

LAKSON INCOME FUND
Quarterly Report (March 31, 2020)



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



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Fund's Information

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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
Mr. Jacques John Visser
Ms. Roxanne Davies
Ms. Gaite Ali
Ms. Kathleen Kennedy Townsend

Chief Financial Officer & Company Secretary of the Management Company

Mr. Salman Shafiq Hashmi

Audit Committee

Mr. Jacques John Visser - Chairman
Mr. Amin Mohammed Lakhani
Mr. Iqbal Ali Lakhani
Mr. Jamil Ahmed Mughal

Human Resource and Remuneration Committee

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

Trustee

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

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2,
Beaumont Road,
Karachi - 75530, Pakistan



Bankers to the Fund

AlBaraka Bank Pakistan limited
Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Faysal Bank Limited
FINCA Microfinance Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
National Bank of Pakistan
MCB Bank Limited
Silk Bank Limited
Sindh Bank Limited
Soneri Bank Limited
Telenor Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited
NRSP Microfinance Bank Limited
Mobilink Microfinance Bank Limited

Legal Adviser

Fazleghani Advocates
F-72/1, Block 8, KDA-5,
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Registrar

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Lakson Square, Building No.2,
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Distributors

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Topline Securities (Pvt.) Limited
Vector Capital (Pvt.) Limited
Pyramid Financial Consultants

Rating by PACRA

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

Review Report of the Directors' of the Management Company For the period ended March 31, 2020

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Income Fund ('LIF') is pleased to submit the review report together with the condensed interim financial statements for the nine months ended March 31, 2020.

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.

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 10% 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 14.44% in the M9FY20 against the benchmark return of 13.49%. The LIF outperformed by 95bps. As of March 31, 2020, the LIF portfolio was invested 25.8% in cash, 23.2% in TFCs/Sukuks, 22.3% in PIBs, 18.2% in TDRs, and 6.3% in commercial paper while the weighted average maturity of the LIF portfolio was standing at 1,104 days. The fund size of LIF as of March 31, 2020, was PKR 2,297 million.

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

After raising the key policy rate by 750bps (since December 2017) to 13.25% in July 2019, State Bank of Pakistan cut the interest rates by 225 bps in its mid-March Monetary Policy Committee ('MPC') meetings, signaling an end to the 20 months long monetary tightening cycle. The key considerations behind the cut were:

- (iv) a substantial improvement in inflation (softening food prices in particular) and expectations of greater disinflation ahead due to the downtrend in global commodity prices (particularly oil prices),
- (v) a 71% YOY reduction in the current account deficit in 8MFY20, and
- (vi) perhaps most importantly, the coronavirus (COVID-19) pandemic, which threatened to reduce both domestic consumer demand and external demand for Pakistan's exports.

Ahead of the rate cut however, Pakistan witnessed USD 1.5 billion outflows from Government treasuries [Special Convertible Rupee Account ('SCRA account')]. In 9MFY20, SCRA inflows into T-Bills crossed USD 3.4 billion, while outflows of USD 1.7 billion resulted in cumulative net SCRA position of USD 1.7 billion. This drove a 7.5% slippage in the PKR vs. the USD during March 2020 to touch 166 vs. an average of 156-157 in Q2FY20. The State Bank of Pakistan ('SBP') foreign exchange reserves have climbed from a low of USD 7.3 billion in June 2019 (pre-IMF program) to USD 11.2 billion as at March 2020.



The economic slowdown continued in the real sector, during 9MFY20 with corporate profitability coming off significantly and LSM output contracting 3.64% YoY in 7MFY20. Notable decline was witnessed in automobile, food, construction and allied industries of steel and cement. There has however, been pickup in activity in electronics, engineering goods and fertilizer sectors during similar period where SBP initially set FY20 GDP growth target of 3.5%. This, however, is likely to be revised down as businesses continue to shut down amid the ongoing COVID-19 pandemic. The COVID-19 has resulted in trade disruptions, particularly for the export-oriented sectors and for companies importing from countries other than China. Extended country-wide lockdowns are expected to feed into further LSM contraction and rise in prices of essential goods.

On the balance of payment side, current account deficit ('CAD') narrowed down by 71% YoY to USD 2.8 billion in M8FY20. This was mainly led by a decline in imports (down 17.5% YoY in M8FY20) while exports also marginally improved by 3% YoY. The energy import bill remained low during this period due to a collapse in global oil prices, with West Texas Intermediate ('WTI') hitting a low of USD 20/bbl in March 2020. Going forward, this should lead to a substantial decline in the upcoming Current Account readings, further pushed by ongoing economic slowdown. However, this is likely to be offset by slow global demand and feed into lower exports in Q4FY20.

While lower oil prices may potentially help reign in fiscal slippages (via reduction in circular debt), and allow cost recovery, the government is having to temporarily waive off electricity bills for the month of March 2020 due to the ongoing lockdown situation. Most industries, other than a few essential industries, remained shut which has disrupted income for daily wage earners during the lockdown situation. Inflation readings for March 2020 came off to 10.2% vs. 12.4% in February 2020. So far, national inflation has averaged 11.53% in 8MFY20 which is in line with the Consumer Price Index ('CPI') target set by SBP for 11-12% through FY20.

Going forward, we expect that the massive decline in oil prices will feed into improvements in CAD and inflation. This will allow the SBP to reduce interest rates further in order to provide relief in the face of supply side disruptions. The situation is not dissimilar to the one which Pakistan had experienced in 2014 when the oil price crash, reduced inflation to 2-3% and interest rates to historic lows of 5.75% that consequently kick started the business cycle which peaked in 2017.

Fixed Income Market Review

GoP raised cumulative PKR 11.4 trillion in T-Bill auctions during 9MFY20 vs. PKR 13.5 trillion in 9MFY19. Flows were supported by strong foreign participation through the Special Convertible Rupee Account (SCRA) in H1FY20, however SBP's appetite was lower than last year due to expected commencement of monetary easing from early-Q3FY20 where SBP remained averse to locking itself at high interest rates for an extended period (13.25% Policy Rate in H1FY20). Participation also began to lose steam once expectations of a rate cut solidified shifting more towards the longer tenor instruments (12M T-Bills and PIBs). Consequently, with limited bids accepted by the Central Bank ahead of expected interest rate cuts, yields began to come off after inverting sharply in H1FY20. T-Bill yields for 3M, 6M and 12M tenors dropped to 12.73%/12.51% and 12.0% for 3M/6M and 12M tenor from a high of 13.75%/13.94% and 14.25% in August 2019.

With interest rates seemingly peaked in 2019, participation in PIB auctions picked up significantly, with bids accepted by SBP rising to PKR 1.6 trillion in M9FY20 vs. PKR 441 billion in M9FY19. Strong participation was witnessed in PIBs vs. 2019, while SBP's appetite remained limited. This pushed cut-off yields downwards to 11.58%, 10.99% and 10.85% for 3YR, 5YR and 10YR tenors from 13.70%, 13.80% and 13.70% at the end of June 2019 respectively.

Significant event during the period:

a) Change in the rate of Management Fee of Lakson Income Fund:

Effective from January 1, 2020, the Management Company in line with the industry practice has reduced the rate of management fee charge to the LIF from 1.50% of the average annual net assets of the LIF to 1.00% of average annual net assets of the LIF.

The Management Company believes that the change in fee structure will encourage the existing and potential investors to invest in the fund and will make it more competitive.



b) COVID -19

A novel virus (2019-nCoV) was first reported in Wuhan, China on December 31, 2019. The virus causes respiratory illness like SARS but is less fatal. However, given the contagious nature of the virus, WHO declared COVID-19 as a pandemic on March 11, 2020, (the last pandemic was in 2009) when the global confirmed cases were almost 127,000. It has now spread to 205 countries around the world with more than 1.85 million confirmed cases.

With no vaccine and high R-naught (reproduction number) of the virus, Governments all around the world are responding in a similar manner as Wuhan, China where the communist party of China imposed a 2-months lockdown. Experts warn that the global economic fallout due to COVID-19 can be as high as USD 2,700 billion (3.2% of the GDP), with manufacturing and services taking a big hit as PMIs of major economies of the world are below 40. It is predicted that as much as 20% of the world economy is closed due to the lockout. IMF Managing Director Kristalina Georgieva now expects 2020 to be as bad as in 2009 when the global economy grew by 0.7% in 2009. Earlier in February 2020, the IMF projected global growth of 2.9% in 2020.

Almost no financial markets were immune to COVID-19. Developed, emerging and frontier equity markets destroyed wealth by ~30% since CYTD. While the flight to safety meant that Gold yielded a positive return of 5% and 10-year US Treasury yield dropped to 0.76% from 1.92%. In the commodity market, WTI slumped by 61% as nations in OPEC+ could not come to an agreement to cut production in the response to the decline in demand. In Pakistan, the benchmark KSE100 index fell by 32% in USD terms as massive foreign selling in both fixed and equity markets continued during March 2020 to date. SCRA (Special Convertible Rupee Accounts) has reported USD 1.7 billion net outflows in March 2020 after net inflows of USD over USD 3 billion from July-2019 till Feb-2020.

Central banks are responding aggressively to the crisis on the economy caused by COVID-19. The Fed, USA has already cut the policy rate by 1.5% to almost 0%. Furthermore, Fed has committed to buy USD 375 billion worth of government securities and USD 250 billion worth of Mortgage-backed securities in the first week alone. ECB announced EUR 870 billion (7.3% of EUR area GDP) worth of the Pandemic Emergency Purchase Program for the whole year with adjustments as and when needed. Furthermore, ECB will also conduct EUR 3 trillion worth of refinancing operations on the lowest rate of -0.75%. IMF also said that it will mobilize USD 1 trillion lending capacity with emphasis to aid emerging economies. On the fiscal side, Trump administration's USD 1 trillion proposed rescue plan to cater to individual Americans and small businesses. In Pakistan, SBP cut policy rate by 2.25% to 11% during March 2020. PTI lead government has announced USD 7.4 billion worth of Pandemic plans to respond to the COVID-19 economic crises.

Future Outlook

Any discernible progress in the ongoing COVID-19 contagion will likely stimulate the progress in the economy. Monetary easing cycle has commenced (slashing PR by 225bps in the month of March 2020), and the Government has announced a 1.2 trillion fiscal stimulus package, which should help to stabilize the economy to some extent, to say the least. 4QFY20 will be disturbing for the economy where we may witness negative GDP growth on a sequential basis.

Consequently, equity might remain volatile for the period, however we might see some further attraction in money market. Importantly, Yield curve is sharply inverted which we may see flattening in H2FY20.

Acknowledgment

The Board is thankful to its valued investors, the Securities and 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: April 09, 2020



لیکسن انکم فنڈ

31 مارچ 2020 کو ختم ہونے والی مدت کے لیے

میٹجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، لیکن انکم فنڈ ("LIF") کی میٹجمنٹ کمپنی، 31 مارچ 2020 کو ختم ہونے والی نو ماہ کی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گواہی پیش کرتے ہوئے خوش محسوس کرتا ہے۔

فنڈ کا مقصد

اس اسکیم کی انویسٹمنٹ کا مقصد فکسڈ انکم سکیورٹیز کے متنوع پورٹ فولیو میں انویسٹمنٹ کے ذریعے مسابقتی مجموعی منافع جات فراہم کرنا ہے۔ یہ اسکیم میٹجمنٹ کمپنی کی طرف سے انٹرسٹ ریٹ ٹریڈنگ اور مکمل منافع جات کے حوالے سے میٹجمنٹ کمپنی کی تشخیص کے لحاظ سے مختصر مدتی، وسط مدتی اور طویل مدتی میچورٹیز کے استراحت کے ساتھ مختلف فکسڈ انکم سکیورٹیز میں سرمایہ کاری کرے گی۔

فنڈ کا تعارف

LIF ایک اوپن اینڈ انکم فنڈ ہے جو انویسٹ گریڈ ڈیٹ سکیورٹیز، گورنمنٹ سکیورٹیز، سرٹیفکیٹس آف انویسٹمنٹس، Clean Placements، ٹرم ڈپازٹس، ریسیٹس اور دیگر فکسڈ انکم انسٹرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کا مجموعی دورانیہ 4 سال سے کم رکھا جاتا ہے اور خالص اثاثوں کا کم از کم 25% کیش یا زیادہ سے زیادہ 90 دن کی میچورٹی والے ٹریڈری بلز کی شکل میں رکھا جاتا ہے۔ LIF کا نظم و نسق ٹیم کے بل پر پیش قدمی کرنے والی، اوپر سے نیچے تک شعبوں کی توازن سے استعمال کے عمل کو استعمال کرنے والی، دورانیے اور پیداوار میں توازن پر یقین رکھنے والی میٹجمنٹ چلاتی ہے۔ انٹرسٹ ریٹ میں تبدیلیوں کی پیش گوئی کے لیے معاشی صورت حال کی مسلسل نگرانی کی جاتی ہے۔ LIF کی قدر و قیمت میں اصل اضافہ مختلف میچورٹیز اور مختلف انسٹرومنٹس کے درمیان انویسٹمنٹس کی منتقلی کے مواقع کی شناخت سے آتا ہے۔ LIF کو ریڈیہیشنز کی تکمیل کے لیے خالص اثاثوں کے 10 فی صد تک قرض لینے کی اجازت ہے، تاہم LIF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی کا جائزہ

LIF نے سالانہ شیئنگ مارک منافع 13.49% کے مقابلے میں مالی سال 2020 کے پہلے نو ماہ میں 14.44% سالانہ منافع پیش کیا۔ LIF کی کارکردگی 95 بنیادی پوائنٹس بہتر رہی۔ 31 دسمبر 2020 کے مطابق LIF پورٹ فولیو نے کیش میں 25.8%، اسکوک TFCs میں 23.2%، PIBs میں 22.3% TDRs میں 18.2% اور تجارتی ترسکات میں 6.3% سرمایہ کاری کی۔ جبکہ LIF پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی 1,104 دن ہے۔ 31 مارچ 2020 کے مطابق LIF کے فنڈ کا حجم 2,297 ملین روپے ہے۔

ٹی بیونٹ آمدنی (EPU)

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



معاشی جائزہ

جولائی 2019 میں کلیدی پالیسی ریٹ 750 بنیادی پوائنٹس (دسمبر 2017 سے) اضافے کے ساتھ 13.25 فیصد تک بڑھانے کے بعد، مارچ کے وسط میں ہونے والے مانیٹری پالیسی کٹتی ('MPC') کے اجلاسوں میں اسٹیٹ بینک آف پاکستان نے سوڈی شرحوں میں 225 بنیادی پوائنٹس کمی کر دی، جو مالیاتی سختی میں مداخلتوں اور کے خاتمے کا اشارہ ہے۔ اس کوئی کمی نہیں پر وہ اہم وجوہات درج ذیل ہیں:

- (i) افراط زر میں خاطر خواہ بہتری (خاص طور پر ایشیائی خورد و نوش کی قیمتوں میں کمی) اور عالمی اجناس کی قیمتوں (خاص طور پر تیل کی قیمتوں) میں کمی کی وجہ سے آئندہ افراط زر میں زیادہ کمی کی توقع،
- (ii) مالی سال 2020 کے پہلے 8 ماہ میں موجودہ اکاؤنٹ خسارے میں سال بہ سال بنیاد پر 71 فیصد کمی، اور
- (iii) شاید سب سے اہم بات یہ ہے کہ کوورونا وائرس (COVID-19) عالمی وبا جس سے گھریلو صارفین کی طلب اور پاکستان کی برآمدات کے لئے بیرونی طلب دونوں کم ہونے کا خطرہ ہے۔

اس شرح میں کوئی کمی سے پہلے، پاکستان کے سرکاری خزانے [ایٹیل کنورٹبل روپی اکاؤنٹ (SCRA account)] سے 1.5 ارب ڈالر کا اخراج ہوا۔ مالی سال 2020 کے پہلے 9 ماہ میں، ایس سی آے نے ٹی بیڑ میں 3.4 بلین امریکی ڈالر کی آمد کی حد عکس کی، جبکہ 1.7 بلین ڈالر کے اخراج کے نتیجے میں ایس سی آے کی خالص مجموعی حیثیت 1.7 ارب ڈالر رہی۔ اس کے نتیجے میں مارچ 2020 کے دوران پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں 7.5 فیصد کمی کی ہوئی، جس نے 166 روپے کی کھوکھولیا اور مالی سال 2020 کی دوسری سہ ماہی میں اوسط قدر 156-157 روپے رہی۔ اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر جون 2019 میں (آئی ایم ایف سے قبل پروگرام) 7.3 ارب ڈالر کی سطح سے بڑھ کر مارچ 2020 تک 11.2 ارب ڈالر ہو گئے ہیں۔

مالی سال 2020 کے پہلے 9 ماہ میں کے دوران، حقیقی شعبے میں معاشی ست روی کا سلسلہ جاری رہا، کارپوریٹ منافع میں نمایاں کمی آئی اور مالی سال 2020 کے پہلے 7 ماہ میں بڑی صنعتوں (LSM) کی پیداوار میں سال بہ سال بنیاد پر 3.64 فیصد کمی ہوئی۔ آٹوموبائل، خوراک، تعمیرات اور اسٹیل اور سینٹ سے وابستہ صنعتوں میں نمایاں گراؤ دیکھنے میں آئی۔ تاہم، اسی عرصے کے دوران الیکٹرانکس، انجینئرنگ کے سامان اور کھاد کے شعبوں میں سرگرمی میں اضافہ ہوا، جہاں ایس نی نے ابتدائی طور پر مالی سال 2020 کے لیے جی ڈی پی کی شرح نمو 3.5 فیصد کی تھی۔ تاہم، اس میں نظر ثانی کا امکان ہے کیونکہ جاری COVID-19 عالمی وبا کے دوران کاروبار کی بندش کا سلسلہ جاری ہے۔ COVID-19 کے نتیجے میں تجارت میں خلل پڑا ہے، خاص طور پر برآمدی شعبے اور چین کے علاوہ دیگر ممالک سے درآمدات کرنے والی کمپنیوں کے لئے۔ ملک بھر میں طویل لاک ڈاؤن بڑی صنعتوں (LSM) کی پیداوار میں مزید کمی کا باعث بنے گا اور ایشیائی ضرورت کی قیمتوں میں اضافہ ہوگا۔

ادا گئی کے توازن کے معاملے میں، کرنٹ اکاؤنٹ کا خسارہ (CAD) سال بہ سال بنیاد پر 71 فیصد کم ہو کر مالی سال 2020 کے پہلے 8 ماہ میں 2.8 بلین امریکی ڈالر ہو گیا۔ اس کی بنیادی وجہ درآمدات میں کمی (مالی سال 2020 کے پہلے 8 ماہ میں سال بہ سال بنیاد پر 17.5 فیصد کمی) تھی جبکہ برآمدات میں بھی سال بہ سال بنیاد پر 3 فیصد کا معمولی اضافہ ہوا۔ مارچ 2020 میں ویسٹ نیگاس انٹرمیڈیٹ (WTI) کی قیمت 20/bbl امریکی ڈالر کی سطح تک گرنے کے ساتھ، تیل کی عالمی قیمتوں میں کمی کی وجہ سے اس عرصے کے دوران توانائی کا درآمدی بل کم رہا۔ آگے بڑھتے ہوئے، اس کے نتیجے میں آئندہ کرنٹ اکاؤنٹ کے اعداد و شمار نمایاں کمی ہونی چاہیے، جسے جاری معاشی ست روی مزید دیکھیلیگی۔ تاہم، یہ ممکن ہے کہ ست عالمی طلب کے نتیجے میں اس کے اثرات زائل ہو جائیں اور اور مالی سال 2020 کی چوتھی سہ ماہی میں کم برآمدات کو اس سے بڑھاوا مل جائے۔

اگرچہ تیل کی کم قیمتیں ملکن طور پر مالی خسارے پر قابو پانے (گردشی قرضوں میں کمی کے ذریعے) میں معاون ثابت ہو سکتی ہیں اور لاگت کی وصولی کا موقع فراہم کر سکتی ہیں، حکومت کو لاک ڈاؤن کی موجودہ صورتحال کے سبب مارچ 2020 کے مہینے کے لئے بجلی کے بلوں کو عارضی طور پر معاف کرنا پڑا ہے۔ کچھ ضروری



صنعتوں کے علاوہ زیادہ تر صنعتیں بند رہیں جس نے لاک ڈاؤن کی صورتحال کے دوران روزانہ اجرت کمانے والوں کی آمدنی میں خلل ڈالا ہے۔ افراط زر کی شرحیں فروری 2020 میں 12.4 فیصد کے مقابلے میں مارچ 2020 میں 10.2 فیصد پر آ گئیں۔ اپ تک 2020 کے پہلے 8 ماہ میں قومی افراط زر کی اوسط شرح 11.53 فیصد ہے جو اسٹیٹ بینک کی طرف سے مالی سال 2020 کے لئے متعین کردہ کمپوزیم پرائس انڈیکس (CPI) کے ہدف 11-12 فیصد کے مطابق ہیں۔

آگے بڑھتے ہوئے، ہم توقع کرتے ہیں کہ تیل کی قیمتوں میں بڑے پیمانے پر کمی کرنٹ اکاؤنٹ خسارے اور مہنگائی میں بہتری لائے گی۔ اس سے اسٹیٹ بینک کو سپلائی میں درپیش خلل کے حوالے سے ریلیف فراہم کے لیے سود کی شرحوں کو مزید کم کرنے کا موقع ملے گا صورت حال اس سے کچھ زیادہ مختلف نہیں ہے جس کا تجربہ پاکستان نے 2014 میں کیا تھا جب تیل کی قیمتوں میں اچانک گراوٹ، افراط زر میں 2 سے 3 فیصد تک کی اور 5.75 فیصد کی تاریخی سطح تک کم سود کی شرحوں نے بالآخر اس کا رو باری سلسلے کا آغاز کیا تھا جو 2017 میں عروج پر پہنچ گیا تھا۔

گلدستہ انکم مارکیٹ کا جائزہ

حکومت نے ٹی بلیز کی نیلامیوں میں مالی سال 2019 کے پہلے 9 ماہ میں 13.5 ٹریلین روپے کے مقابلے میں 2020 کے پہلے 9 ماہ میں مجموعی طور پر 11.4 ٹریلین روپے جمع کیے۔ مالی سال 2020 کے پہلے نصف میں آئیش کنورٹبل روپی اکاؤنٹ (SCRA account) کے ذریعے اخراج کو مضبوط غیر ملکی مالیاتی شراکت سے زبردست سہارا ملا، تاہم مالی سال 2020 کی تیسری سہ ماہی کے آغاز سے مالیاتی زمی کے آغاز کی توقع کے نتیجے میں ایس بی پی کی طلب پچھلے سال کے مقابلے میں کم تھی جب ایس بی پی ایک طویل عرصے کے لیے سود کی بلند شرح پر خود کو جامد کرنے سے گریزاں رہا۔ توسیعی مدت (مالی سال 2020 کے پہلے نصف میں پالیسی ریٹ 13.25 فیصد)۔ جب ایک بار شرح سود میں کمی کی تو تقاضا مضطرب ہوئیں تو مالیاتی شراکت کا زور بھی ٹوٹنے لگا اور وہ بہت طویل میعاد والے ترسکات کی طرف زیادہ منتقل ہونے لگی (12 ماہ کی میعاد والے ٹی بلیز اور PIBs)۔ اس کے نتیجے میں شرح سود میں متوقع کمی ٹوٹی سے پہلے مرکزی بینک کی طرف محدود پیشکشیں قبول کی گئیں اور مالی سال 2020 کے پہلے نصف میں تیز رفتار عروج کے بعد منافع جات کم ہونے لگے۔ سہ ماہی، شش ماہی اور بارہ ماہی میعاد کے ٹی بلیز کے منافع جات اگست 2019 میں 13.75 فیصد، 13.94 فیصد اور 14.25 فیصد کی بلند سطحوں سے بالترتیب تین ماہ سچہ ماہ اور بارہ ماہ کی میعاد کے لیے بالترتیب 12.73 فیصد، 12.51 فیصد اور 12 فیصد تک گر گئے۔

2019 میں شرح سود کے بظاہر بلند ترین سطح چھو لینے کے ساتھ، پی آئی بی کی نیلامی میں مالیاتی شراکت میں نمایاں اضافہ ہوا، اسٹیٹ بینک آف پاکستان کی طرف سے مالیاتی سال 2019 کی پہلے نو ماہ میں 144 ارب روپے کے مقابلے میں مالیاتی سال 2020 کی پہلے نو ماہ میں 1.6 ٹریلین روپے کی پیشکشیں قبول کی گئیں۔ 2019 کے مقابلے میں PIBs میں زبردست مالیاتی شراکت دیکھنے میں آئی جب کہ اسٹیٹ بینک آف پاکستان کی طلب محدود رہی۔ جس نے تین سال، پانچ سال اور دس سال میعادوں کے حتمی منافع جات کو جون 2019 کے اختتام پر بالترتیب 13.70 فیصد، 13.80 فیصد اور 13.70 فیصد سے 11.58 فیصد، 10.99 فیصد اور 10.85 فیصد تک سچھ کی طرف دیکھ لیا۔

مدت کے دوران اہم واقعات

الف) لیکن انکم فنڈ کی انتظامی فیس کی شرح میں تبدیلی:
منجھت کمپنی نے صنعت کی پریکٹس کے مطابق یکم جنوری 2020، سے LIF کے لئے انتظامی فیس چارج کی شرح کو LIF کے اوسط سالانہ خالص اثاثوں کے 1.50 فیصد سے کم کر کے LIF کے اوسط سالانہ خالص اثاثوں کا 1.00 فیصد کر دیا ہے۔
منجھت کمپنی کا خیال ہے کہ فیس کے ڈھانچے میں تبدیلی موجودہ اور کم از کم سرمایہ کاری کی ترغیب دے گی اور اسے مزید مستحق بنائے گی۔



ب) کووڈ-19

نویول وائرس (2019-nCoV) سب سے پہلے 31 دسمبر، 2019 کو دوبان، چین میں رپورٹ ہوا۔ وائرس سارس جیسی سانس کی بیماری کا سبب بنتا ہے لیکن اس سے کم ہلک ہوتا ہے۔ تاہم، وائرس کی متعدد نوعیت کے پیش نظر، ڈبلیو ایچ او نے 11 مارچ 2020 کو کووڈ 19 کو عالمی وبا قرار دے دیا، (آخری عالمی وبا 2009 میں تھی) جب عالمی سطح پر تصدیق شدہ واقعات قریب 127,000 تھے۔ اب یہ دنیا بھر کے 205 ممالک میں پھیل چکا ہے جس میں 1.85 ملین سے زیادہ تصدیق شدہ کیس ہیں۔

وائرس کی کسی ویکسین کی غیر موجودگی اور بلند R-naught (تولیدی تعداد) کے ساتھ، پوری دنیا کی حکومتیں دوبان، چین ہی کی طرح جواب دے رہی ہیں جہاں چین کی کمیونٹی پورٹی نے 2 ماہ کالا ڈاؤن لگا دیا تھا۔ ماہرین نے خبردار کیا ہے کہ کووڈ-19 کی وجہ سے ہونے والا عالمی معاشی خسارہ 2,700 ملین امریکی ڈالر (جی ڈی پی کا 3.2 فیصد) تک ہو سکتا ہے اور صنعتوں اور خدمات کو زبردست نقصان پہنچے گا جیسا کہ دنیا کی بڑی معیشتوں کی PMIs چالیس سے کم ہیں۔ پیش گوئی کی گئی ہے کہ دنیا کی 20 فیصد معیشت لاک آؤٹ کی وجہ سے بند ہے۔ آئی ایم ایف کی فیٹنگ ڈائریکٹر کرسٹالینا جورجیوا اب توقع رکھتی ہیں کہ 2020 بھی جیسا خراب ہوگا جب عالمی معیشت میں 0.7 فیصد اضافہ ہوا تھا۔ اس سے قبل فروری 2020 میں، آئی ایم ایف نے 2020 میں 2.9 فیصد کی عالمی نمو کی پیش گوئی کی تھی۔

لگ بھگ کوئی مالیاتی منڈی کووڈ-19 سے محفوظ نہیں رہی۔ ڈیولپڈ، ایمریکنگ اور فریٹنگ ایجوٹی مارکیٹس موجودہ سال تا حال 30 فیصد تک سرمایے کی تباہی سے دوچار ہو چکی ہیں۔ سرمایہ کاروں کے تحفظ کی طرف فرار کا نتیجہ یہ رہا کہ سونے نے 5 فیصد کا مثبت منافع فراہم کیا ہے اور 10 سالہ امریکی ٹریژری کا منافع 1.92 فیصد سے 0.76 فیصد تک گر گیا۔ اجناس کی منڈی میں، ڈبلیو ٹی آئی میں 61 فیصد کمی واقع ہو گئی کیونکہ اوپیک + میں شامل ممالک طلب میں کمی کے جواب میں پیداوار میں کمی پر اتفاق نہ ہو سکا۔ پاکستان میں، شیج مارک کے ایس ای 100 انڈیکس میں امریکی ڈالر کے لحاظ سے 32 فیصد کمی واقع ہوئی ہے کیونکہ آج تک مارچ 2020 کے دوران تا حال ٹکسٹ اور ایجوٹی مارکیٹس دونوں میں بڑے پیمانے پر غیر ملکی فروخت جاری رہی۔ جولائی 2019 سے فروری 2020 تک 3 ارب امریکی ڈالر سے زائد کی خالص آمد کے بعد مارچ 2020 میں ایس ای آراے (ایپیکل کورٹ اسپنل روٹی اکانڈیشن) سے 1.7 ارب ڈالر کا خالص اخراج رپورٹ کیا گیا ہے۔

کووڈ-19 کے نتیجے میں پیدا ہونے والے معاشی بحران پر مرکزی بینکس جارحانہ رد عمل کا اظہار کر رہے ہیں۔ FED، امریکانے پہلے ہی پالیسی ریٹ 1.5 فیصد کم کر کے تقریباً صفر فیصد کر دیا ہے۔ مزید یہ کہ، FED نے پہلے ہی ہفتے میں 375 ارب امریکی ڈالر کی سرکاری سیکورٹیز اور 250 ارب ڈالر مالیت کی مورگن بیکنڈ سیکورٹیز خریدنے کا عہد کیا ہے۔ ای سی بی نے پورے سال کے لئے حسب ضرورت رد و بدل کی گنجائش کے ساتھ 870 ملین یورو یورو ایویا کے جی ڈی پی کا 7.3 فیصد) مالیت کے پیئڈ ایک ایمریکنسی پریجر پروگرام کا اعلان کیا ہے۔ مزید برآں، ای سی بی کی طرف سے 0.75- فیصد کی کم ترین شرح کے ساتھ 3 ٹریلین یورو کی ری فنانسنگ کی کارروائی بھی عمل میں لائی جائے گی۔ آئی ایم ایف نے یہ بھی کہا کہ وائرس کی ہوائی معیشتوں کی امداد پر زور دینے کے ساتھ ایک ٹریلین ڈالر کی قرض دینے کی صلاحیت کو متحرک کرے گا۔

مالیاتی رخ پر، ڈرپ انتظامیہ کی طرف سے امریکی شہریوں اور چھوٹے کاروباروں کے لیے ایک ٹریلین امریکی ڈالر کا ریٹیکو پلان تجویز کیا گیا ہے۔ پاکستان میں، اسٹیٹ بینک نے مارچ 2020 کے دوران پالیسی ریٹ میں 2.25 فیصد کٹوتی کر کے اسے 11 فیصد تک کم کر دیا۔ پی ٹی آئی کی زیر قیادت حکومت نے کووڈ-19 کے اقتصادی بحرانوں سے نمٹنے کے لئے 7.4 ارب ڈالر مالیت کے عالمی وبا سے متعلق منصوبوں کا اعلان کیا ہے۔



مستقبل کی توقعات

کووڈ-19 سے جاری جنگ میں کسی بھی قابل ذکر پیشرفت سے معاشی ترقی کو تخریب لےنے کا امکان بڑھ جائے گا۔ مالیاتی نرمی کا سلسلہ شروع ہو چکا ہے (مارچ 2020 کے مہینے میں پالیسی ریٹ میں 225 بنیادی پوائنٹس کی کمی)، اور حکومت نے 1.2 ٹریلین ڈالر کے مالیاتی محرک پیکیج کا اعلان کیا ہے، جس سے کم از کم معیشت کو استحکام حاصل کرنے میں کسی حد تک مدد ملتی چاہئے۔ مالی سال 2020 کی چوتھی سہ ماہی معیشت کے لئے پریشان کن ہوگی جہاں ہم مرحلہ وار بنیادوں پر جی ڈی پی کی منفی نمو دیکھ سکتے ہیں۔

نتیجتاً اس مدت کے لیے ایکویٹی اتار چڑھاؤ کا شکار رہ سکتی ہے۔ تاہم ہم مٹی مارکیٹ میں کچھ مزید کشش دیکھ سکتے ہیں۔ اہم بات یہ ہے کہ، Yield curve میں تیزی سے الٹ ہوا ہے جسے ہم مالی سال 2020 کے دوسرے نصف میں سپاٹ ہوتا دیکھ سکتے ہیں۔

اظہار تشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ڈسٹری بیوٹرز، اینڈ ہاؤسنگ ڈیولپمنٹ آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کا، ان کے مسلسل تعاون اور مدد پر شکر گزار ہے۔ مینجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مندانہ انتظام و انصرام کے لیے مینجمنٹ کمپنی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و مضامین بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 09 اپریل 2020

**Condensed Interim Statement of Assets and Liabilities
As at March 31, 2020**

ASSETS	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
		(Rupees)	
Bank balances	5	588,222,338	1,319,573,643
Investments	6	1,662,626,048	922,901,205
Receivable from Margin Trading System	7	90,819	-
Mark-up receivable		70,223,619	32,594,236
Deposits and prepayments and Other receivables		17,679,617	15,619,200
		<u>2,338,842,441</u>	<u>2,290,688,284</u>
LIABILITIES			
Payable to the Management Company	8	20,727,531	21,806,364
Payable to the Trustee	9	304,713	257,267
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	352,403	2,425,288
Payable against redemption of units			
Accrued expenses and other liabilities	11	20,329,016	15,119,214
TOTAL LIABILITIES		41,713,663	39,608,133
NET ASSETS		<u>2,297,128,778</u>	<u>2,251,080,151</u>
UNIT HOLDERS' FUND (as per statement of movement in Unit Holders' Fund)		<u>2,297,128,778</u>	<u>2,251,080,151</u>
CONTINGENCIES AND COMMITMENTS	12		
		(Number of units)	
Number of units in issue		<u>20,508,423</u>	<u>22,284,408</u>
		(Rupees)	
Net assets value per unit		<u>112.0090</u>	<u>101.0159</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Income Statement (Unaudited)
For the nine months and quarter ended March 31, 2020

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2020	2019	2020	2019
----- (Rupees) -----					
Income					
Mark-up income		247,256,239	235,286,895	76,516,125	79,707,347
Income from Margin Trading System		936,292	9,970,936	936,292	1,829,593
Capital (loss) / gain on sale of investments - net		14,443,540	(1,244,462)	45,994	(562,040)
Unrealised (diminution) / appreciation in the fair value of classified as 'held for trading' - net		13,200,951	(7,999,791)	12,606,569	(770,568)
Other Income		840,341		840,341	
		276,677,363	236,013,578	90,945,321	80,204,332
Expenses					
Remuneration to the Management Company	8.1	23,641,243	38,796,577	5,578,051	10,939,914
Sales tax on remuneration to the Management Company	8.2	3,073,362	5,043,555	725,147	1,422,189
Remuneration to the Trustee	9	1,493,310	3,205,307	472,740	937,355
Annual fee to the Securities and Exchange Commission of Pakistan	10	352,404	1,939,829	111,561	546,995
Annual SECP Supervisory fee on PSX Listing Fee		1,878	1,877	622	617
Auditors' remuneration		185,498	211,039	35,308	44,297
Fees and subscription		638,965	862,426	(49,925)	155,178
Printing charges			23,730		5,085
Brokerage, custody, settlement and bank charges		656,208	1,604,213	329,947	308,565
		30,042,868	51,688,553	7,203,451	14,360,195
Net income from operating activities		246,634,495	184,325,025	83,741,870	65,844,137
Sindh Workers' Welfare Fund	11.1	(4,932,690)	(3,686,501)	(1,674,837)	(1,316,883)
Net income for the period before taxation		241,701,805	180,638,525	82,067,032	64,527,255
Taxation	13	-	-	-	-
Net income for the period after taxation		241,701,805	180,638,525	82,067,032	64,527,255
Allocation of net income for the period					
Net income for the period after taxation		241,701,805	180,638,525	82,067,032	64,527,255
Less: Income already paid on units redeemed		(26,985,313)	(35,195,442)	(18,241,782)	(10,655,347)
		214,716,492	145,443,083	63,825,250	53,871,908
Accounting income available for distribution					
Relating to capital gains		24,806,066	-	9,814,138	-
Excluding capital gains		189,910,425	145,443,083	54,011,111	53,871,908
Accounting income available for distribution		214,716,492	145,443,083	63,825,250	53,871,908

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director



**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the nine months and quarter ended March 31, 2020**

	Nine months ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
	------(Rupees)-----			
Net income for the period after taxation	241,701,805	180,638,525	82,067,032	64,527,255
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>241,701,805</u>	<u>173,043,659</u>	<u>82,067,032</u>	<u>65,731,842</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**Condensed Interim Statement of Movement In Reserve Or Unit Holders' Fund (Unaudited)
For the nine months period ended March 31, 2020**

	Nine Months ended 31 March 2020		Nine Months ended 31 March 2019		Total
	Capital value	Unrealised (losses)/gains on investment	Capital value	Unrealised (losses)/gains on investment	
Net assets at beginning of the period (audited)	2,217,147,832	33,932,319	2,251,080,151	182,180,526	4,693,249,145
Issuance of 7,085,792 units (2019: 3,874,012 units)	715,771,770	-	715,771,770	-	462,708,876
Element of (loss) / income	32,978,981	-	63,756,685	-	(65,796,085)
	748,790,751	-	398,952,191	-	398,952,191
Redemption of 8,861,776 units (2019: 21,921,129 units)	(895,180,302)	-	(895,180,302)	-	(2,212,703,454)
Element of loss	(22,238,313)	(26,985,313)	(49,223,626)	(35,195,442)	(40,739,357)
	(944,109,828)	(26,985,313)	(944,403,928)	(35,195,442)	(2,252,442,811)
Total comprehensive income for the period	-	241,701,805	-	180,638,525	-
Distribution during the period	-	-	-	-	-
Nil (2018: Rs. 5,0027 per unit declared on July 03, 2018)	-	-	-	-	-
Net income for the period less distribution	-	241,701,805	-	180,638,525	-
Net assets at end of the period (Un-audited)	2,021,788,755	248,648,811	2,297,128,778	177,672,066	2,797,776,654
Undistributed income brought forward	-	48,989,915	-	194,319,292	-
Realised gain	-	(15,057,596)	-	(12,138,766)	-
Unrealised (loss) / gain	-	33,932,319	-	182,180,526	-
Accounting income available for distribution	-	-	-	-	-
Relating to capital gains	-	24,806,066	-	145,443,083	-
Excluding capital gains	-	189,910,425	-	145,443,083	-
Distribution during the period	-	-	-	-	-
Nil (2018: Rs. 5,0027 per unit declared on July 03, 2018)	-	-	-	-	-
Undistributed income carried forward	-	248,648,811	-	177,672,066	-
Realised income	-	235,447,860	-	185,671,857	-
Unrealised (loss)	-	13,200,951	-	(7,999,791)	-
	-	248,648,811	-	177,672,066	-
Net assets value per unit at beginning of the period					
Net assets value per unit at end of the period					

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**Condensed Interim Cash Flow Statement (Unaudited)
For the nine months ended March 31, 2020**

	Nine months ended March 31,	
	2020	2019
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	241,701,805	180,638,525
Adjustments for non-cash charges and other items:		
Unrealised diminution / (appreciation) in the fair value of investments classified as 'held for trading' - net	(13,200,951)	7,999,791
	228,500,854	188,638,316
(Increase) in assets		
Investments - net	(726,523,892)	116,582,643
Receivable against Margin Trading System	(90,819)	43,355,099
Mark-up receivable	(37,629,384)	11,674,834
Deposits and prepayments and Other receivables	(2,060,417)	20,846,824
	(766,304,512)	192,459,400
(Decrease) / Increase in liabilities		
Payable to the Management Company	(1,078,833)	(2,215,693)
Payable to the Trustee	47,446	(122,925)
Annual fee payable to Securities and Exchange Commission of Pakistan	(2,072,885)	(1,511,106)
Payable against redemption of units	-	107,772,155
Accrued expenses and other liabilities	5,209,802	3,560,600
	2,105,530	107,483,031
Net cash (used in) from operating activities	(535,698,128)	488,580,747
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issue of units	748,750,751	398,952,191
Cash paid on redemption of units	(944,403,928)	(2,253,442,811)
Cash dividend paid	-	(221,620,396)
Net cash generated from financing activities	(195,653,177)	(2,076,111,016)
Net (decrease) / Increase in cash and cash equivalent during the period	(731,351,305)	(1,587,530,269)
Cash and cash equivalent at the beginning of the period	1,319,573,643	3,336,896,309
Cash and cash equivalent at the end of the period	588,222,338	1,749,366,040

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**Notes to and forming part of the Condensed Interim
Financial Information (Unaudited)
For the nine months and quarter ended March 31, 2020**

1. LEGAL STATUS AND NATURE OF BUSINESS

The Lakson Income Fund (the "Fund") was established under the Trust Deed executed on 18 August 2009 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on 18 September 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.

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.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained A+(f) (Fund Stability Rating) to the Fund on April 20, 2020 and has also maintained asset manager rating of the Company to AM2+ (stable outlook), on August 29, 2019 (2019: AM2+ as on February 27, 2019).

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 'Interim Financial Reporting issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A 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).

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, and the NBFC Regulations have been followed.



These condensed interim financial information are being submitted to the unit holders as required under Regulation 38(2)(f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited. However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause 5.19.13 of the Pakistan Stock Exchange Limited (PSX) Rule Book.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2019.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for investments that are stated at fair values.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees, which is the functional and presentation currency of the Fund.

2.4 SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to financial statements as at and for the year ended June 30, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2019.

4. FINANCIAL RISK MANAGEMENT

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, 2019.

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
	Note	(Rupees)	
5. BANK BALANCES			
In local currency			
In profit and loss sharing accounts	5.1	588,214,864	1,319,566,169
In current accounts		7,474	7,474
		<u>588,222,338</u>	<u>1,319,573,643</u>

5.1 These accounts carry profit rates ranging between 9.00% to 13.75% (June 30, 2019: 10.25% to 13.25%) per annum.



6. INVESTMENTS - financial assets at fair value through profit or loss - held for trading

	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
(Rupees)			
Government securities			
Market Treasury Bills	6.1	55,766,010	47,603,709
Pakistan Investment Bonds - Fixed Rate	6.2	149,112,350	198,904,134
Pakistan Investment Bonds - Floating Rate	6.3	332,277,500	122,712,500
Term Finance Certificate - Listed	6.4	138,948,362	238,302,895
Term Finance Certificate - Unlisted	6.5	260,020,485	134,988,291
Sukuk Certificates - Listed	6.6	148,620,965	180,389,676
		<u>1,084,745,672</u>	<u>922,901,205</u>
Loans and receivable			
Commercial Papers	6.7	147,880,376	-
Term Deposit Receipts	6.8	430,000,000	-
		<u>577,880,376</u>	<u>-</u>
		<u>1,662,626,048</u>	<u>922,901,205</u>

6.1 Market Treasury Bills

Note	Number of treasury bills				Balance as at March 31, 2020			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	Market value	Unrealized appreciation		
					Rupees				
Treasury Bills - 03 months (face value of Rs. 100,000 each)	-	250	250	-	-	-	-	-	-
Treasury Bills - 06 months (face value of Rs. 100,000 each)	6.1.1	500	150	500	14,957,516	14,964,060	6,544	0.65%	0.90%
Treasury Bills - 12 months (face value of Rs. 100,000 each)	6.1.2	-	9,500	9,050	450,743,287	40,801,950	58,939	1.78%	2.45%
Total as at 31 March 2020					<u>55,700,803</u>	<u>55,766,010</u>	<u>65,483</u>	<u>2.43%</u>	<u>3.35%</u>
Total as at June 30, 2019					<u>47,660,942</u>	<u>47,603,709</u>	<u>(57,233)</u>	<u>2.11%</u>	<u>5.16%</u>

6.1.1 This represents investments in 06 months Government Market Treasury Bills carrying effective yield at rate of 13.08% (June 2019: 12.69%) per annum and having maturity on April 09, 2020. The face value of Market Treasury Bills are 15 million (June 2019: 50 million)

6.1.2 This represents investments in 12 months Government Market Treasury Bills carrying effective yield at rate of 10.67% (June 2019: Nil) per annum and having maturity on March 25, 2021. The face value of Market Treasury Bills are 45 million (June 2019: Nil)

6.2 Pakistan Investment Bonds - Floating Rate

Note	Number of treasury bills				Balance as at March 31, 2020			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	Market value	Unrealized diminution			
					Rupees					Percentage (%)
3 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.2.1	960	3,446	3,406	1,000	97,547,122	98,597,000	1,049,878	4.29%	5.93%
5 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.2.2	950	500	950	500	49,554,622	50,515,350	960,728	2.20%	3.04%
10 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.2.3	474	-	474	-	-	-	-	0.00%	0.00%
Total as at 31 March 2020						<u>147,101,744</u>	<u>149,112,350</u>	<u>2,010,606</u>	<u>6.49%</u>	<u>8.97%</u>
Total as at June 30, 2019						<u>208,677,584</u>	<u>198,904,134</u>	<u>(9,773,450)</u>	<u>8.84%</u>	<u>21.55%</u>



6.2.1 This represent the Pakistan Investment Bond (PIB) with fixed rate coupon carry a rate of 9.00% (30 June 2019: 7.25%) per annum and having maturity on Sep 19, 2022. The coupon will be paid semi-annually. The face value of PIB - Fixed rate is Rs. 100 million (30 June 2019: 96 million).

6.2.2 This represent the Pakistan Investment Bond (PIB) with fixed rate coupon carry a rate of 9.5% (30 June 2019: 8.00%) per annum and having maturity on Sep 19, 2024. The coupon will be paid semi-annually. The face value of PIB - Fixed rate is Rs. 50 million (30 June 2019: 95 million).

6.2 Pakistan Investment Bonds - Floating Rate

Note	Number of treasury bills				Balance as at March 31, 2020			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	Market value	Unrealized diminution			
					Rupees			Percentage (%)		
5 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.3.1	1,250	-	-	1,250	122,712,500	126,737,500	4,025,000	5.52%	7.62%
10 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.3.2	-	2,000	-	2,000	204,006,735	205,540,000	1,533,012	8.95%	12.36%
Total as at 31 March 2020						326,719,235	332,277,500	5,558,012	14.46%	19.99%
Total as at 30 June 2019						124,475,000	122,712,500	(1,762,500)	5.45%	13.30%

6.3.1 This represent the Pakistan Investment Bond (PIB) with floating rate coupon carry a rate of 13.78% (June 30, 2019: 13.20%) per annum and having maturity on May 31, 2028. The coupon will be paid and reset semi-annually. The face value of PIB - Floating rate is Rs. 125 million (June 30, 2019: 125 million)

6.3.2 This represent the Pakistan Investment Bond (PIB) with floating rate coupon carry a rate of 13.96% (June 30, 2019: Nil) per annum and having maturity on July 25, 2029. The coupon will be paid and reset semi-annually. The face value of PIB - Floating rate is Rs. 200 million (June 30, 2019: Nil)

6.4 Term Finance Certificates - listed

Note	Number of term finance certificates				Balance as at March 31, 2020			Market value as percentage of net assets of the fund	Market value as percentage of total investment	Face value as percentage of size of the issue	
	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	Market value	Unrealized (diminution)/ appreciation				
					(Rupees)			Percentage (%)			
Commercial Banks											
Bank Alfalah Limited - (V) (face value of Rs. 5,000 each)	6.4.1	12,950	-	-	12,950	64,568,700	64,330,442	(238,258)	2.80%	3.87%	1.30%
HBL Tier-II TFCs 10 years (face value of Rs. 100,000 each)	6.4.2	750	-	-	750	73,698,295	74,617,920	919,625	3.25%	4.49%	0.75%
Total as at 31 March 2020						138,266,995	138,948,362	681,367	6.05%	8.36%	2.05%
Total as at 30 June 2019						238,911,404	238,302,895	(608,509)	10.59%	25.82%	2.07%

6.4.1 These represents listed term finance certificates and carry rate of mark-up equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 1.25% receivable semi-annually in arrears with no floor or cap and will mature in February 2021. The principal repayment for all the units shall be Rs. 12,950 per six months, except in case of the last six monthly installment, where it shall be Rs. 64.556 million. These term finance certificates are unsecured. The rating of the instrument is AA-

6.4.2 These represent listed term finance certificates and carry a rate of mark-up equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 0.50%. These term finance certificates are unsecured and the rating of the instrument is AA+.



6.5 Term Finance Certificates - Un-listed

Note	-----Number of term finance certificates-----				Balance as at March 31, 2020			Market value as percentage of net assets of the fund	Market value as percentage of total investment	Face value as percentage of size of the issue
	Number of holdings at beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at end of the period	Carrying value	Market value	Unrealized diminution			
Commercial Bank										
Silk Bank Limited PPTFC - 08 years (face value of Rs. 5,000 each) 6.5.1	16,000	-	-	16,000	69,544,166	73,342,110	3,797,944	3.19%	4.41%	4.00%
BAHL Tier-II TFCs 10 years (face value of Rs. 5,000 each) 6.5.2	20,000	8,000	-	28,000	139,944,000	139,944,000	-	6.09%	8.42%	0.00%
Investment Company										
Jahangir Siddiqui Company Limited PPTFC (face value of Rs. 5,000 each) 6.5.3	15,000	-	-	15,000	46,678,125	46,734,375	56,250	2.03%	2.81%	5.00%
Total as at 31 March 2020					256,166,291	260,020,485	3,854,194	11.33%	15.64%	9.00%
Total as at 30 June 2019					137,257,493	134,988,291	(2,269,202)	6.00%	14.63%	9.00%

6.5.1 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 shall be payable semi-annually in arrears on the outstanding balance and the first such profit payment shall fall due 6 months from the issue date and subsequently every six months thereafter. Profit rate shall be the average six months KIBOR + 1.85% per annum. The instrument will be 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 rating of the instrument is BBB+.

6.5.2 This represent unlisted term finance certificates and carry rate of mark-up equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum (plus margin of 1.40%) receivable semi-annually in arrears with no floor or cap and will mature in July 2022. The principal shall be redeemed in 8 equal semi annually installments. These term finance certificates are secured. The rating of the instrument is AA+.

6.5.3 This represent unlisted term finance certificates and carry rate of mark-up equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum (plus margin of 1.40%) receivable semi-annually in arrears with no floor or cap and will mature in July 2022. The principal shall be redeemed in 8 equal semi annually installments. These term finance certificates are secured. The rating of the instrument is AA.

6.6 Sukuk Certificates

Note	-----Number of term finance certificates-----				Balance as at March 31, 2020			Market value as percentage of net assets of the fund	Market value as percentage of total investment	Face value as percentage of size of the issue
	Number of holdings at beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at end of the period	Carrying value	Market value	Unrealized diminution			
Investment Company										
Dawood Hercules Corporation Limited (face value of Rs. 100,000 each) 6.6.1	420	-	-	420	33,475,676	33,843,331	367,655	1.47%	2.04%	0.70%
Dawood Hercules Corporation Limited - 05 Years (Face value of 100,000 each) 6.6.2	1,430	-	-	1,430	114,114,000	114,777,634	663,634	5.00%	6.90%	2.38%
Total as at 31 March 2020					147,589,676	148,620,965	1,031,289	6.47%	8.94%	3.08%
Total as at 30 June 2019					180,976,378	180,389,676	(586,702)	8.01%	19.55%	3.08%

6.6.1 This represent sukuk certificates having face value 100,000 issued by Dawood Hercules Corporation Limited having issue size of Rs. 6,000 million and tenor shall be 05 years which is from November 2017 to November 2022. The profit rate shall be paid on quarterly basis and carry rate of profit equal to the base rate of 3 months of Karachi Inter Bank Offer Rate (KIBOR) plus margin of 1.00% per annum. Principal amount shall be redeemed in 08 equal semi-annual installments starting from 18th month from the issue date. The rating of the instrument is AA.



6.6.2 This represent sukuk certificates having face value of Rs. 100,000 each issued by Dawood Hercules Corporation Limited having issue size of Rs. 6,000 million and tenor of 05 years which is from February 2018 to February 2023. The profit rate shall be paid on quarterly basis and carry rate of profit equal to the base rate of 3 months of Karachi Inter Bank Offer Rate (KIBOR) plus margin of 1.00% per annum. Principal amount shall be redeemed in 08 equal semi-annual installments starting from 18th month from the issue date. The rating of the instrument is AA.

6.7 Commercial Paper

Note	----- (Number of Commercial Papers) -----				Balance as at March 31, 2020			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	Market value	Unrealized appreciation		
	----- Rupees -----								
K-Electric CP-3 (6 Months)	500,000	-	500,000	-	-	-	-	0.00%	0.00%
K-Electric CP-1 (6 Months)	6.7.1	1,160,000	-	1,160,000	110,146,176	110,146,176	-	4.79%	6.62%
K-Electric CP-7 (6 Months)	6.7.2	400,000	-	400,000	37,734,200	37,734,200	-	1.64%	2.27%
Total as at 31 March 2020					147,880,376	147,880,376	-	6.44%	8.89%
Total as at 30 June 2019					-	-	-	-	-

6.7.1 This represents investment in commercial paper of k-Electric (6 months) having coupon rate 14.64% and will be matured after 6 months i.e 14 Aug 2020. The paper is unsecured.

6.7.2 This represents investment in commercial paper of k-Electric (6 months) having coupon rate 13.64% and will be matured after 6 months i.e 10 Sep 2020. The paper is unsecured.

6.8 These carries mark up at the rate ranging from 14.25% to 15.00% (June 30, 2019: nil) per annum. These will mature on Oct 21, 2020 to Oct 27, 2021.

7. Receivable Against Margin Trading System

This represented the amount receivable against margin trading system and carried average rate of 10.09% (2019: Nil) and are matured at the option of financier / financee subject to maximum period of 60 days.

	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
8 PAYABLE TO THE MANAGEMENT COMPANY		(Rupees)

Remuneration payable to the Management Company	8.1	1,931,128	2,885,847
Sindh Sales Tax on Management remuneration	8.2	2,619,328	2,743,442
Federal Excise Duty on Management remuneration	8.3	16,177,075	16,177,075
		<u>20,727,531</u>	<u>21,806,364</u>

8.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding 1.5% per annum of the average daily net assets of the Fund. Currently, the remuneration of the Management Company has been charged at the rate of 1.00% of the average daily net assets of the Fund. The remuneration is paid to the Management Company monthly in arrears.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on Management Company's remuneration. Above liability includes Rs. 2,368,285 (June 30, 2019: Rs. 2,368,285) accrued on Federal Excise Duty (FED) charged on the management remuneration as more fully explained in note 7.3 below. Had the provision relating to FED not been made, net asset value per unit of the Fund as at March 31, 2020 would have been higher by Re. 0.1155 (June 30, 2019: Re. 0.1063) per unit.



8.3 There is no change in the status of the appeal pending in the Supreme Court of Pakistan against of the decision of High Court of Sindh as more fully disclosed in the annual financial statements for the year ended June 30, 2019 regarding the FED on management's remuneration. The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from June 13, 2013 to June 30, 2016 aggregating to Rs.16.177 million. Had the provision not been made, Net asset Value per unit of the Fund as at March 31, 2020 would have been higher by Re. 0.79 (June 30, 2019: Re. 0.73) per unit.

9. 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. Effective from 01 July 2019 the Trustee has revised the trustee fee which is 0.075% per annum of the net assets Upto 30 June 2019 the Trustee was entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the following rates:

Net assets up to 1 billion	0.17% per annum of the daily average net assets of the Fund,
Net assets ranging between Rs. 1 billion to Rs. 5 billion	Rs. 1.70 million plus 0.085% per annum of the daily average net assets of the Fund exceeding Rs 1 billion.
Net assets exceeding 5 billion	Rs. 5.1 million plus 0.07% per annum of the daily average net assets of the Fund exceeding Rs 5 billion.

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

10. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the NBFC Regulations. Effective from 01 July 2019 the SECP has revised the Annual SECP fee. Currently the Company is required to pay SECP an amount at the rate of 0.02% per annum of the average daily net assets of the fund.

Upto 30 June 2019 the SECP was entitled for annual fee payable in accordance with the regulation 62 of the NBFC Regulation 2008, at the rate of 0.075% per annum of the average daily net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	March 31,	June 30,
		2020 (Unaudited)	2019 (Audited)
		(Rupees)	
Auditors' remuneration		174,611	140,313
Sindh Workers' Welfare Fund	11.1	19,040,307	14,107,617
Brokerage payable		108,656	39,221
NCCPL payable		78,076	21,308
Printing and Stationary payable		20,550	20,550
Withholding tax payable		670,834	780,548
Other liabilities		235,982	9,657
		<u>20,329,016</u>	<u>15,119,214</u>



11.1 Payable to Sindh Workers' Welfare Fund

Provision for Sindh Workers' Welfare Fund is being made on a daily basis pursuant to MUFAP's recommendation to all its members on 12 January 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to certain mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. This is on the premise that mutual funds are included in the definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 hence WWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF, but as a matter of abundant caution management has recorded SWWF with effect from the date of the applicability of the SWWF Act, 2014 (i.e. with effect from 01 July 2014).

Total provision for SWWF till 31 Mar 2020 is Rs. 19.040 million (June 30, 2019 :Rs.14.108 million). Had the provision unit of the Fund as at 31 March 2020 would have been higher by Re. 0.7907 (30 June 2019: Re. 0.6331) per unit.

This has been fully explained in 30 June 2019 financial statements.

12 CONTINGENCIES AND COMMITMENTS

12.1 There are no contingencies outstanding as at March 31, 2020 and June 30, 2019

13 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. The management intends to distribute at least 90% of the income earned during the year by the Fund to the unit holders.

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, being the Custodian, 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 March 31, 2020.

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:



	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
	(Rupees)	
14.1 Balance as at period / year end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable	<u>1,931,128</u>	<u>2,885,847</u>
Sindh Sales Tax and FED on Management remuneration	<u>18,796,403</u>	<u>18,920,517</u>
Sales load payable	<u>2,651</u>	<u>-</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	<u>304,713</u>	<u>257,267</u>
Security deposit	<u>100,000</u>	<u>100,000</u>

14.2 Unit Holders' Fund

Unaudited									
Nine months ended March 31, 2020									
Rupees									
Number of Units					Rupees				
Number of Units as at July 01, 2019	Units issued during the period	Refund / Adjustment of Units as element of income	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2019	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
905,336	-	-	-	905,336	91,453,292	-	-	-	101,405,737
7,677,422	1,847,763	-	1,886,162	7,639,023	775,541,693	188,609,681	-	197,585,769	855,639,286
Lakson Investments Limited - Management Company									
Directors, Chief Executive and their spouse and minors									
Other key management personnel									
Associated companies									
860,228	15,386	-	875,614	-	86,896,734	1,606,295	-	94,785,312	-
739,077	9,962	-	749,039	-	74,658,512	1,040,042	-	81,764,506	-
22,692	-	-	22,692	2,292,231	2,292,231	-	-	-	2,541,684
3,770,174	-	-	3,770,174	3,770,174	380,847,511	-	-	-	422,293,410
384,768	4,536	-	348,231	41,072	38,867,663	500,468	-	35,500,000	4,600,473
992,415	-	-	992,415	-	100,249,708	-	-	107,429,111	-
536	-	-	-	536	54,194	-	-	-	60,091
4,617	-	-	-	4,617	466,423	-	-	-	517,182
Connected person due to holding more than 10% units									
3,819,644	-	-	-	3,819,644	385,844,776	-	-	-	427,834,505
2,539,888	-	-	-	2,539,888	256,569,072	-	-	-	284,490,315

Unaudited										
Nine months ended March 31, 2019										
Number of Units						Rupees				
Number of Units as at July 01, 2018	Units issued during the period	Refund / Adjustment of Units as element of income	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2018	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)	
1,089,737	135	53,848	301,932	841,788	115,448,674	13,637	-	32,000,000	94,287,855	
5,330,393	225,830	6,091	-	5,562,314	564,712,495	28,700,506	-	-	623,029,229	
1,059,782	44,646	-	291,377	813,051	112,275,427	4,506,506	-	30,000,000	91,069,033	
637,714	266,530	4	543,365	360,883	67,560,654	27,711,431	-	57,300,000	40,422,100	
20,460	862	-	-	21,322	2,167,535	86,999	-	-	2,388,215	
9,442,006	2,440	4,650,089	6,367,012	3,542,523	1,000,304,957	246,281	-	650,000,000	396,794,435	
532,009	241	26,084	334,081	224,253	56,362,112	24,315	-	35,000,000	25,118,329	
3,002,299	126,478	-	2,196,529	931,848	318,069,599	12,766,662	-	223,000,000	104,375,363	
837,838	20,100	17,878	875,312	505	88,762,309	2,028,838	-	89,900,000	56,531	
4,091	1	202	-	4,294	433,400	60	-	-	480,912	
5,117,282	125,506	105,965	5,348,753	-	542,135,090	12,668,523	-	548,463,696	-	
-	-	-	-	3,743,327	-	-	-	-	419,286,362	
-	-	-	-	3,589,005	-	-	-	-	402,000,900	

Lakson Investments Limited - Management Company
Directors, Chief Executive and their spouse and minors

Associated companies / undertakings of the Management Company

SIZA (Private) Limited
Premier Fashions (Private) Limited
Alan (Private) Limited
Colgate Palmolive (Pakistan) Limited
Hasanali & Gulbano Lakhani Foundation
SIZA Services (Private) Limited
Sybrid (Private) Limited
Lakson Business Solution Limited-ECPF
*Gul Ahmed Energy Limited (10% or more holding)
*Atlas Honda Limited (10% or more holding)
*English Biscuit Manufacturers Private Limited (10% or more holding)

*Holding increased above 10% due to investment of Unit holder / divestment from other Unit holders.



14.3 Other transactions during the period

	Nine months ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
----- (Unaudited) ----- ----- (Rupees) -----				
Lakson Investments Limited - Management Company of the Fund				
Remuneration to the Management Company	23,641,243	38,796,577	5,578,051	10,939,914
Sindh sales tax on remuneration of Management Company	3,073,362	5,043,555	725,147	1,422,189
	<u>26,714,605</u>	<u>43,840,132</u>	<u>6,303,198</u>	<u>12,362,103</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund				
Remuneration for the period	1,493,310	3,205,307	472,740	937,355
Settlement Charges	206,282	314,814	34,925	304,947

15 TOTAL EXPENSE RATIO (TER)

In the current period, Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended 31 March 2020 is 1.99% which includes 0.49% representing government levy, Workers Welfare Fund and SECP fee.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

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

Financial assets which are traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short-term in nature or periodically repriced.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- 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 and financial liabilities, including their levels in the fair value hierarchy.

March 31, 2020 (Un-Audited)							
Carrying amount			Fair Value				
Fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees) -----							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments	1,662,626,048	-	1,662,626,048	-	1,084,745,672	577,880,376	1,662,626,048
Financial assets not measured at fair value							
Bank balances	-	588,222,338	588,222,338	-	-	-	-
Receivable from Margin Trading System	-	90,819	90,819	-	-	-	-
Mark-up receivable	-	70,223,619	70,223,619	-	-	-	-
	-	658,536,776	658,536,776	-	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	-	20,727,531	20,727,531	-	-	-	-
Payable to the Trustee	-	304,713	304,713	-	-	-	-
Accrued expenses and other liabilities	-	617,875	617,875	-	-	-	-
	-	21,650,119	21,650,119	-	-	-	-

June 30, 2019							
Carrying amount			Fair Value				
Fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees) -----							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments	922,901,205	-	922,901,205	-	922,901,205	-	922,901,205
Financial assets not measured at fair value							
Bank balances	-	1,319,573,643	1,319,573,643	-	-	-	-
Mark-up receivable	-	32,594,236	32,594,236	-	-	-	-
	-	1,352,167,879	1,352,167,879	-	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	-	21,806,364	21,806,364	-	-	-	-
Payable to the Trustee	-	257,267	257,267	-	-	-	-
Accrued expenses and other liabilities	-	231,049	231,049	-	-	-	-
	-	22,294,680	22,294,680	-	-	-	-

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 09, 2020 by the Board of Directors of the Management Company.

18 GENERAL

Figures have been rounded off to the nearest rupee.

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

Chief Financial Officer

Chief Executive Officer

Director

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