments in 5 years Pakistan Investment Bond carrying an effective profit rate of 21.33% and having maturity on December 14, 2028. The face value of Pakistan Investment Bond as at December 31, 2024 amounted to Rs. 185 million.

5.3 Exchange Traded Funds (foreign investment) - at fair value through profit or loss

	-----Number of units-----				Balance as at December 31, 2024			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value as of December 31, 2024 before revaluation	Market value as of December 31, 2024 after revaluation	Unrealised appreciation		
					----- (Rupees) -----				
Ishares USD Treasury Bond 3-7 Years UCITS ETF	12,500	-	-	12,500	455,992,471	465,874,875	9,882,404	30.60%	41.01%
As at December 31, 2024 (Un-audited)					455,992,471	465,874,875	9,882,404	30.60%	41.01%
As at June 30, 2024 (Audited)					456,726,734	455,992,471	(734,263)	29.63%	30.67%
<b>Total investment - December 31, 2024 (Un-audited)</b>					1,121,913,961	1,136,086,575	14,172,614	74.62%	100.00%
<b>Total investment - June 30, 2024 (Audited)</b>					1,491,465,426	1,486,570,596	(4,894,830)	96.59%	100.00%

5.3.1 Ishares USD Treasury Bond 3-7 Years UCITS ETF seeks to track the performance of an index composed of US Dollar denominated government bonds issued by the US Treasury. Total value of the units at USD 278.5500 per unit as at the half year ended amounted to USD 1,672,500 (June 30, 2024: 1,638,250).

5.3.2 Above units are held by Habib Bank AG Zurich as a custodian.



		December 31, 2024	June 30, 2024
	Note	(Un-audited)	(Audited)
<b>6 PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration payable to the Management Company	6.1	2,902,459	2,852,352
Sales tax payable on remuneration to the Management Company	6.2	431,575	376,880
Federal excise duty payable on remuneration to the Management Company	6.3	4,823,298	4,823,298
		<u>8,157,332</u>	<u>8,052,529</u>

6.1 As per regulation 61 of the NBFC and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 2.25% of average annual net assets of the fund, calculated on daily basis. The effective management fee rate for the period ended December 31, 2024 is 1.13% of average annual net assets calculated on daily basis.

6.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 15% (June 30, 2024: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011 effective from July 01, 2024.

6.3 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2016. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Furthermore, the Finance Act, 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution, the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 4.823 million (June 30, 2024: 4.823 million), including SST @ 13%, and is being retained in these condensed interim financial information of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED & SST not been made, the net asset value of the Fund as at December 31, 2024 would have been higher by Rs. 0.62 (June 30, 2024: Rs. 0.58) per unit.

December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
------(Rupees)-----	

## 7 ACCRUED AND OTHER LIABILITIES

Brokerage payable	(837)	1,701
Auditors' remuneration	405,729	395,034
Custody fee payable	529,163	57,736
Rating fee payable	86,174	86,174
Professional fees payable	716,123	713,884
Withholding tax payable on dividend	-	14,789,959
CGT Payable	61	120,980
Other liabilities	4,333,731	4,372,709
	<u>6,070,144</u>	<u>20,538,178</u>

## 8 CONTINGENCIES AND COMMITMENTS

There are no other contingencies and commitments as at December 31, 2024 other than disclosed in these condensed financial statements (June 30, 2024: None)

## 9 TAXATION

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

- 9.2 During the year ended 2014, the FBR has issued show cause notices to the Fund under section 122(9) for proceeding u/s 122(5A) of the Income Tax Ordinance, 2001 for amendment of assessment on grounds that exemption from tax claimed under clause 99 of Part-I of the Second Schedule is not as per law. Total tax including Workers' Welfare Fund payable as per amended assessment would be Rs. 7.203 million and Rs. 19.001 million for the tax years 2012 and 2013 respectively. Trustee of the Fund had filed a suit in the High Court of Sindh for declaration and permanent injunction for which a stay order had been granted by the Sindh High Court. The management expects a favorable outcome and, accordingly, no provision has been recorded in respect of this matter.

## 10 EARNING PER UNIT

Earning per unit (EPU) has not been disclosed as in the opinion of the management, determining of weighted average number of outstanding units for calculating EPU is not

## 11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Habib Bank AG Zurich being the Custodian, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company and unit holders holding more than 10% in the units of the Funds as at December 31, 2024. It also includes staff retirement funds of the above related parties / connected persons.

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

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

	<b>December 31, 2024 (Un-audited)</b>	<b>June 30, 2024 (Audited)</b>
<b>Note</b>	<b>------(Rupees)-----</b>	

### 11.1 Details of balance with related parties / connected persons for the half year ended

#### **Lakson Investments Limited - Management Company**

Remuneration payable	6.1	<u>2,902,459</u>	<u>2,852,352</u>
----------------------	-----	------------------	------------------

		<b>December 31, 2024 (Un-audited)</b>	<b>June 30, 2024 (Audited)</b>
	<b>Note</b>	<b>-----</b>	<b>-----</b>
		<b>(Rupees)</b>	<b>(Rupees)</b>
Sindh Sales Tax on Management Company's remuneration	6.2	431,575	376,880
Federal Excise Duty	6.3	4,823,298	4,823,298
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration payable		213,930	208,738
Sindh Sales Tax payable on Trustee remuneration*		31,811	27,136
<b>Habib Bank AG Zurich - Custodian</b>			
Bank deposits		39,494,572	39,464,916
Custody fee payable		529,163	57,736

## **11.2 Details of transaction with related parties / connected persons during the half year ended**

<b>Lakson Investments Limited - Management</b>			
Remuneration to the Management Company		17,259,612	17,931,816
Sindh Sales Tax on Management Company's remuneration*		2,585,149	2,331,128
<b>Central Depository Company of Pakistan</b>			
Remuneration for the period		1,271,203	1,232,747
Sindh Sales Tax on Trustee remuneration*		190,402	160,266
<b>Habib Bank AG Zurich - Custodian</b>			
Custody charges		471,427	462,966

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

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

For the Half Year Ended December 31, 2024							
Number of units as at July 01, 2024	Units issued during the period	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2024	Units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
----- Number of units -----				----- (Rupees) -----			
Lakson Investments Limited	201,945	-	-	201,945	37,529,691	-	39,827,215
Directors, Chief Executive and their spouse and minors	4,991,122	-	235,546	4,755,577	927,557,690	-	937,887,676
Key management personnel, employees and connected persons of the Management Company	1	-	-	1	134	-	142
<b>Associated companies / undertakings of the Management Company</b>							
Accuray Surgical Limited Employees Contributory Provident Fund	28,465	-	4,895	23,570	5,289,904	-	4,648,435
Century Insurance Co. Ltd., GF	48,160	-	806	47,354	8,950,090	-	9,339,014
Century Insurance Company Limited Employees Contributory Provident Fund Trust	39,452	-	1,263	38,189	7,331,753	-	7,531,510
Century Paper & Board Mills Limited ECPFT	498,258	-	3,950	494,307	92,596,923	-	97,486,548
Century Paper & Board Mills Limited EGF	470,148	-	-	470,148	87,372,917	-	92,721,785
Colgate Palmolive Pakistan Limited ECPFT	449,832	-	-	449,832	83,597,406	-	88,715,142
Colgate Palmolive Pakistan Limited EGF	540,444	-	7,847	532,597	100,436,932	-	105,038,061
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	257,538	-	-	257,538	47,861,165	-	50,791,170
Hasanali Karabhai Foundation ECPF Trust	5,501	-	-	5,501	1,022,247	-	1,084,827
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	1,380	-	-	1,380	256,379	-	272,074
Lakson Investments Limited ECPFT	32,746	-	537	32,209	6,085,637	-	6,352,199
Merit Packaging Limited Employees Contributory Provident Fund Trust	45,845	-	-	45,845	8,519,952	-	9,041,533
Merit Packaging Limited Employees Gratuity Fund	24,536	-	-	24,536	4,559,760	-	4,838,903
Siza Foods Private Limited Employees Contributory Provident Fund Trust	221,056	-	24,689	196,366	41,081,332	-	38,727,058
Siza Services Private Limited Employees Countributory Provident Fund Trust	23,002	-	-	23,002	4,274,669	-	4,536,360
Sybrid (Private) Limited ECPFT	49,727	-	1,774	47,953	9,241,302	-	9,457,266
NayaPay (Pvt) Limited Employee Contributory Provident Fund	24,018	-	-	24,018	4,463,602	-	4,736,859

**For the Half Year Ended December 31, 2023**

	Number of units as at 01 July 2023	Units issued during the period	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2023	Units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
	Number of units				(Rupees)			
Lakson Investments Limited	74,555	109,289	-	183,844	13,835,608	20,500,000	-	36,144,870
Directors, Chief Executive and their spouse and minors	4,803,275	90	171,438	4,631,927	891,374,054	17,525	31,900,000	910,667,409
Key management personnel, employees and connected persons of the Management Company	21,438	34	21,450	22	3,978,443	6,541	3,944,378	4,390
<b>Associated companies / undertakings of the Management Company</b>								
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust	26,495	25,537	26,495	25,537	4,916,928	4,950,000	5,149,958	5,020,665
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	39,994	39,982	39,994	39,982	7,421,917	7,750,000	7,773,668	7,860,637
Century Insurance Company Limited - Employees Gratuity Fund	44,850	43,206	44,850	43,206	8,323,150	8,375,000	8,717,613	8,494,559
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	425,140	438,507	425,140	438,507	78,895,998	85,000,000	82,635,151	86,213,438
Century Paper & Board Mills Limited - Employees Gratuity Fund	406,044	416,840	406,044	416,840	75,352,142	80,800,000	78,923,339	81,953,479
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust	393,252	396,204	393,252	396,204	72,978,289	76,800,000	76,436,982	77,896,376
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	446,233	479,779	446,233	479,779	82,810,297	93,000,000	86,734,962	94,327,643
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	221,384	226,734	221,384	226,734	41,083,621	43,950,000	43,030,715	44,577,419
Hasanali Karabhai Foundation - Employees Contributory Provident Fund Trust	5,761	5,030	5,761	5,030	1,069,027	975,000	1,119,692	988,919
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	1,277	-	-	1,277	236,983	-	-	251,069
Lakson Investments Limited - Employees Contributory Provident Fund Trust	26,109	28,760	27,269	27,600	4,845,270	5,575,000	5,300,318	5,426,375
Merit Packaging Limited - Employees Contributory Provident Fund Trust	41,754	40,368	41,754	40,368	7,748,568	7,825,000	8,115,799	7,936,708
Merit Packaging Limited - Employees Gratuity Fund	26,819	25,408	26,819	25,408	4,976,943	4,925,000	5,202,913	4,995,308
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	232,885	232,151	232,885	232,151	43,217,886	45,000,000	45,266,131	45,642,408
Siza Services Private Limited - Employees Contributory Provident Fund Trust	19,450	20,636	19,450	20,636	3,609,415	4,000,000	3,780,478	4,057,103
Sybrid Private Limited - Employees Contributory Provident Fund Trust	43,829	43,851	43,829	43,851	8,133,608	8,500,000	8,519,088	8,621,344

## 12 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 2.95% as of December 31, 2024 and this includes 0.46% representing Government levies and SECP fee etc. As per NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be capped up to 4.5% (excluding government levies).

## 13 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:

- quoted prices in active markets for identical assets or liabilities; (Level 1)
- 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 2)
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs). (Level 3)

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

Investments of the Fund are categorised as follows:

	----- (Un-Audited) -----			
	As at December 31, 2024			
	Fair Value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Treasury Bills	-	140,498,400	-	140,498,400
Pakistan Investment Bonds		529,713,300		529,713,300
Exchange Traded Funds (Foreign Investments)	465,874,875	-	-	465,874,875
	<u>465,874,875</u>	<u>670,211,700</u>	<u>-</u>	<u>1,136,086,575</u>

----- (Audited) -----				
As at June 30, 2024				
Fair Value				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Treasury Bills	-	505,127,625	-	505,127,625
Pakistan Investment Bonds		525,450,500		525,450,500
Exchange Traded Funds (Foreign Investments)	455,992,471	-	-	455,992,471
	<u>455,992,471</u>	<u>1,030,578,125</u>	<u>-</u>	<u>1,486,570,596</u>

## 14 GENERAL

14.1 The corresponding figures have been re-arranged wherever necessary.

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

## 15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information were authorized for issue by Board of Directors of the Management Company on \_\_\_\_\_.

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



**CHIEF EXECUTIVE OFFICER**



**CHIEF FINANCIAL OFFICER**



**DIRECTOR**







A Lakson Group Company

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