

Date

28-Aug-24

Analyst

Hassaan Ahmad
Hassaan.Ahmad@pacra.com
+92-42-35869504
www.pacra.com

Applicable Criteria

- Methodology | Rating Modifiers | Apr-24
- Assessment Framework | Stability Rating | Jul-24

Related Research

- Sector Study | Mutual Funds | Feb-24

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PACRA Maintains Stability Rating of Lakson Money Market Fund

Rating Type	Stability Rating	
	Current (28-Aug-24)	Previous (11-Mar-24)
Action	Maintain	Maintain
Long Term	AA+(f)	AA+(f)
Short Term	-	-
Outlook	Stable	Stable
Rating Watch	-	-

Lakson Money Market Fund (the “Fund”) is classified as a low-risk fund. Its objective is to deliver stable and competitive returns in line with money markets, while maintaining low volatility and prioritizing capital preservation through a liquid portfolio of short-term, high-quality investments. The Fund's rating reflects its conservative credit profile and investment strategy focused on highly liquid and low-risk assets. As of Jun'24, the Fund's assets under management (AUM) reached PKR 31,865 million, representing a significant increase of approximately 39% from PKR 22,967 million in June 2023. This growth highlights the Fund's strong performance and growing investor confidence. The portfolio allocation at the end of June'24 was as follows: 61.6% T-Bills, 12.4% PIBs, 10.0% in placements, 9.27% cash, 5.74% commercial paper, and 1.27% other investments. The credit quality of the Fund comprises 76.0% government securities/AAA, 15.0% AA+, and 8.0% AA. The Fund's duration and weighted average maturity (WAM) are 72 days. To manage any outflows the Fund has maintained sufficient liquidity through investments in short-term securities. Going forward, any material changes in the investment policy or the devised rating criteria for the assigned rating would have an impact on the rating.

About the Entity

Lakson Investments Limited, the investment management company of the Lakson Group, was incorporated on January 02, 2009, as an unlisted public company. It is licensed to undertake Asset Management, Investment Advisory and Private Fund Management services. Lakson Investments is the only AMC, which offers exposure to international markets through Lakson Asset Allocation Developed Markets Fund. The Company is also managing a private equity and venture capital fund along with mutual funds and SMA products. Mr. Babar Ali Lakhani, CEO of the company, has over 23 years of investment and portfolio management experience in domestic and international equity and fixed income markets. The company's control vests in a four-member board. The Chairman of the Lakson Group, Mr. Iqbal Ali Lakhani, is the chairman of Lakson Investment's board. The total asset under management of the company stood at ~157bln at the end of Jun'24.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.