

LAKSON TACTICAL FUND

Quarterly Report (September 30, 2020)



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN



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Fund's Information

Management Company

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

**Board of Directors of
the Management Company**

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

Allied Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Habib Bank AG Zurich
JS Bank Limited
Telenor Microfinance Bank Limited
United Bank Limited
NRSP Microfinance Bank Limited
National Bank of Pakistan
Mobilink Microfinance Bank Limited
Silk Bank Limited
Sindh Bank Limited
Finca Microfinance Bank Limited
U Microfinance Bank Limited

Legal Adviser

Fazleghani Advocates
F-72/1, 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 Limited

Rating

1 Year : 4-Star
3 Year : 3-Star
5 Year : 3-Star
AM2+ : Asset Manager Rating by PACRA



Review Report of the Directors of the Management Company For the quarter ended September 30, 2020

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Tactical Fund ('LTF' or 'Fund') is pleased to submit its review report together with Condensed Interim Financial Information for the period ended September 30, 2020.

Fund Objective

The investment objective of the LTF is to provide long-term capital appreciation by investing in a mix of securities comprising debt, equity and commodities future contracts.

Principal activities

LTF is an open-end asset allocation fund and is listed on Pakistan Stock Exchange Limited. The Fund is managed using an active investment management style which focuses on an analysis of macro factors such as government policies, interest rates, liquidity, exchange rates and economic growth. The Fund switches exposure between domestic debt securities and domestic equities based on the forward price to earnings multiple of the equity market. Asset allocation to different sectors and stocks will be made on the basis of earnings growth and management quality. Exposure of the scheme in fixed income securities is managed through duration and yield curve management. The Fund may overweight or underweight commodities relative to its benchmark for commodities investment.

Fund performance

LTF generated an absolute return of 12.10% against the benchmark return of 10.95% in the Q1FY21 outperforming the benchmark by 1.15% during the period. As of September 30, 2020, LTF portfolio was invested 59.3% in Equities, 20.1% in Cash and 14.0% in TFCs/Sukuks.

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

CPI in 3QCY20 averaged 8.8%, ranging on the higher end of SBP's short term 7-9% range. This was majorly led by rise in food inflation in the rural centers. In the monetary policy during September, SBP kept the policy rate unchanged at 7.0% (the last cut took place in June 2020). The current account balance was a surplus of US\$297mn, compared to a surplus of US\$508mn in July and a deficit of US\$601mn SPLY. This was the fourth C/A surplus in the past 12 months, led majorly by good reduction of imports (down 10% yoy) and healthy remittances (up 24% yoy). Remittances have remained above the US\$2bn mark in Jun-Sep'20 led by crackdown on informal channels and travel restrictions. The daily new Covid-19 cases fell to 600-700 by end of September, steeply down from a peak of 7,000 cases by June 2020. All these factors point to continued improvement in macroeconomic indicators and that the Pakistan economy is well on-course to recovery.

Fixed Income Market Review

The Government of Pakistan raised PKR1.9tn in three Treasury Bills auction during 3QCY20 - similar to 2QCY20 - but lower vs. PKR6.1tn in 3QCY19 with SBP's appetite remaining limited. Cut of yields at the end of the quarter stood at 7.13%/7.18% and 7.31% for 3M/6M and 12M tenors at the end of Sep'20 vs. 6.85%, 6.66% and 6.85% at the end of June'20. The SBP decided to maintain rates at 7.0% in Sep'20. In the PIBs auction, bids accepted by SBP declined to PKR249bn in 3QCY20 vs. PKR963bn in SPLY (and PKR399bn in 2QCY20). Cut off yields for 3YR, 5YR and 10YR tenors declined to 8.2%, 8.45% and 8.99% during the quarter (vs. 7.97%, 8.44% and 8.99% at the end of June'20).

Equity Market Review

The KSE-100 has been one of the best performing markets in the region, after hitting a low of 27,228 points in March'2020 and almost doubling in Sep'20 to close at 40,571.5 points. However, during CYTD the index is down 0.4%. Similar to other markets, economic challenges during 2QCY20 - Covid-19



lockdowns alongside US\$2bn hot money outflows from Government treasuries and oil prices making a low of US\$19/bbl - affected investor sentiments. The market recovered thereafter, with trading activity picking up in 3QCY20 - KSE-All Share ADTO rose to US\$94mn on average in 9MICY20 vs. US\$49mn in the SPLY. Global risk-off sentiment led to net FIPI outflow of US\$387mn in 9MICY20 (vs. net inflow of US\$71.1mn in 9MICY19). Foreign selling was primarily concentrated in Banks (US\$113.4mn), E&Ps (US\$98.0mn) and Cements (US\$75.1mn). On the local side, individuals, and insurance companies and companies were buyers.

Commodities Review

Oil prices slumped for the quarter despite a strong U.S. draw. During Sept-20, WTI was down 5.6%, though for the quarter, it rose 2.4%. The global benchmark for oil London-traded Brent crude fell 8 cents, or 0.2%, to settle the day at \$40.95. Brent lost 9.6% during the month of September and 0.5% during the third quarter. Investors have been watching weekly inventory trends in U.S. crude for signs that demand was picking up after months of business lockdowns due to the COVID-19.

Gold advanced 5.2% over the three-month period ended in September, according to Dow Jones Market Data, tracking the most-active contract. Meanwhile, silver rallied by 26% for the quarter.

Significant event during the period - COVID -19

A novel virus (2019-nCoV) was first reported in Wuhan, China on December 31, 2019. The virus causes respiratory illnesses 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 216 countries around the world with more than 38 million confirmed cases.

With no vaccine and high R-naught (reproduction number) of the virus, the initial response by all governments was complete lockdown. Owing to this, almost 93% of the economies are expected to shrink on a per capita basis during CY20 (2009: 61.2%) with advanced economies projected to shrink by 7% while developing and emerging economies are expected to contract by as much as 2.5%. However, as the spread of the virus is slowing, governments across the world have started resuming economic activities with fewer travel restrictions. As per the survey conducted by McKinsey Global, a major proportion of executives across the world now expects that the economic sentiment is going to be better in their country during the next 6 months going forward.

Pakistan has reached its peak in mid-June 2020. Currently, the total number of confirmed cases has crossed 321k; however, the new case count is down to ~800 now with only ~9k active cases left. The complete lockdown was placed for the first two months which was later converted into a smart lockdown at end-May. Pakistan's COVID-19 containment strategy seems to be yielding results as 1.8% of tests are now positive for COVID-19 compared to 4.9% at the start of August 2020.

However, with a viable vaccine now expected to arrive by the end of 1QCY21, health experts are still advising governments to maintain balance between economic recovery and COVID-19 spread with the emphasis on the latter.

Future Outlook

We think SBP will remain dovish and will not look to increase interest rates rapidly however, high inflation turnout (9% or more), together with strong demand trends and high financial stability, may trigger a rate hike earlier than expectations, however chances remain lower. Several structural reforms are underway, where circular debt settlement and tax reforms may spearhead resumption of the US\$6bn IMF Program. Remittances normalization (from current pace of over US\$2bn/month) may cause some slippage in the current account; however gradual improvement in exports should offer support. Real GDP growth is projected to rise by 2% in FY21 as per SBP. Fiscal position remains weak but is expected to improve on the back of tax reforms aimed to increase tax revenue generation through a wider tax base. Next 6 months should also bring clarity on a potential Covid-19 vaccine which should ease jitters arising from the ongoing second wave of infections.



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

Director

Chief Executive Officer

Dated: October 22, 2020



لیکسن ٹیکنیکل فنڈ

30 ستمبر 2020ء کو ختم ہونے والی مدت کے لیے

منجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، لیکن ٹیکنیکل فنڈ ("LTF") کی منجمنٹ کمپنی 30 ستمبر 2020ء کو ختم ہونے والی مدت کے لیے اپنی رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

فنڈ کا مقصد

لیکسن ٹیکنیکل فنڈ کی سرمایہ کاری کا مقصد، ڈیٹ (Debt)، ایکویٹی اور کموڈٹیجز فیوچر کنٹریکٹس پر مشتمل مختلف طرح کی سیکیورٹیز میں سرمایہ کاری کرتے ہوئے سرمائے کی قدر میں طویل مدتی اضافہ کرنا ہے۔

اہم سرگرمیاں

LTF ایک ایسیٹ ایلیوشن اسکیم ہے جسے متعاقدہ اثاثوں کی کلاسز کے متوقع منافع جات اور منجمنٹ کمپنی کی صوابدید کی بنیاد پر ڈیٹ (Debt)، ایکویٹی پر مبنی انٹرویٹمنٹس اور کموڈٹیجز کے درمیان سرمایہ کاری کے رد و بدل کی اجازت ہے اس صوابدید کا اطلاق اقتصادی ماحول کے تجزیے کے بعد کیا جائے گا جس میں افراط زر، کرنسی کی قدر میں کمی، شرح سود، GDP کی نمو، حکومتی پالیسیز، عالمی اقتصادی ڈیٹا، کموڈٹیجز کی قیمتیں اور رسد/طلب کا تحریک شامل ہے۔ فکسڈ انکم سیکیورٹیز میں اسکیم کی سرمایہ کاری کا انتظام وال انصرام کو حکومتی سیکیورٹیز کی مختلف میچورٹیز کے درمیان منتقلی کے ذریعے دورانیے اور yield curve منجمنٹ کے ذریعے کیا جائے گا۔

ایکویٹی میں سرمایہ کاری کا انتظام وال انصرام ان بنیادی اقدار کے تعین کے لیے نیچے سے اوپر کی طرف تجزیے کے ذریعے کیا جائے گا جو فنڈ کو پرکشش منافع کمانے کے قابل بنا سکیں۔ حکومتی سیکیورٹیز کی مختلف میچورٹیز کے درمیان منتقلی کے ذریعے دورانیے اور yield curve منجمنٹ کے ذریعے کیا جائے گا۔ فنڈ کموڈٹیجز میں سرمایہ کاری کے لیے ہینج مارک کو متعاقدہ کموڈٹیجز کے مطابق اوورویٹ یا انڈروویٹ کر سکتا ہے۔

فنڈ کی کارکردگی

لیکسن ٹیکنیکل فنڈ نے مالی سال 2021 کی پہلی سہ ماہی میں ہینج مارک منافع 10.95% کے مقابلے میں 12.10% مطلق منافع پیش کیا اور مدت کے دوران ہینج مارک کو 1.15% پیچھے چھوڑ دیا۔ 30 ستمبر 2020 کے مطابق LTF پورٹ فولیو نے ایکویٹیجز میں 59.3% TFCs، کیش میں 20.1% اور TFCs/صکوکس میں 14% سرمایہ کاری کی۔

ٹی یونٹ آمدنی (EPU)

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



معاشی جائزہ

موجودہ سال 2020 کی تیسری سہ ماہی میں سی پی آئی کی اوسط 8.8 فیصد رہی، جو اسٹیٹ بینک آف پاکستان کی قلیل مدتی حد 9%-7 کی اوپری آخری حد کے آس پاس ہے۔ اس کی بڑی وجہ یہی مراکز میں غذائی افراط زر کی شرح میں اضافہ تھا۔ ستمبر کے دوران اسٹیٹ بینک نے مانیٹری پالیسی میں کوئی تبدیلی نہیں کی اور پالیسی کی شرح کو 7.0% پر برقرار رکھا (آخری کوئی جون 2020 میں ہوتی تھی)۔ جولائی میں 508 ملین ڈالر کے سرپلس کے مقابلہ میں کرنٹ اکاؤنٹ بیلنس کا سرپلس 297 ملین ڈالر تھا جو گزشتہ سال اسی مدت کے مقابلے میں 601 ملین ڈالر کا خسارہ ہے۔

یہ پچھلے 12 مہینوں میں چوتھا کرنٹ اکاؤنٹ کا سرپلس تھا، جس کی بڑی وجہ درآمدات میں نمایاں کمی (سال بہ سال بنیاد پر 10% کمی) اور مختصر تر سیلات زر (سال بہ سال بنیاد پر 24% اضافہ) ہے۔ غیر زرعی راستوں کے خلاف کریک ڈاؤن اور سفری پابندیوں کے نتیجے میں جون تا ستمبر 2020 میں ترسیلات زر 2 بلین امریکی ڈالر کی حد سے زیادہ رہیں۔ کووڈ-19 کے یومیہ کیس ستمبر کے آخر تک 600-700 تک گر گئے، جون 2020 تک یہ تیزی سے 7000 کیسز کی بلند ترین سطح سے نیچے آ گئے۔ یہ سارے عوامل معاشی اشاریوں میں مسلسل بہتری کی طرف اشارہ کرتے ہیں اور یہ کہ پاکستان کی معیشت مددی سے بحالی کی طرف جا رہی ہے۔

فلسفہ انکم مارکیٹ کا جائزہ

حکومت پاکستان نے سال 2020 کی دوسری سہ ماہی کی طرح سال 2020 کی تیسری سہ ماہی کے دوران ٹریڈری بلوں کی بنیادی میں 1.9 ٹریلین روپے جمع کیے، تاہم سال 2019 کی تیسری سہ ماہی میں روپے کے مقابلے میں کم جب کہ اسٹیٹ بینک آف پاکستان کی طلب محدود رہی۔ سہ ماہی کے اختتام پر جون 2020 کے اختتام پر 6.85%، 6.66% اور 6.85% کے مقابلے میں ستمبر 2020 کے اختتام پر سہ ماہی / ششماہی اور بارہ ماہی میعادوں کے لیے حتمی آمدن سہ ماہی کے آخر میں بالترتیب 7.18%/7.13%/7.31% فیصد رہی۔ اسٹیٹ بینک آف پاکستان نے ستمبر 2020 میں شرح 7.0% پر برقرار رکھنے کا فیصلہ کیا۔ پی آئی بی کی بنیادی میں اسٹیٹ بینک آف پاکستان کی طرف سے قبول کردہ بولیاں گزشتہ سال اسی مدت میں 963 ارب روپے (اور 2019 کی دوسری سہ ماہی میں 399 ارب روپے) کے مقابلے میں سال 2020 کی تیسری سہ ماہی میں 249 ارب روپے تک گر گئیں۔

پی کے آر 249bn سے 303CY20، مقابلہ 963bn PKR سے SPLY (اور 2020 PKR 399bn) سے انکار ہو گئیں۔

سہ ماہی کے دوران 3 سالہ، 5 سالہ اور 10 سالہ میعادوں کے لیے حتمی آمدن (جون 2020 کے اختتام پر) 8.44%، 7.97% اور 8.99% کے مقابلے میں (8.2%، 8.45% اور 8.99% تک گر گئی)۔

ایکویٹی مارکیٹ کا جائزہ

KSE-100 فٹے کی سب سے اچھی کارکردگی والی مارکیٹس میں سے ایک رہا ہے اور مارچ 2020 میں 27,228 کی چٹائی سطح چھوونے کے بعد ستمبر 2020 میں 40,571.5 پوائنٹس پر تقریباً بند ہوا ہے۔ تاہم موجودہ سال آج تک انڈیکس میں 0.4% گراوٹ آئی۔ اسی طرح دیگر مارکیٹس میں کیلیڈر رسال 2020 کی دوسری سہ ماہی کے دوران میں معاشی چیلنجوں، کووڈ-19 لاک ڈاؤن نے سرکاری خزانے سے 2 ارب ڈالر کے بیرونی زرمبادلہ کے اخراج کے ساتھ اور تیل کی قیمتوں میں 19/bbl ڈالر تک گراوٹ نے سہ ماہی کے کاروں کے جذبات کو متاثر کیا۔ بعد ازاں مارکیٹ بحال ہوئی اور کیلیڈر رسال 2020 کی تیسری سہ ماہی میں تجارتی سرگرمی تیزی پکڑنے لگی۔ گزشتہ سال اسی مدت میں 49 ملین ڈالر کے مقابلے میں کیلیڈر رسال 2020 کے 9 اہ میں KSE آل ٹینڈر ADTO میں اوسط 94 ملین ڈالر تک اضافہ ہوا۔ عالمی سطح پر رسک دور کرنے کے جذبات کے نتیجے



میں کیلیڈز رسال 2020 کے 9 ماہ میں 387 ملین ڈالر کے خالص FIPI کا انحصار ہو (کیلیڈز رسال 2019 کے 9 ماہ میں 71 ملین ڈالر کے خالص انحصار کے مقابلے میں)۔ غیر ملکی فروخت کارکنان کی بنیاد پر بیٹیکوں (113.4 ملین ڈالر)، E&Ps (98.0 ملین ڈالر) اور سیکٹس (75.1 ملین ڈالر) پر رہا۔ مقامی رخ پر افراد، انشورنس کمپنیز اور کینیڈا کی طرف سے خریداری کی گئی۔

کوڈ ڈیٹا کا جائزہ

امریکہ کی طرف سے زوردار draw کے باوجود سہ ماہی کے لیے تیل کی قیمتیں کم ہو گئیں۔ ستمبر 2020 کے دوران، WTI میں 5.6% کمی آئی، اگرچہ اس سہ ماہی میں اس میں 2.4% اضافہ ہوا ہے۔ تیل کے لیے عالمی شیخ مارک لندن میں فروخت شدہ برینٹ کروڈ کے تیل میں 8 سینٹس یا 0.2% کمی کی ہوئی جو بالآخر 40.95 ڈالر پر طے پایا۔ برینٹ میں ستمبر کے مہینے کے دوران 9.6% اور تیسری سہ ماہی کے دوران 0.5% کمی ہوئی۔ سرمایہ کار ایسی علامات کے لیے امریکی خام تیل میں ہفتہ وار اور اونٹیری رجحانات کو دیکھتے رہے ہیں کہ کوڈ-19 کی وجہ سے کئی ماہ کے کاروباری لاک ڈاؤن کے بعد طلب میں اضافہ ہو رہا ہے۔

ڈاؤ جونز مارکیٹ ڈیٹا کے مطابق، جو سب سے سرگرم معاہدے کو ٹریک کرتا ہے، سونے کی قیمت میں ستمبر میں ختم ہونے والی تین ماہ کی مدت کے دوران 5.2% اضافہ ہوا۔ دریں اثنا، سہ ماہی کے لیے چاندی کی قیمت میں 26% اضافہ ہوا۔

سال کے دوران اہم واقعات۔ کوڈ-19

ایک نوبل وائرس (2019-nCoV) سب سے پہلے 31 دسمبر، 2019 کو وہان، چین میں رپورٹ ہوا۔ یہ وائرس SARS جیسی سانس کی بیماری کا سبب بنتا ہے لیکن اس سے کم مہلک ہوتا ہے۔ تاہم، وائرس کی متعدد نوعیت کے پیش نظر، ڈیٹا سچانچ نے 11 مارچ 2020 کو، کوڈ-19 کو عالمی وبا قرار دے دیا، (گزشتہ عالمی وبا 2009 میں پھیلی تھی) جب عالمی سطح پر تصدیق شدہ واقعات تقریباً 127,000 تھے۔ اب یہ دنیا کے 216 ممالک میں پھیل چکا ہے جس کے متاثرین کی تصدیق شدہ تعداد 38 ملین سے زیادہ ہے۔

وائرس کی کوئی ویکسین نہ ہونے اور بلند R-naught (تولیدی تعداد) کی وجہ سے، تمام حکومتوں کا ابتدائی ردعمل مکمل طور پر لاک ڈاؤن تھا۔ اس کی وجہ سے موجودہ سال 2020 کے معیشتوں میں فی کس بنیاد پر لگ بھگ 93% گراؤ کی توقع ہے (2009: 61.2%) جہاں ترقی یافتہ معیشتوں میں 7% جب کہ ترقی پذیر اور ابھرتی معیشتوں میں 2.5% کمی متوقع ہے۔

تاہم، چونکہ اس وائرس کا پھیلاؤ آہستہ ہو رہا ہے، پوری دنیا میں حکومتوں نے کم سفری پابندی کے ساتھ اقتصادی سرگرمیاں دوبارہ شروع کر دی ہیں۔

McKinsey گلوبل کی طرف سے کیے گئے سروے کے مطابق، دنیا بھر میں ایگزیکٹوز کا ایک بہت بڑا تناسب اب توقع کرتا ہے کہ اگلے 6 ماہ کے دوران ان کے ملک میں معاشی جذبات بہتر ہونے جا رہے ہیں۔

جون 2020 کے وسط میں پاکستان اپنی بلند ترین سطح پر پہنچ گیا ہے۔ فی الحال تصدیق شدہ کیسز کی مجموعی تعداد 32 ہزار سے تجاوز کر چکی ہے۔ تاہم، نئے معاملات کی گنتی اب لگ بھگ 800 تک رہ گئی ہے، جبکہ صرف 9 ہزار کے لگ بھگ فعال کیسز باقی ہیں۔ پہلے دو مہینوں کے لئے مکمل لاک ڈاؤن رکھا گیا تھا جسے بعد میں آخری سے اسمارٹ لاک ڈاؤن میں تبدیل کر دیا گیا۔ بظاہر پاکستان کی کوڈ-19 کو محدود کرنے کی کوششیں رنگ لارہی ہیں جیسا کہ اگست 2020 کے آغاز میں 4.9% کے مقابلے میں اب کوڈ-19 کے سیکٹس کے 1.8% نتائج مثبت آ رہے ہیں۔

تاہم کسی قابل اعتماد ویکسین کی سال 2021 کی پہلی سہ ماہی کے آخر تک آمد کی توقع کے ساتھ، ماہرین صحت حکومتوں کو معاشی بحالی اور کوڈ-19 کے



درمیان توازن برقرار رکھنے کا مشورہ دے رہے ہیں جس میں دوسرے پہلو پر زیادہ زور ہو۔

مستقبل کی توقعات

ہمارا خیال ہے کہ اسٹیٹ بینک بدستور مستحکم رہے گا اور شرح سود میں تیزی سے اضافہ نہیں کرے گا تاہم، افراط زر کی شرح میں اضافہ (9% یا اس سے زیادہ) ، طلب کے مضبوط رجحانات اور اعلیٰ مالیاتی استحکام کے ساتھ مل کر، توقعات سے پہلے ریٹ میں اضافے کا سبب بن سکتا ہے، تاہم امکان کم ہیں۔ متعدد ساختی اصلاحات جاری ہیں، جہاں سرکلر قرضوں کے تصفیے اور ٹیکس اصلاحات کی بدولت 6 بلین ڈالر کے آئی ایم ایف پروگرام کی بحالی میں پیشرفت ہو سکتی ہے۔ تریلیاں زر کے معمول پر آنے (موجودہ رفتار 2 ارب ڈالر/ ماہانہ سے) کی وجہ سے کرنٹ اکاؤنٹ میں کچھ گراؤ آ سکتی ہے۔ تاہم برآمدات میں بتدریج بہتری سے مدد ملنی چاہیے۔

اسٹیٹ بینک کے مطابق مالی سال 2021 میں جی ڈی پی کی حقیقی نمو 2 فیصد تک بڑھنے کا امکان ہے۔ مالی حیثیت بدستور کمزور ہے لیکن توقع ہے کہ ٹیکس کی بنیاد وسیع تر کرنے کے ذریعے ٹیکس محصولات کی پیداوار میں اضافے کے ہدف کے ساتھ ٹیکس اصلاحات کی بدولت اس میں بہتری آئے گی۔ اگلے 6 ماہ میں مکمل کووڈ-19 ویکسین کے بارے میں صورت حال واضح ہو جانی چاہیے جس سے انفیکشن کی جاری دوسری لہر سے پیدا ہونے والے جھٹکے برداشت کرنا آسان ہو جائے گا۔

اٹھما ترشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی، سینٹرل ڈپازٹری کمیٹی آف پاکستان لیٹینڈ اور پاکستان اسٹاک ایکسچینج لیٹینڈ کا، ان کے مسلسل تعاون اور مدد پر شکر گزار ہے۔ منجنت کمیٹی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مندانہ انتظام و انصرام کے لیے منجنت کمیٹی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 22 اکتوبر 2020



**Condensed Interim Statement of Assets and Liabilities
As at September 30, 2020**

		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees)	
ASSETS			
Bank balances	5	116,334,287	64,761,550
Investments	6	444,556,646	442,581,713
Dividend receivable		1,069,624	16,287
Receivable against sale of investments		937,740	4,357,638
Markup accrued		8,119,622	4,050,530
Deposits, prepayments and other receivables		2,964,525	3,371,956
TOTAL ASSETS		573,982,444	519,139,673
LIABILITIES			
Remuneration payable to the Management Company	7	2,633,163	2,086,036
Remuneration payable to the Trustee		208,054	196,229
Annual fee payable to the Securities and Exchange Commission of Pakistan		28,034	125,836
Payable against redemption of units		-	-
Payable against purchase of investments		6,321,512	4,509,211
Accrued expenses and other liabilities	8	7,271,330	5,577,276
TOTAL LIABILITIES		16,462,093	12,494,588
NET ASSETS		557,520,351	506,645,086
UNITHOLDERS' FUND (as per statement of movement in unit holders' fund)		557,520,351	506,645,086

CONTINGENCIES AND COMMITMENTS 10

(Number of units)

Number of units in issue	<u>5,685,381</u>	<u>5,791,696</u>
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(Rupees)

Net assets value per unit	<u>98.0620</u>	<u>87.4778</u>
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The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



Condensed Interim Income Statement (Unaudited)
For the quarter ended September 30, 2020

	Note	2020	2019
		(Rupees)	
INCOME			
Income from Government securities (at fair value through profit or loss)		518,210	1,891,218
Mark-up income		4,692,130	7,452,147
Dividend income on investments held at fair value through profit or loss		1,189,732	5,965,740
Exchange loss on foreign currency deposits - at amortised cost		(10,905)	(18,557)
		<u>6,389,167</u>	<u>15,290,548</u>
Capital gain / (loss) on sale of investments held at fair value through profit or loss - net		-	-
Unrealised (loss) / gain on revaluation of investments held at fair value through profit or loss - net	6.1, 6.2, 6.3 & 6.4	21,969,665	(8,375,697)
		<u>37,645,782</u>	<u>(21,015,374)</u>
		<u>59,615,447</u>	<u>(29,391,071)</u>
Total income / (loss)		<u>66,004,614</u>	<u>(14,100,523)</u>
EXPENSES			
Remuneration of the Management Company	7.1	1,991,215	2,218,611
Sindh Sales tax on remuneration to the Management Company	7.2	258,858	288,419
Remuneration of the Trustee		316,786	381,095
Annual fee to the Securities and Exchange Commission of Pakistan		28,034	33,725
Auditors' remuneration		91,708	89,539
Fees and subscription		132,328	180,796
Printing charges		5,085	-
SECP supervisory fee		630	628
Brokerage, bank and settlement charges		552,149	317,685
Total expenses		<u>3,376,793</u>	<u>3,510,498</u>
Net income / (loss) from operating activities		<u>62,627,821</u>	<u>(17,611,021)</u>
Sindh Workers' Welfare Fund (SWWF)	8.1	(1,252,556)	-
Net income / (loss) for the period before taxation		<u>61,375,265</u>	<u>(17,611,021)</u>
Taxation	11	-	-
Net income / (loss) for the period after taxation		<u>61,375,265</u>	<u>(17,611,021)</u>
Allocation of net income for the period after taxation			
Net income for the period after taxation		61,375,265	-
Income already paid on units redeemed		(1,199,810)	-
		<u>60,175,455</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gains		58,412,092	-
- Excluding capital gains		1,763,363	-
		<u>60,175,455</u>	<u>-</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended September 30, 2020**

	2020	2019
	(Rupees)	
Net income / (loss) for the period after taxation	61,375,265	(17,611,021)
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	<u>61,375,265</u>	<u>(17,611,021)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



**Condensed Interim Statement of Movement in Reserve or Unit Holders' Fund (Unaudited)
For the quarter ended September 30, 2020**

	2020		2019		Total
	Capital value	Undistributed income	Capital value	Undistributed income	Total
	----- (Rupees) -----				
Net assets at beginning of the period	599,038,917	(92,393,831)	850,911,523	(94,323,800)	756,587,723
Issuance of Nil units (2019: 121,269 units)	-	-	-	-	-
- Capital value	-	-	10,875,197	-	10,875,197
- Element of loss	-	-	(905,197)	-	(905,197)
Total proceeds on issuance of units	-	-	10,570,000	-	10,570,000
Redemption of 106,315 units (2019: 1,167,422 units)	(9,300,190)	-	(9,300,190)	-	(104,692,678)
- Capital value	(9,300,190)	(1,199,810)	3,951,104	-	3,951,104
- Element of income	-	(1,199,810)	(100,741,574)	-	(100,741,574)
Total payments on redemption of units	(9,300,190)	(1,199,810)	(100,741,574)	-	(100,741,574)
Distribution to the unit holders in cash	-	-	-	-	-
Accounting (loss) / income for the period	-	61,366,170	61,366,170	(17,592,464)	(17,592,464)
Exchange gain / (loss) on foreign currency deposits	-	(10,905)	(10,905)	(18,557)	(18,557)
Total comprehensive income for the period	-	61,375,265	61,375,265	(17,611,021)	(17,611,021)
Net assets as at end of the period	589,738,727	(32,218,376)	557,220,351	(111,934,821)	648,805,128
Undistributed income brought forward:					
- Realized income	(92,393,868)	-	19,456,897	(113,780,697)	-
- Unrealised income	(92,393,868)	-	(94,323,800)	-	-
Accounting income available for distribution:					
Relating to capital gains	58,412,092	-	-	-	-
Excluding capital gains	1,763,363	-	-	-	-
	60,175,455	-	-	-	-
Net income / (loss) for the period after taxation	61,375,265	-	(17,611,021)	-	-
Undistributed income at end of the period	29,156,853		(111,934,821)		
Undistributed income carried forward					
- Realized income	(8,488,929)	-	90,919,447	-	90,919,447
- Unrealised income	37,645,782	-	(21,015,374)	-	37,645,782
	29,156,853	-	(111,934,821)	-	29,156,853
Net assets value per unit at beginning of the period			87,4778		89,6785
Net assets value per unit at end of the period			98,0620		87,7889

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



**Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended September 30, 2020**

	2020	2019
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	61,375,265	(17,611,021)
Adjustments for:		
Unrealised loss on revaluation of held for trading investments - net	(37,645,782)	21,015,374
Dividend income on held for trading investments	(1,189,732)	(5,965,740)
Markup on bank balances and investments	(4,692,130)	(7,452,147)
	<u>17,847,621</u>	<u>(10,013,534)</u>
Decrease / (increase) in assets		
Investments - net	35,670,849	89,388,620
Advances, deposits, prepayments and other receivables	407,431	(72,262)
Receivable against settlement of investments	3,419,898	(3,338,600)
	<u>39,498,178</u>	<u>85,977,758</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	547,127	(116,733)
Remuneration payable to the Trustee	11,825	(26,744)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(97,802)	(965,024)
Payable against purchase of investments	1,812,301	3,120,475
Accrued expenses and other liabilities	1,694,054	189,017
	<u>3,967,505</u>	<u>2,200,991</u>
Dividend income received	136,395	3,617,929
Markup on bank balances and investments	623,038	6,286,234
Net cash used in / (generated from) operating activities	<u>62,072,737</u>	<u>88,069,379</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issue of units	-	10,570,000
Cash paid on redemption of units	(10,500,000)	(100,741,574)
Net cash used in from financing activities	<u>(10,500,000)</u>	<u>(90,171,574)</u>
Net decrease in cash and cash equivalent	51,572,737	(2,102,195)
Cash and cash equivalent at the beginning of the period	64,761,550	85,286,659
Cash and cash equivalent at the end of the period	<u>116,334,287</u>	<u>83,184,464</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director



Notes to the Condensed Interim Financial Information (Unaudited) For the quarter ended September 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

Lakson Tactical Fund ("the Fund") was established under Trust Deed executed on May 30, 2011 between Lakson Investments Limited as its Management Company and Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a notified entity on July 7, 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. 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. 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.

The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units can also 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 Securities and Exchange Commission of Pakistan (SECP) and is authorised to invest within the prescribed limits as mentioned in the offering documents of the Fund in listed equity securities, Government securities, debt securities, deposits with banks, preference shares, placement of funds with financial institutions, reverse repo, margin trading system, money market placement, commercial paper, unlisted equity securities only if an application for listing of such securities has been accepted by the stock exchange, future contracts of equity and commodity and any other instruments authorized by SECP in Pakistan. Further, as allowed by SECP and the 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.

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 28 August 2020 (2019: AM2+ as on 29 August 2019).

On 21 October 2020, VIS assigned following rankings to the Fund based on the performance review for the period ended 30 June 2020:

1 Year ranking: 4-Star
3 Year ranking : 3-Star
5 Year ranking: 3-Star

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. The accounting and reporting standards applicable in Pakistan comprise of:



- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) 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 and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 30 June 2020 has been extracted from the audited financial statements of the Company for the year ended 30 June 2020, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the quarter ended 30 September 2020 have been extracted from the unaudited condensed interim financial information for the period then ended.

- 2.2 This condensed interim financial information 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 30 June 2020. However, selected explanatory notes are included to explain events and transactions that are significant.
- 2.3 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

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 September 30, 2020.

2.4 Basis of measurement

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

2.5 Functional And Presentation Currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All amount has been rounded off to the nearest of rupees, unless otherwise indicated.

2.6 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 the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2020.



3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2020.

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, 2020.

		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees)	
5 BANK BALANCES	Note		
In local currency			
In profit and loss sharing accounts	5.1	115,556,329	63,972,688
In current account		8,503	8,503
In foreign currency			
In current account	5.2	769,455	780,359
[USD\$ 4,860 (2020: USD\$ 4,860)]		<u>116,334,287</u>	<u>64,761,550</u>
5.1	These carry mark-up rates ranging from 5.00% to 10.10% (2020: from 6.50% to 11.10%) per annum.		
5.2	This represents USD denominated current account maintained in foreign country.		
6 INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	6.1	339,659,446	332,515,589
Term finance certificates	6.2	44,588,222	45,633,566
Sukuk certificates	6.3	35,451,478	39,545,058
Government securities	6.4	24,857,500	24,887,500
		<u>444,556,646</u>	<u>442,581,713</u>
		-	-
		<u>444,556,646</u>	<u>442,581,713</u>

6.1 At fair value through profit or loss

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	Holding as at July 01, 2020	Purchased during the period	* Bonus shares / letter of right received during the period	Disposed during the period	Holding as at September 30, 2020	Carrying value before revaluation as of 30 September 2020				Market value as of 30 September 2020 (after revaluation)				Unrealised gain / (loss) net	Market value as percentage of total investments	Market value as percentage of net assets	% of holding in investee company
						Number of Shares	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(%)	(%)				
Commercial Banks																	
Commercial Bank Limited	163,800	49,500	-	-	213,300	11,778,450	13,708,211	1,929,761	3,08	2,46	0.0146%						
Habib Bank Limited - 6.1.1	241,360	16,500	32,000	32,000	245,860	22,536,096	29,581,323	7,045,136	6.65	5.31	0.0165%						
The Bank of Punjab	625,584	-	-	-	625,584	5,256,906	6,180,770	923,864	1.39	1.11	0.0378%						
MCB Bank Limited	36,500	-	-	-	36,500	12,879,730	18,668,268	788,538	4.20	3.35	0.0808%						
Bank Alfalah Limited	153,191	-	74,191	74,191	2,490,592	2,490,592	2,490,592	89,771	0.58	0.46	0.0086%						
Meezan Bank Limited	121,300	16,200	7,480	67,200	4,867,719	6,394,294	1,526,575	1.44	1.15	0.0094%							
United Bank Limited	144,847	23,000	69,900	69,900	10,136,701	11,274,679	1,137,978	2.54	2.02	0.0118%							
						74,944,194	88,387,817	13,443,623	19.88	15.85	0.0927%						
Insurance																	
Adiajee Insurance Company Limited	168,300	12,200	-	-	180,500	6,053,393	7,238,050	1,184,657	1.63	1.30	0.0413%						
Chemicals																	
ICI Pakistan Limited	9,250	1,750	5,150	5,150	5,850	4,072,061	4,233,002	160,941	0.95	0.76	0.0100%						
Engro Polymer & Chemicals Limited	199,578	-	147,800	147,800	45,778	1,143,534	1,843,022	699,488	0.41	0.33	0.0213%						
Descon Oxychem Limited	126,500	31,100	42,000	42,000	115,600	3,661,760	5,191,596	1,529,836	1.17	0.93	0.0838%						
Stara Peroxide Limited	-	114,500	-	-	114,500	3,187,885	2,513,275	(674,610)	0.57	0.45	0.0021%						
						12,065,240	13,780,895	1,715,655	3.10	2.47	0.00						
Fertilizers																	
Engro Corporation Limited - 6.1.1	76,407	-	19,500	19,500	56,907	16,669,198	17,130,714	461,516	3.85	3.07	0.0133%						
Fauji Fertilizer Company Limited	173,898	26,500	27,900	27,900	172,498	18,915,360	18,628,059	(287,301)	4.19	3.34	0.0137%						
						35,584,558	35,758,773	174,215	8.04	6.41	0.0269%						
Pharma & Bio Tech																	
The Searle Company Limited - 6.1.2	7,279	-	7,200	7,200	79	15,739	20,248	4,509	0.00	0.00	0.0034%						
Ferozon Laboratories Limited	1,150	5,950	1,150	1,150	21,250	3,751,998	3,902,138	150,540	0.88	0.70	0.0038%						
GlaxoSmithKline Pakistan Limited	15,900	-	600	600	-	3,767,337	3,922,386	155,049	0.88	0.70	0.0208%						
Textile Composite																	
Nishat Mills Limited	127,087	-	31,000	31,000	96,087	7,985,747	9,711,513	2,215,766	2.18	1.74	0.0961%						
Gul Ahmed Textile Mills Limited	229,000	-	94,900	94,900	134,100	3,639,283	5,004,612	1,165,529	1.13	0.90	0.0333%						
Nishat (Chunian) Limited	56,000	-	36,000	36,000	-	11,395,030	14,716,125	3,381,095	3.31	2.64	0.1106%						
Cement																	
Kohat Cement Company Limited	6,410	-	6,410	6,410	32,565	15,031,353	21,071,834	6,040,481	4.74	3.78	0.0155%						
Lucky Cement Limited	49,975	55,500	93,500	93,500	171,600	4,905,717	1,253,007	(3,652,710)	1.39	1.10	0.0191%						
Maple Leaf Cement Factory Limited	45,103	20,500	25,768	25,768	39,835	3,114,403	3,613,093	498,632	0.81	0.65	0.0199%						
Pioneer Cement Limited	387,200	245,300	36,100	36,100	599,000	10,763,537	11,908,120	1,154,583	2.68	2.14	0.0231%						
Fauji Cement Company Limited	54,300	-	36,100	36,100	18,200	1,563,006	1,876,602	323,596	0.42	0.34	0.0124%						
D.G. Khan Cement Company Limited	40,940	19,500	23,690	23,690	36,750	4,110,413	4,290,930	180,518	0.97	0.77	0.0211%						
Cheerat Cement Company Limited	-	-	-	-	-	39,468,429	48,919,245	9,450,816	11.00	8.77	0.1193%						



6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited:

	September 30, 2020	June 30, 2020	September 30, 2020	June 30, 2020
	----- (Number of shares) -----		----- (Rupees) -----	
Engro Corporation Limited	20,000	20,000	6,020,600	5,858,400
Habib Bank Limited	50,000	50,000	6,537,000	4,843,500
Oil & Gas Development Company Limited	75,000	75,000	7,770,000	8,175,000
The Hub Power Company Limited	-	-	-	-
	145,000	145,000	20,327,600	18,876,900

6.1.2 Finance Act, 2014 had introduced tax on bonus shares issued by the companies. Most of the equity funds including the Fund have challenged the applicability of withholding tax provision on bonus shares before the Honourable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. In the Fund's case, tax in the shape of 79 shares in case of The Searl Company Limited and 815 shares in the case of Pakistan State Oils Limited have been withheld by CDC. Market value of these shares as at 30 September 2020 amounted to Rs. 20,248 and Rs. 163,163 respectively, and are included in the Fund's investments in these financial statements.

Above provision regarding the taxation of bonus shares have since been deleted vide the Finance Act, 2018.

Name of Security	Date of Maturity	Mark-up rate	Holding as at 01 July 2020	Purchases during the period	Disposed / matured during the period	Holding as at 30 September 2020	Carrying value as of the year ended 30 Sep 2020 before revaluation	Market value as of the year ended 30 Sep 2020 (after revaluation)	Unrealised appreciation / (diminishing)	Credit rating	Market value as % of total investments	Market value as % of net assets	Face value as % of size of the issue
Note	Number of certificates						[Rupees]						
Silk Bank Limited	6.2.1	10-Aug-25	6 months KIBOR + 1.85%	8,000	-	8,000	35,881,328	34,817,018	(1,064,310)	BBB+ (dated 01 Mar 2020)	7.83%	6.24%	2.00%
Bank Al-Habib Limited	6.2.2	6-Dec-28	6 months KIBOR + 1.00%	2,000	-	10,000	9,748,238	9,771,204	22,966	AA (dated 29 Jun 2020)	2.20%	1.75%	1.25%
				Total as at 30 September 2020			45,629,566	44,588,222	(1,041,344)		10.03%	8.00%	3.25%
				Total cost as at 30 September 2020			49,970,000						
				Total as at 30 June 2020			44,766,083	45,633,566	867,483				
				Total cost as at 30 June 2020			49,974,000						

6.2.1 This represents investments in Term Finance Certificates of Silk Bank Limited carrying an effective profit rate of 6 months Karachi Inter Bank Offered Rates (KIBOR) per annum plus 1.85% receivable semi-annually in arrears. The instrument is structured to redeem 0.14% of the issue amount during the first 7 years of issue while the remaining 99.86% in the last 2 equal semi annual instalments of 49.93% each from 10 February 2018 to 10 August 2025. These are secured by first pari passu charge on the bank's assets with 25% margin. Total face value of the individual investment is Rs. 5,000 (Rs. 40 million in total), whereas at the year end total face value of the principal amount was Rs. 39.99 million.

6.2.1.1 The Securities & Exchange Commission of Pakistan vide circular No. 16 of 2010 dated July 7, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Name of Non Compliant Investment	Non-Compliance	Type of Instrument	Value of investment before Provision	Total Provision held	Value of investment after Provision	% of Net Assets	% of gross assets
Silk Bank Ltd- PPTFC - 08 years (Face value of Rs. 5,000 each)	Rating is below investment grade as prescribed in clause No. 2.4 of the offering document	Term finance certificates	34,817,018	-	34,817,018	6.24%	6.07%

At the time of purchase, this term finance certificate was in compliance with the aforementioned circular. However, subsequently it was downgraded to BBB+ from A-.



6.2.2 This represents investments in Term Finance Certificates of Bank Al-Habib Limited carrying an effective profit rate of 6 months Karachi Inter Bank Offered Rates (KIBOR) per annum plus 1.00% receivable semi-annually in arrears. The instrument is structured to redeem 0.36% of the issue amount during the first 9 years of issue while the remaining 99.64% in the last 2 equal semi annual instalments of 49.82% each from 06 June 2019 to 06 December 2028. These are secured by first pari passu charge on the bank's assets with 25% margin. Total face value of the individual investment is Rs. 5,000 (Rs. 50 million in total).

6.3 Sukuk certificates - at fair value through profit or loss

Name of Security	Date of Maturity	Mark-up rate	Holding as at 01 July 2020	Purchases during the period	Disposed / matured during the period	Holding as at 30 September 2020	Carrying value as of the year ended 30 Sep 2020 before revaluation	Market value as of the year ended 30 Sep 2020 (after revaluation)	Unrealised appreciation / (diminishing)	Credit rating	Market value as % of total investments	Market value as % of net assets	Face value as % of size of the issue
Note	-----Number of certificates-----					----- (Rupees) -----							
Dawood Hercules Corporation Limited	6.3.1	15-Nov-22	3 months KIBOR + 1.00%	110	-	110	7,776,468	7,800,100	23,632	AA (dated 26 Jun 2020)	1.75%	1.40%	1.83%
Dawood Hercules Corporation Limited	6.3.2	01-Mar-23	3 months KIBOR + 1.00%	390	-	390	27,868,589	27,651,378 (217,211)		AA (dated 26 Jun 2020)	6.22%	4.96%	6.50%
Total as at 30 September 2020							35,645,057	35,451,478	(193,579)		7.97%	6.36%	8.33%
Total Cost as at 30 September 2020							35,000,000						
Total as at 30 June 2020							38,789,439	39,545,058	755,619				
Total Cost as at 30 June 2020							38,900,000						

6.3.1 This represents investment in sukuk certificates of Dawood Hercules Corporation Limited carrying an effective profit rate of 3 months Karachi Inter-bank Offer Rate (KIBOR) per annum plus margin of 1.0% per annum receivable quarterly in arrears. The principal is redeemable in eight semi-annual instalments starting from the eighteenth (18th) month from the date of issue, i.e. from May 2019 to November 2022 in the six semi-annual instalments of Rs 1.1 million each and the last two semi-annual instalments on May 2022 and November 2022 at Rs. 2.2 million each. These sukuk certificates are secured by way of first pari passu charge against ordinary shares of Engro Corporation Limited with 50% margin and charge over all of the assets of investee company with a 25% margin.

6.3.2 This represents investment in sukuk certificates of Dawood Hercules Corporation Limited carrying an effective profit rate of 3 months Karachi Inter-bank Offer Rate (KIBOR) per annum plus margin of 1.0% per annum receivable quarterly in arrears. The principal is redeemable in eight semi-annual instalments starting from the eighteenth (18th) month from the date of issue, i.e. from September 2019 to March 2023 in the six semi-annual instalments of Rs 3.9 million each and the last two semi-annual instalments on September 2022 and March 2023 at Rs. 7.8 million each. These sukuk certificates are secured by way of first pari passu charge against ordinary shares of Engro Corporation Limited with 50% margin and charge over all of the assets of investee company with a 25% margin.

6.4 Government securities - at fair value through profit or loss

Name of Security	Date of Maturity	Mark-up rate	Holding as at 01 July 2020	Purchases during the year	Disposed / matured during the year	Holding as at 30 September 2020	Carrying value as of the year ended 30 September 2020 before revaluation	Market value as of the year ended 30 September 2020	Unrealised appreciation / (diminution)	Market value as % of total investments (based on market value)	Market value as % of net assets (based on market value)		
Note	-----Number-----					----- (Rupees) -----							
10 years Pakistan Investment Bond	6.4.1	31-May-28	13.20%	250,000	-	250,000	24,887,500	24,857,500	(30,000)	5.59%	4.46%		
Total as at 30 September 2020							24,887,500	24,857,500	(30,000)	5.59%	4.46%		
Total Cost as at 30 September 2020							25,000,000						
Total as at 30 June 2020							24,542,500	24,887,500	345,000				
Total Cost as at 30 June 2020							25,000,000						

6.4.1 This represents investments in 10 years Pakistan Investment Bond carrying an effective profit rate of 13.20% and having maturity on 31 May 2028. The face value of Pakistan Investment Bond as at 30 September 2020 amounted to Rs. 25 million.



7 PAYABLE TO THE MANAGEMENT COMPANY

		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees)	
Remuneration payable to the Management Company	7.1	608,405	124,222
Sales tax payable on remuneration to the Management Company	7.2	335,722	272,778
Federal excise duty payable on remuneration to the Management Company	7.3	1,686,556	1,686,556
Sales load payable		2,480	2,480
		<u>2,633,163</u>	<u>2,086,036</u>

- 7.1 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 2% per annum of the average annual net assets of the Fund. However, the Management Company is currently charging a fee at 10% of the gross earnings of the scheme for the quarter ended 30 September 2020. The fee is subject to a minimum of 1% and maximum of 2% of the average annual net assets of the Fund. Currently the effective rate of Management Company remuneration for the period end 30 September 2020 is 1.42% of average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.
- 7.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2020: 13%) on Management Company's remuneration. Above liability includes Rs. 256,629 (2020: Rs. 256,629) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 7.3 below. Had the provision on FED not been made, Net Asset Value per unit of the Fund as at 30 September 2020 would have been higher by Re. 0.05 (2019: Re. 0.04) per unit.
- 7.3 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 13 June 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 4 September 2013.

While disposing the above petition through order dated 16 July 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from 01 July 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.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period upto 30 June 2016 aggregating to Rs. 1.686 million. Had the provision not been made, NAV per unit of the Fund as at 30 September 2020 would have been higher by Re. 0.30 (30 June 2020: Re. 0.29) per unit.



		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees)	
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Payable to Sindh workers' welfare fund	8.1	5,481,376	4,228,819
Brokerage charges payable		760,646	366,632
Fee payable to National Clearing Company of Pakistan		430,893	292,893
Auditors' remuneration		125,837	216,637
Fee payable to Central Depository Company		80,841	60,727
Other liabilities		27,000	27,000
Dividend Payable		-	106,211
Mutual Fund rating fee		128,357	128,357
Professional Tax Payable		118,529	150,000
Withholding income tax payable		117,851	-
		<u>7,271,330</u>	<u>5,577,276</u>

8.1 Workers' Welfare Fund

Provision for Sindh Workers' Welfare Fund is being made on a daily basis going forward pursuant to MUFAP's recommendation to all its members on 12 January 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to 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 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 30 September 2020 is Rs. 5.481 million. Had the provision not been made, Net Asset Value per unit of the Fund as at 30 September 2020 would have been higher by Re. 0.96 (30, June 2020: Re. 0.73) per unit.

9 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its 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 quarter ended September 30, 2020 is 3.31% (Sep 30, 2019: 2.03%) which includes 1.17% (Sep 30, 2019: 0.34%) representing government levies (comprising of Workers Welfare Fund 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).

10 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at September 30, 2020.



11 TAXATION

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. 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 management intends to distribute atleast 90% of the income earned by the year end by this Fund 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.

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, Habib Bank AG Zurich Switzerland being the Custodian, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company and the holding company, key management personnel, other funds being managed by the Management Company and entities having holding 10% or more in the units of the Fund as at 30 September 2020. 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:

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees)	
12.1 Details of balance with related parties / connected persons at the year end		
Lakson Investments Limited - Management Company		
Remuneration payable (including the Sindh Sales Tax and Federal Excise Duty)	2,630,683	2,083,556
Sales load payable	2,480	2,480
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable (including Sindh Sales Tax)	208,054	196,229
Settlement charges payable	80,841	60,727
Security deposit	100,000	100,000
Habib Bank AG Zurich - Custodian		
Bank deposits	769,455	780,359



12.2 Details of transaction with related parties / connected persons at the year end	2020	September 30, 2019
	(Unaudited) (Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration for the year	<u>1,991,215</u>	<u>2,218,611</u>
Sindh sales tax on remuneration of Management Company	<u>258,858</u>	<u>288,419</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the year (including Sindh Sales Tax)	<u>316,786</u>	<u>316,786</u>
CDS charges for the year	<u>20,114</u>	<u>19,662</u>



12.3 Unit Holders' Fund

	Period ended September 30, 2020					Rupees				
	Number of Units as at July 01, 2020	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Number of units as at September 30, 2020	Balance as at July 01, 2020	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance as at September 30, 2020
Directors, Chief Executive and their spouse and minors	122,389	-	-	5,424	115,965	10,706,322	-	-	500,000	11,469,824
Other key management personnel	15,838	-	-	-	15,838	1,385,474	-	-	-	1,533,106
Lakson Investments Limited - Management Company	1,572,891	-	-	-	1,572,891	137,593,034	-	-	-	154,240,826
Associated companies / undertakings of the Management Company										
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,467	-	-	-	5,467	478,262	-	-	-	536,128
Princeton Travels (Private) Limited Employees Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-	-
Lakson Investments Limited Employees Contributory Provident Fund Trust	2,997	-	-	-	2,997	262,155	-	-	-	293,874
Century Insurance Company Limited Employees Contributory Provident Fund Trust	48,071	-	-	-	48,071	4,205,178	-	-	-	4,713,975
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	143,147	-	-	-	143,147	12,522,152	-	-	-	14,037,245
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	102,715	-	-	-	102,715	8,985,314	-	-	-	10,072,475
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust	19,099	-	-	-	19,099	1,670,748	-	-	-	1,872,897
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	604,981	-	-	-	604,981	52,922,399	-	-	-	59,325,638
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	513,464	-	-	-	513,464	44,916,741	-	-	-	50,351,352
SIZA Services (Private) Limited Employees Contributory Provident Fund Trust	27,134	-	-	-	27,134	2,373,630	-	-	-	2,660,823
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	243,569	-	-	-	243,569	21,306,921	-	-	-	23,884,908
Merrit Packaging Limited Employees Contributory Provident Fund Trust	93,667	-	-	-	93,667	8,193,749	-	-	-	9,185,135
Merrit Packaging Limited Employees Gratuity Fund	39,234	-	-	-	39,234	3,432,142	-	-	-	3,847,407
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	601,988	-	-	-	601,988	52,660,592	-	-	-	59,032,154
Century Paper & Board Mills Limited Employees Gratuity Fund	501,874	-	-	-	501,874	43,902,821	-	-	-	49,214,754
Century Insurance Company Limited	614,359	-	-	-	614,359	53,742,748	-	-	-	60,245,244
Premier Fashions (Private) Limited	111,176	-	-	100,891	10,285	9,725,401	-	-	10,000,000	1,008,546
Siza Commodities (Private) Limited	-	-	-	-	-	-	-	-	-	-
Sybird (Private) Limited Employees Contributory Provident Fund Trust	55,584	-	-	-	55,584	4,862,385	-	-	-	5,450,699
Century Insurance Company Limited Gratuity Fund	40,704	-	-	-	40,704	3,560,714	-	-	-	3,991,536
Siza Private Limited	-	-	-	-	-	-	-	-	-	-
Accurate Surgical Limited - Employees Contributory Provident Fund Trust	56,453	-	-	-	56,453	4,938,391	-	-	-	5,535,902



	Number of Units					Rupees				
	Number of Units as at July 01, 2019	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Number of units as at September 30, 2019	Balance as at July 01, 2019	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance as at September 30, 2019
Directors, Chief Executive and their spouse and minors	144,776	-	-	39,810	104,966	12,983,295	-	-	3,600,000	7,575,731
Other key management personnel	17,558	-	-	-	17,558	1,574,551	-	-	-	1,267,200
Lakson Investments Limited - Management Company	1,500,388	-	-	-	1,500,388	134,552,545	-	-	-	108,287,953
Associated companies / undertakings of the Management Company										
Lakson Business Solutions Limited Employee Contributory Provident Fund Trust	5,258	-	-	-	5,258	471,530	-	-	-	379,487
Princeton Travels (Private) Limited Employees Contributory Provident Fund Trust	5,729	-	-	-	5,729	513,753	-	-	-	413,469
Lakson Investments Limited Employees Contributory Provident Fund Trust	2,838	-	-	-	2,838	254,508	-	-	-	204,828
Century Insurance Company Limited Employees Contributory Provident Fund Trust	43,994	1,491	-	-	45,486	3,945,325	130,000	-	-	3,282,845
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	117,549	17,898	-	-	135,446	10,541,594	1,560,000	-	-	9,775,620
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	82,849	14,341	-	-	97,190	7,429,768	1,250,000	-	-	7,014,529
Hasnail Karabahal Foundation Employees Contributory Provident Fund Trust	18,089	-	-	-	18,089	1,622,179	-	-	-	1,305,530
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	572,438	-	-	-	572,438	51,135,351	-	-	-	41,314,715
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	485,844	-	-	-	485,844	43,569,767	-	-	-	35,064,970
SIZA Services (Private) Limited Employees Contributory Provident Fund Trust	25,674	-	-	-	25,674	2,302,449	-	-	-	1,853,012
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	210,848	19,619	-	-	230,466	18,908,504	1,710,000	-	-	16,633,519
Merit Packaging Limited Employees Contributory Provident Fund Trust	88,628	-	-	-	88,628	7,948,034	-	-	-	6,396,582
Merit Packaging Limited Employees Gratuity Fund	35,632	1,491	-	-	37,123	3,195,380	130,000	-	-	2,679,289
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	546,488	23,118	-	-	569,606	49,008,214	2,015,000	-	-	41,110,331
Century Paper & Board Mills Limited Employees Gratuity Fund	442,122	32,755	-	-	474,877	39,648,818	2,855,000	-	-	34,273,437
Century Insurance Company Limited Premier Fashions (Private) Limited	1,387,758	-	-	842,383	545,375	124,452,025	-	72,000,000	-	39,361,481
Siza Commodities (Private) Limited	975,107	-	-	-	975,107	87,446,133	-	-	-	70,376,690
Hybrid (Private) Limited Employees Contributory Provident Fund Trust	1,062,202	-	-	-	1,062,202	95,256,682	-	-	-	76,662,624
Century Insurance Company Limited Gratuity Fund	47,917	4,704	-	-	52,620	4,297,089	410,000	-	-	3,797,795
Siza Private Limited	32,663	5,851	-	-	38,515	2,929,208	510,000	-	-	2,779,727
Accurate Surgical Limited - Employees Contributory Provident Fund Trust	53,443	-	-	-	53,443	4,792,689	-	-	-	3,857,159



13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

Financial assets measured at fair value	(Un-Audited)			
	As at 30 September 2020			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Term finance certificates	-	44,588,222	-	44,588,222
Sukuk certificates	-	35,451,478	-	35,451,478
Government Securities	-	24,857,500	-	24,857,500
Listed equity securities	339,659,446	-	-	339,659,446
	<u>339,659,446</u>	<u>104,897,200</u>	<u>-</u>	<u>444,556,646</u>



(Audited)
As at 30 June 2020

Financial assets measured at fair value	Fair Value			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
Term finance certificates	-	45,633,566	-	45,633,566
Sukuk certificates	-	39,545,058	-	39,545,058
Government Securities		24,887,500	-	24,887,500
Listed equity securities	332,515,589	-	-	332,515,589
	<u>332,515,589</u>	<u>110,066,124</u>	<u>-</u>	<u>442,581,713</u>

14 COVID 19 RELATED IMPACT

The coronavirus pandemic and the measures to reduce its spread have significantly impacted Pakistan's economy. Regulators and Governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact. SECP and SBP has responded to the crisis by taking measures to maintain system soundness and to sustain the economic activity. The Fund's operations were also affected although it were operated under all necessary Standard Operating Procedures (SOPs) issued by the Government to ensure the safety of employees and smooth and adequate continuation of its business and sound business and risk management procedures. However, the economy had an effect and the Fund also being part of the economy had an impact. Nonetheless, the management is of the view that with improving medical situation and also the economy and its opening up, and is also evident for the significant rise in the PSX index subsequent to the year end, the Fund's performance going forward will improve further so as to support the sustainable performance and the growth of the Fund.

15 GENERAL

Figures have been rounded off to the nearest rupee.

16 DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorised for issue on October 22, 2020 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director



A Lakson Group Company

Lakson Investments Limited

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

T +92.21 3840.0000

F +92.21 3568.1653

Lakson Investments (DIFC) Limited

(Regulated by the DFSA)

Level 15, Gate Building
DIFC, P.O. Box 507054
Dubai, U.A.E.

T +971.4 401.9284

F +971.4 401.9578