

LAKSON MONEY MARKET 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

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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 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

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
Sindh Bank Limited
United 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

Distributors

Adam Securities
Amir Noorani
Elixir Securities (Pvt.) Limited
Ismail Iqbal Securities (No Fee Sharing)
BMA Capital Management Limited (No Fee Sharing)
Metro Capital Pvt. Limited
Pearl Securities Pvt. Limited
Rabia Fida
Topline Securities (Pvt.) Limited
Vector Capital (Pvt.) Limited
Pyramid Financial Consultants

Rating by PACRA

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



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 Money Markets Fund ("LMMF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended September 30, 2020.

Fund Objective

The objective of the fund is to provide stable and competitive returns with low volatility that are in line with the money markets and consistent with capital preservation. Accordingly, the fund consists of a liquid portfolio of low risk, short-term investments.

Principal activities

The Fund is an open-end money market fund and is listed on Pakistan Stock Exchange Limited. The Fund invests in Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts, and other short-term instruments. The weighted average maturity of the portfolio is kept below 3 months. LMMF invests in only those securities that have been assigned at least an "AA" rating by a rating agency in Pakistan and are of less than 6 months maturity. An in-depth credit analysis is conducted before taking any exposure to any counter party to mitigate the credit risk. Short maturity of the portfolio protects the Unit Holders against interest rate movements while enhancing the liquidity of the Fund. LMMF is allowed to borrow up to 15% of Net Assets to meet redemptions; however, LMMF did not utilize this facility during the period under review.

Fund performance

The LMMF yielded 6.39% in Q1FY21 compared to Benchmark (70% average 3M T-Bills yield + 30% average 3M TDR rate of minimum AA rated banks) return of 6.77%. Asset allocation was concentrated in cash which provided good spread over the prevailing T bill yields without compromising liquidity and credit quality. The weighted average maturity (WAM) of the LMMF portfolio stands at 03 day and fund size as of September 30, 2020 is PKR 11,341 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.

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company during the period declared the interim payouts of PKR 0.9916 per unit (0.9916%) of face value of PKR 100/- amounting to PKR 85.97 million distribution in cash during the period ended September 30, 2020.

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).

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



لیکن منی مارکیٹ فنڈ

30 ستمبر 2020 کو ختم ہونے والی مدت کے لیے

بینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکن انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، لیکن منی مارکیٹ فنڈ ("LMMF" یا فنڈ) کی بینجمنٹ کمپنی 30 ستمبر 2020 کو ختم ہونے والی مدت کے لیے اپنی رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کرتا ہے۔

فنڈ کا مقصد

اس فنڈ کا مقصد کم اتار چڑھاؤ کے ساتھ مستحکم اور سابقہ منافع جات فراہم کرنا ہے جو منی مارکیٹس سے ہم آہنگ اور سرمائے کے تحفظ سے مطابقت رکھتے ہوں۔ اسی طرح یہ سرمایہ کم خطرات، مختصر مدتی سرمایہ کاری کے لیکویڈ پورٹ فولیو پر مشتمل ہے۔

نمایاں سرگرمیاں

فنڈ ایک اوپن اینڈ منی مارکیٹ فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ فنڈ گورنمنٹ سیکورٹیز، ہائی گریڈ کورپوریٹ بونڈز، بینکنگ آف انویسٹمنٹس، Clean Placements، بزم ڈپازٹ ریسیپٹس اور دیگر مختصر مدتی انشرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کی تجدید شدہ اوسط مچھوڑنی 3 ماہ سے کم رکھی جاتی ہے۔ LMMF صرف ان سیکورٹیز میں سرمایہ کاری کرتا ہے جنہیں پاکستان میں کسی ریٹنگ ایجنسی نے کم از کم "AA" ریٹنگ دے رکھی ہو اور جن کی مچھوڑنی 6 ماہ سے کم ہو۔ کریڈٹ رسک کم کرنے کے لیے سرمایہ کاری سے پہلے مقابل پارٹی کا کریڈٹ کے حوالے سے باریک بینی سے تجزیہ کیا جاتا ہے۔ پورٹ فولیو کی مختصر مچھوڑنی بونڈ ہولڈرز کو شرح سود کے اتار چڑھاؤ کے خلاف تحفظ دیتی ہے، جب کہ فنڈ کی لیکویڈیٹی میں اضافہ کرتی ہے۔ LMMF کو ریڈیمپشن کی تکمیل کے لیے خالص اثاثوں کے 15 فی صد تک قرض لینے کی اجازت ہے، تاہم LMMF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی

LMMF نے بیچ مارک منافع (سہ ماہی T: بلز کے اوسط منافع جات کا 70% + کم از کم AA ریٹڈ بینکنگ کے اوسط سہ ماہی TDR ریٹ کا 30%) 6.77% کے مقابلے میں مالی سال 2021 کی پہلی سہ ماہی میں 6.77% منافع کمایا۔ اثاثوں کی تقویض کیش میں مرکوز رہی جس نے لیکویڈیٹی اور کریڈٹ کو الٹی پر سمجھو تاکے کی بلز کی موجودہ آمدن پر قیمت خرید اور فروخت کا عمدہ فرق فراہم کیا ہے۔ بمطابق 30 ستمبر 2020، LMMF پورٹ فولیو کی تجدید شدہ اوسط مچھوڑنی (WAM)، 03 دن ہے اور فنڈ سائز 11,341 ملین روپے ہے۔



فی شیئر آمدنی (EPU)

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

آمدنی کی تقسیم

چیف ایگزیکٹو آفیسر نے منجمنٹ کمیٹی کے بورڈ آف ڈائریکٹرز کی طرف سے اختیار کے تحت 30 ستمبر 2020 کو ختم ہونے والی مدت کے لیے فی یونٹ 0.9916 روپے (100 روپے کی فیس ویلیو کا 0.9916%) کی عبوری کیش ادائیگی کا اعلان کیا ہے جس کی مالیت 85.97 ملین روپے بنتی 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 ہوئی 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 سرپلس تھا، جس کی بڑی وجہ درآمدات میں نمایاں کمی (سال بے سال بنیاد پر 10% کمی) اور صحت مند ترسیلات زر (سال بے سال بنیاد پر 24% اضافہ) ہے۔ غیر رسمی 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 پومے 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 عموماً سے بحالی کی طرف جارہی 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 نیلامی 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% اور 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 نیلامی 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 سے 249bn سے 3QCY20، بمقابلہ 3QCY20 سے 2QCY20 (PKR399bn) 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 7.97%، 8.44% اور 8.99% کے مقابلے میں) 8.2%، 8.45% اور 8.99% تک گر گئی۔



سال کے دوران اہم واقعات۔ کووڈ-19

ایک نوویل 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، ڈی ایو ایچ او نے 11 مارچ 2020 کو کووڈ-19 کو عالمی وبا قرار دے دیا، (گزشتہ عالمی وبا 2009 میں پھیلی تھی) جب عالمی سطح پر تصدیق شدہ واقعات قریب 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 رد عمل مکمل طور پر لاک ڈاؤن تھا۔ اس کی وجہ سے موجودہ سال 2020 کے معیشتوں میں فی کس بنیاد پر لگ بھگ 93% گراؤت کی توقع ہے (2009: 61.2%) جہاں ترقی یافتہ معیشتوں میں 7% جب کہ ترقی پزیر 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 ایگزیکٹو کا ایک بہت بڑا تناسب اب توقع کرتا ہے کہ اگلے 6 ماہ کے دوران ان کے ملک میں معاشی جذبات بہتر ہونے جارہے ہیں۔

جون 2020 کے وسط میں پاکستان اپنی بلند ترین سطح پر پہنچ گیا ہے۔ فی الحال تصدیق شدہ کیسز کی مجموعی تعداد 321 ہزار سے تجاوز کر چکی ہے۔ تاہم، نئے معاملات کی کٹنگی اب لگ بھگ 800 تک رہ گئی ہے، جبکہ صرف 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 کووڈ-19 کو محدود کرنے کی کوششیں رنگ لارہی ہیں جیسا کہ اگست 2020 کے آغاز میں 4.9% کے مقابلے میں اب کووڈ-19 کے ٹیسٹس 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 کووڈ-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 متحکم رہے گا اور شرح سود میں تیزی سے اضافہ نہیں کرے گا تاہم، افراط زر کی شرح میں اضافہ (9% یا اس سے زیادہ) مطلب کے مضبوط رجحانات اور اعلیٰ مالیاتی استحکام کے ساتھ مل کر، توقعات سے پہلے ریٹ میں اضافے کا سبب بن سکتا ہے، تاہم امکانات کم ہیں۔ متعدد رساتھی اصلاحات جاری ہیں، جہاں سرکھتر قرضوں کے تصفیے اور ٹیکس اصلاحات کی بدولت 6 ملین ڈالر کے آئی ایم ایف پروگرام کی بحالی میں پیشرفت ہو سکتی ہے۔ تریلا زر کے معمول پر آنے (موجودہ رفتار 2 ارب ڈالر/ ماہانہ سے) کی وجہ سے کرنٹ اکاؤنٹ میں کچھ گراؤت آسکتی ہے۔ تاہم برآمدات میں بندرتیج بہتری سے مدد ملی 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 کماتہ 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۔

اظہار تشکر

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

برائے و مخائب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 12 اکتوبر 2020



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

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
ASSETS	Note	(Rupees)
Bank balances	6	9,061,725,218
Investments	7	4,746,887,553
Markup receivable		5,526,539,050
Advance tax		69,234,458
Prepayments		134,760,966
TOTAL ASSETS		14,717,107,235
LIABILITIES		
Payable to the Management Company	8	40,200,090
Remuneration payable to the Trustee		36,974,100
Annual fee payable to Securities and Exchange Commission of Pakistan		1,482,543
Accrued expenses and other liabilities	9	552,129
TOTAL LIABILITIES		39,119,662
NET ASSETS		14,677,987,573
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		11,340,640,800
CONTINGENCIES AND COMMITMENTS	10	
(Number of units)		
Number of units in issue		112,045,235
		102,542,336
(Rupees)		
Net assets value per unit		101.2149
		100.5955

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			
Mark-up income		207,391,495	286,201,782
Loss on sale of investments - net		<u>(8,882,221)</u>	<u>(1,211,449)</u>
		198,509,274	284,990,333
EXPENSES			
Remuneration to the Management Company	8.1	15,407,103	18,373,413
Sindh Sales Tax on remuneration to Management Company	8.2	2,003,484	2,388,544
Remuneration to the Trustee		2,027,786	1,535,294
Annual fee to the Securities and Exchange Commission of Pakistan		552,154	418,051
SECP Supervisory fee on PSX Listing Fee		628	628
Auditors' remuneration		79,482	89,251
Fees and subscription		184,935	182,513
Printing charges		-	-
Brokerage expenses and bank charges		314,496	103,682
		<u>20,570,068</u>	<u>23,091,376</u>
Net income from operating activities		177,939,206	261,898,957
Sindh Workers' Welfare Fund	9.1	(3,558,784)	(5,237,979)
		<u>174,380,422</u>	<u>256,660,978</u>
Net income for the period before taxation			
Taxation	11	-	-
		<u>174,380,422</u>	<u>256,660,978</u>
Net income for the period after taxation			
Allocation of Net Income for the year			
Net income for the year after taxation		174,380,422	256,660,978
Income already paid on units redeemed		(31,346,729)	(31,449,133)
		<u>143,033,693</u>	<u>225,211,845</u>
Accounting income available for distribution			
Relating to capital gains		-	-
Excluding capital gains		143,033,693	225,211,845
		<u>143,033,693</u>	<u>225,211,845</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 for the period after taxation	174,380,422	256,660,978
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>174,380,422</u>	<u>256,660,978</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	Unrealised (losses) / gains on investment	Unrealised (losses) / gains on investment	
Net assets at beginning of the period (2019: 63,683,099 units)	10,281,516,945	33,772,696	10,315,289,641	26,372,803	8,606,167,664
Total proceeds on issuance of 93,888,709 units - Capital Value	9,522,170,254	-	9,522,170,254	-	6,403,718,076
- Element of Income	29,874,680	-	29,874,680	-	48,232,432
Total proceeds on redemption of 84,485,809 units (2019: 55,594,318 units)	(8,565,737,648)	(31,346,729)	(8,565,737,648)	(31,449,133)	(5,689,171,408)
- Capital Value	(5,455,160)	(31,346,729)	(36,801,889)	(1,304,918)	(32,754,051)
- Element of Loss	(8,571,192,808)	-	(8,602,539,537)	(31,449,133)	(5,721,935,459)
Total comprehensive income for the period	-	174,380,422	174,380,422	356,660,978	256,660,978
Distribution during the period: Interim Distribution @ Rs. 0.5328 per unit declared on July 29, 2020 (2019: Rs. 0.9015 per unit declared on July 26, 2019) Cash Distribution Refund of Capital Interim Distribution @ Rs. 0.4588 per unit declared on August 28, 2020 (2019: @ Rs. 1.0987 per unit declared on Aug 30, 2019) Cash Distribution Interim Distribution Nil (2019: @ Rs. 1.0059 per unit declared on Sep 27, 2019) Cash Distribution Refund of Capital	(7,863,339)	(51,255,155)	(51,255,155)	(72,291,089)	(72,291,089)
	(4,701,215)	(34,714,951)	(34,714,951)	(72,455,436)	(72,455,436)
	(12,564,554)	(85,970,106)	(96,534,660)	(20,597,372)	(20,597,372)
Net assets at end of the period	1,249,804,517	90,836,283	11,340,540,800	9,294,460,078	26,817,178
Realised gain	33,772,696	33,772,696	26,372,803	26,372,803	(9,049,800)
Unrealised gain	143,033,693	143,033,693	225,211,845	225,211,845	(17,161,695)
Accounting (loss) / income available for distribution Relating to capital (loss) Excluding capital gains	(51,255,155)	(51,255,155)	(72,291,089)	(72,291,089)	(70,257,789)
Distribution during the period: Interim Distribution @ Rs. 0.5328 per unit declared on July 29, 2020 (2019: Rs. 0.9015 per unit declared on July 26, 2019) Interim Distribution @ Rs. 0.4588 per unit declared on August 28, 2020 (2019: @ Rs. 1.0987 per unit declared on Aug 30, 2019) Cash Distribution Interim Distribution Nil (2019: @ Rs. 1.0059 per unit declared on Sep 27, 2019) Cash Distribution Refund of Capital	90,836,283	90,836,283	36,576,335	36,576,335	(8,606,167,664)
Realised income	90,836,283	90,836,283	36,576,335	36,576,335	100,5246
Unrealised gain	90,836,283	90,836,283	36,576,335	36,576,335	100,6359
Net assets value per unit at beginning of the period	100.5246	100.5246	101.1416	101.1416	100.6359
Net assets value per unit at end of the period	100.5246	100.5246	101.1416	101.1416	100.6359

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

	2020	2019
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	174,380,422	256,660,978
(Increase) / Decrease in assets		
Investments	3,226,539,051	(747,257,910)
Markup receivable	65,526,508	(39,365,508)
Advance tax	(8,996,916)	(4,189,723)
Prepayments	(116,168)	(194,358)
	3,282,952,475	(791,007,499)
(Decrease) in liabilities		
Payable to the Management Company	3,225,990	(7,558,073)
Remuneration payable to the Trustee	38,583	(228,914)
Annual fee payable to Securities and Exchange Commission of Pakistan	(1,690,902)	(6,292,101)
Accrued expenses and other liabilities	4,960,360	5,498,301
	6,534,031	(8,580,787)
Net cash used in operating activities	3,463,866,928	(542,927,308)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	9,539,480,380	6,403,141,643
Payment against redemption of units	(8,602,539,537)	(5,721,925,459)
Cash dividend paid	(85,970,106)	(215,008,313)
Net cash generated from / (used in) financing activities	850,970,737	466,207,871
Net Increase / (decrease) in cash and cash equivalents	4,314,837,665	(76,719,437)
Cash and cash equivalents at the beginning of the period	4,746,887,553	8,615,306,057
Cash and cash equivalents at the end of the period	9,061,725,218	8,538,586,620

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

The Lakson Money Market Fund (the "Fund") was established under the Trust Deed executed on September 2, 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 September 18, 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore.

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 "Money Market Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and the Fund primarily invests in Government securities, certificates of investment, certificates of deposits, term deposit receipts, commercial papers, reverse repo, 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 AA(f) (Fund Stability Rating) to the Fund on October 16, 2020 and (PACRA) has also maintained asset manager rating of the Company to AM2+ (stable outlook), on August 28, 2020

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part 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).

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ from the IFRS Standards, 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.

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.

2.2 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 Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest of rupees.

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 SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of condensed interim financial statements 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, 2020.

5 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)
6 BANK BALANCES	Note	(Rupees)	
Local currency			
In profit and loss sharing accounts	6.1	9,061,717,778	4,746,880,113
In current accounts		7,440	7,440
		-	-
		<u>9,061,725,218</u>	<u>4,746,887,553</u>

6.1 These represents profit and loss account maintained with banks carrying mark-up rates ranging from 5.50% to 7.80% (June 30, 2020: 6.5% to 8.75%) per annum.



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

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees)	
Government securities		
Market Treasury Bills	7.1	-
		4,938,921,023
At amortized cost		
Commercial Paper	7.2	-
Certificate of Investments	7.3	587,618,026
Letter of Placement	7.4	-
	<u>2,300,000,000</u>	<u>5,526,539,050</u>

7.1 Market Treasury Bills

Note	Number of treasury bills				Balance as at September 30, 2020			Market value as percentage of net assets of the Fund	Market value as percentage of total investment
	Number of holdings at 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 / (diminution)		
Government Securities									
	3 Months Market Treasury Bills (face value of Rs. 100,000 each)				-	69,150	69,150	-	-
	6 Months Market Treasury Bills (face value of Rs. 100,000 each)				50,550	44,810	95,360	-	-
	12 Months Market Treasury Bills (face value of Rs. 100,000 each)					83,270	83,270	-	-
	September 30, 2020				4,922,766,792	4,938,921,023	16,154,231	47.88%	89.37%
	June 30, 2020				-	-	-	-	-

7.2 Commercial Papers

Note	Number of treasury bills				Balance as at September 30, 2020			Market value as percentage of net assets of the Fund	Market value as percentage of total investment
	Number of holdings at 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 / (diminution)		
	K-Electric 6 Month CP-1 Issue date 14-02-2020				3,000,000	-	3,000,000	-	-
	K-Electric 6 Month CP-7 Issue date 10-03-2020				3,000,000	-	3,000,000	-	-
	Total as at September 30, 2020				587,618,026	587,618,026	-	5.70%	10.63%
	Total as at June 30, 2020				-	-	-	-	-

7.3 This represents short term certificate of investment of Pak Oman Investment Company Limited carrying effective mark-up rate of 6.90% (June 30, 2020: nil) per annum The rating of the instrument is AA+

7.4 This represents short term letter of placement of Saudi Pak Industrial & Agricultural Investment Company Ltd. carrying effective mark-up rate of 7.10% (June 30, 2020: nil) per annum The rating of the instrument is AA+



		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees)	
8	PAYABLE TO THE MANAGEMENT COMPANY		
Remuneration payable to the Management Company	8.1	3,963,743	1,107,745
Sales tax payable on remuneration to the Management Company	8.2	5,258,437	4,888,445
Federal excise duty payable on remuneration to the Management Company	8.3	30,977,910	30,977,910
		<u>40,200,090</u>	<u>36,974,100</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 one percent per annum of the average daily net assets of the Fund. Currently the Management Company is charging its remuneration at the rate of 0.5% of the net assets of the Fund, calculated on a daily basis (30 June 2020: 0.50%). Currently the effective rate of Management Company remuneration for the half year ended 30 September 2020 is 0.55% (30 June 2020: 0.57%) of the average annual net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on Management Company's remuneration. Above liability includes Rs. 4,743,150 (June 30, 2020: Rs. 4,743,150) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 8.3 below. Had the provision relating to FED not been made, Net Asset Value per unit of the Fund as at June 30, 2020 would have been higher by Re. 0.0423 (June 30, 2020: Re. 0.0463) per unit.

8.3 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the High Court of Sindh (SHC) on September 4, 2013.

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 1, 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 from June 13, 2013 to June 30, 2016 aggregating to Rs. 30.978 million. Had the provision not been made, NAV per unit of the Fund as at September 30, 2020 would have been higher by Re. 0.28 (June 30, 2020: Re. 0.30) per unit.

The amount is payable to the management company for onwads payment, if any, to the Government.



		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees)	
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		113,334	213,714
Sindh Workers' Welfare Fund	9.1	59,502,860	55,944,076
Brokerage payable		486,161	220,941
Rating fee payable		-	143,431
Withholding tax		2,326,070	688,113
Professional tax payable		382,184	50,000
Others		160,947	750,920
		<u>62,971,556</u>	<u>58,011,196</u>

9.1 Sindh 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 January 12, 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 December 31, 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 July 1, 2014).

Provision for SWWF as of June 30, 2020 amounted to Rs. 59.503 million. Had the recognition in previous years not been made, the net assets value per unit of the Fund would be higher by Re. 0.53 (June 30, 2020: Re. 0.55).

10. CONTINGENCIES AND COMMITMENTS

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

11. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule of 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 at least 90% of the income earned by the year end by this Fund to the unit holders. The Fund is also exempted from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial information.

11.1 A new section 4B has been introduced in the Income Tax Ordinance, 2001 vide the Finance Act, 2015, according to which super tax has been imposed for Tax Year 2015 on the income of individuals, association of persons and companies who are earning income of Rs. 500 million or above in Tax Year 2015. Super Tax shall be charged at the rate of 3% for person other than banking companies.



During the year, the Management Company has received an order under the aforementioned section for recovery of super tax not paid with return of income in respect of the Fund for the Tax Year 2015. The Deputy Commissioner considered that the Fund was required to pay super tax as the income of the Fund was more than Rs. 500 million and raised a demand of Rs. 18.819 million in this respect.

The Management Company has filed an appeal before Commissioner Appeals (Inland Revenue) against the order which has been decided in favor of the Company whereby super tax demand has been deleted. The department has filed an appeal against the decision at the Appellate Tribunal which is pending adjudication and no provision has been made for super tax in the financial statements for the period ended September 30, 2020.

The Fund has also received an order for Tax Year 2016 whereby demand amounting to Rs. 24 million has been created mainly on account that the Fund has made less than 90% distribution out of its distributable profit due to misinterpretation of the facts of the case. The Fund has filed an appeal against the said order to CIT (Appeals) and considers that the case will be decided in Fund's favor. Hence, no provision has been in the Financial statements for the period ended September 30, 2020.

During the year the Fund has received show-cause notice under section 4B of the Income Tax Ordinance, 2001 for recovery of super tax not paid with return of income in respect of the stated Fund for the Tax year 2019. The Deputy Commissioner considered that the Fund has failed to pay super tax on the profit of debt income earned during the tax year 2019, as the total profit of debt income of the Fund was Rs.916 million and raised a demand of Rs.18.321 million in this respect.

The Management Company of the Fund intends to file an appeal in due course of time and no provision has been made for super tax in the financial statements for the year ended June 30, 2020 for the reason that the same issue had been raised in earlier tax year 2015 and the same had been decided in funds favour by the CIT appeals and Appellate Tribunal.

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee of the fund, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having holding more than 10% in the units of the Funds as September 30, 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:



		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees)	
12.1 Balance as at year end			
Lakson Investments Limited - Management Company			
Remuneration payable	8.1	<u>3,963,743</u>	<u>1,107,745</u>
Sindh Sales Tax and Federal Excise Duty on remuneration to Management Company	8.2 & 8.3	<u>36,236,347</u>	<u>35,866,355</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration payable		<u>1,482,543</u>	<u>1,443,960</u>



12.2 Unit Holders' Fund

	Quarter ended September 30, 2020					Rupees			
	Number of Units as at July 01, 2020	Units issued during the period	Refund / Adjustment of units as element of income	Units redeemed during the period	Number of units as at September 30, 2020	Balance as at July 01, 2020	Units issued during the period	Units redeemed during the period	Balance as at September 30, 2020
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company	4,386,135 27,915,557 24,810	9,154,422 710,362 208	43,817 2,542 -	9,034,562 3,512,057 -	4,549,813 25,116,405 25,018	441,225,485 2,808,179,445 2,495,789	925,304,169 71,716,764 20,955	913,244,427 355,000,000 -	460,508,846 2,542,154,373 2,532,239
Holding company / associated companies / undertakings of the Management Company (Holding Company of the Management Company)									
Accury Surgicals Limited	222,713	251,776	63	-	474,552	22,403,956	25,333,862	-	48,031,722
Alan Private Limited	1,707,515	559,257	-	-	2,266,772	171,768,362	56,442,194	-	229,431,106
Baluchistan Polyproducts Private Limited	909	996	2	795	1,112	91,470	100,354	80,000	112,590
Century Insurance Company Limited - ECPFT	17,446	172	-	-	17,618	1,754,991	17,342	-	1,783,245
Colgate Palmolive Pakistan Limited	14,705,627	123,460	-	-	14,829,087	1,479,319,864	12,420,603	-	1,500,924,545
Colgate Palmolive Pakistan Limited ECPFT	157,542	1,557	-	-	159,099	15,848,049	156,602	-	16,103,183
Colgate Palmolive Pakistan Limited EGF	146,969	1,452	-	-	148,421	14,784,422	146,092	-	15,022,433
Express Publications Private Limited	24,946	209	-	-	25,156	2,509,466	21,070	-	2,546,115
Gam Corporation Private Limited - ECPFT	30,134	298	-	-	30,432	3,031,338	29,954	-	3,080,139
Hasanali & Gulbanoo Lakhani Foundation	152,349	51,595	51	156,524	47,471	15,325,663	5,195,323	15,787,484	4,804,757
Lakson Power Limited	3,800	31	-	297	3,533	382,244	3,093	30,000	357,628
Merit Packaging Limited Employees - ECPFT	3,777	37	-	-	3,814	379,910	3,754	-	386,026
Merit Packaging Limited - EGF	16,405	162	-	-	16,567	1,650,240	16,307	-	1,676,807
Premier Fashions Private Limited	556,637	182,138	303	734,006	5,072	55,995,135	18,352,799	74,000,000	513,379
Siaz Commodities Private Limited	234,367	1,968	-	-	236,335	23,576,265	197,950	-	23,920,584
Siza Private Limited	149,151	-	-	149,151	-	15,003,967	-	15,070,414	-
Siza Services Private Limited	245,381	1,498,294	3,503	496,765	1,250,412	24,684,220	151,074,076	50,000,000	126,560,347
Sybird Private Limited	-	1,041,295	-	543,797	497,498	-	105,000,935	55,000,000	50,354,227
Trustee / Custodian									
Central Depository Company of Pakistan Limited	1,528,023	1,008,399	3,690	-	2,540,112	153,712,220	101,811,789	-	257,097,172
Connected person due to holding more than 10% units Fauji Fertilizer Company Limited	19,190,213	42,298,380	6,851	38,251,546	23,243,899	1,930,449,116	4,270,127,852	3,864,976,015	2,352,628,885



	Number of Units					Quarter ended September 30, 2019					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 units as at September 30, 2019	Balance as at July 01, 2019	Units issued during the period	Units redeemed during the period	Balance as at September 30, 2019				
Lakson Investments Limited - Management Company	2,506,825	7,591,856	74,815	7,591,856	2,581,639	251,997,558	770,186,707	502,310	259,805,605.98				
Directors, Chief Executive and their spouse and minors	7,209,047	10,479,535	414,392	2,669,501	15,433,473	724,686,518	1,058,646,038	36,461,746	1,553,161,402.25				
Key management personnel, employees and connected persons of the Management Company	29,148	25,988	1,090	11,329	44,896	2,930,091	2,625,262	96,700	4,518,182.14				
Holding company / associated companies / undertakings of the Management Company													
SIZA Services (Private) Limited (Holding Company of the Management Company)	3,149,897	8,685,884	104,025	8,054,829	3,884,978	316,642,139	881,185,072	2,701,762	390,968,248.25				
SIZA (Private) Limited	2,849,970	9,636,975	91,054	9,329,099	3,248,899	286,492,064	977,630,742	596,116	326,955,913.88				
Hasanali & Gulbanoo Lakhani Foundation	566,308	32,269	9,692	524,774	83,495	56,927,847	3,245,000	973,140	8,402,548.22				
Premier Fashions (Private) Limited	142,337	1,501,760	10,208	1,288,392	365,913	14,308,360	152,105,647	55,684	36,824,004.93				
Lakson Power Limited	3,864		97	248	3,713	388,427		9,744	373,693.96				
Colgate Palmolive (Pakistan) Limited	24,523,303	1,969,367	573,822	4,948,340	22,118,152	2,465,195,264	200,000,000	55,652,972	2,225,880,132.84				
SIZA Commodities (Private) Limited	2,703,722	278,451	76,034	49,469	3,008,738	271,790,541	28,000,000	7,634,509	302,787,041.91				
Baluchistan Polyproducts (Private) Limited	1,746	11	45	1,802	1,802	175,550	1,085	4,502	181,337.39				
Accuray Surgical Limited	172,324		4,417		176,741	17,322,771		444,035	17,786,478.13				
Express Publications Private Limited	118,116		3,028		121,144	11,873,609		304,355	12,191,448.06				
Book ME Tickets Private Limited	202,010		5,139		207,149	20,306,974		516,588	20,846,618.16				
Connected person due to holding more than 10% units													
Bashir Dawood	-	-	-	-	-	-	-	-	-				
Millat Tractors Limited	-	-	-	-	-	-	-	-	-				
Fauji Fertilizer Company Limited	17,499,041	10,162,718	259,218	17,622,800	10,298,177	1,759,084,130	1,031,545,890	16,115,121	1,036,366,360.82				
Moblink Microfinance Bank Limited	-	-	-	-	-	-	-	-	-				



12.3 Transaction during the period	Note	September 30,	
		2020	2019
		(Unaudited) (Rupees)	
Lakson Investments Limited - Management Company			
Remuneration to the Management Company	8.1	<u>15,407,103</u>	<u>18,373,413</u>
Sindh Sales Tax on remuneration to the Management Company	8.2	<u>2,003,484</u>	<u>2,388,544</u>
Dividend Paid		<u>10,744</u>	
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration to the Trustee		<u>2,027,786</u>	<u>1,535,294</u>
Dividend Paid		<u>319,929</u>	<u>91,598</u>
Directors, Chief Executive and their spouse and minors			
Dividend Paid		<u>3,836,619</u>	<u>-</u>
Key management personnel, employees and connected persons of the Management Company			
Dividend Paid		<u>4,503</u>	<u>-</u>
Accuray Surgicals Limited			
Dividend Paid		<u>59,118</u>	<u>-</u>
Alan Private Limited			
Dividend Paid		<u>254,706</u>	<u>-</u>
Baluchistan Polyproducts Private Limited			
Dividend Paid		<u>264</u>	<u>-</u>
Colgate Palmolive Pakistan Limited			
Dividend Paid		<u>2,192,072</u>	<u>-</u>
Express Publications Private Limited			
Dividend Paid		<u>3,919</u>	<u>-</u>
Hasanali & Gulbanoo Lakhani Foundation			
Dividend Paid		<u>10,695</u>	<u>-</u>
Lakson Power Limited			
Dividend Paid		<u>747</u>	<u>-</u>
Premier Fashions Private Limited			
Dividend Paid		<u>62,460</u>	<u>-</u>
Siza Commodities Private Limited			
Dividend Paid		<u>35,134</u>	<u>-</u>



Note	September 30,	
	2020	2019
	(Unaudited) (Rupees)	
Siza Services Private Limited		
Dividend Paid	<u>189,945</u>	<u>-</u>
Sybrid Private Limited		
Dividend Paid	<u>366</u>	<u>-</u>
Fauji Fertilizer Company Limited		
Dividend Paid	<u>1,787,369</u>	<u>-</u>
Century Insurance Company Limited - ECPFT		
Sale of T-Bills	<u>-</u>	<u>399,606</u>
Dividend Paid	<u>201</u>	<u>-</u>
Colgate Palmolive (Pakistan) Limited - ECPFT		
Sale of T-Bills	<u>-</u>	<u>9,990,150</u>
Dividend Paid	<u>201</u>	<u>-</u>
Colgate Palmolive (Pakistan) Limited - EGF		
Sale of T-Bills	<u>-</u>	<u>6,893,204</u>
Dividend Paid	<u>201</u>	<u>-</u>
GAM Corp. (Pvt.) Limited - ECPFT		
Sale of T-Bills	<u>-</u>	<u>65,835,089</u>
Dividend Paid	<u>201</u>	<u>-</u>
Merit Packaging Limited - ECPFT		
Sale of T-Bills	<u>-</u>	<u>999,015</u>
Dividend Paid		
Merit Packaging Limited - EGF		
Sale of T-Bills	<u>-</u>	<u>399,606</u>
Dividend Paid	<u>201</u>	<u>-</u>
Lakson Investments Limited - ECPFT		
Sale of T-Bills	<u>-</u>	<u>24,475,868</u>
Dividend Paid	<u>201</u>	<u>-</u>
Saad Iqbal		
Sale of T-Bills	<u>-</u>	<u>9,190,938</u>
Amin Mohammed Lakhani		
Sale of T-Bills	<u>-</u>	<u>19,980,300</u>
Azhar Mohamed		
Sale of T-Bills	<u>-</u>	<u>6,493,598</u>



Note	September 30,	
	2020	2019
	(Unaudited) (Rupees)	
Abbar Hasan		
Sale of T-Bills	-	499,508
Abdus Samad Parekh		
Sale of T-Bills	-	599,409
Muhammad Ashraf		
Sale of T-Bills	-	1,998,030
Century Insurance Company Limited		
Sale of T-Bills	-	7,292,810
Crescent Steel And Allied Products Limited - Pension Worker's Participation Fund		
Sale of T-Bills	-	10,489,658
Crescent Steel And Allied Products Limited - Staff Provident Fund		
Sale of T-Bills	-	8,591,529
Crescent Steel And Allied Products Limited - Steel Division Worker's Participation Fund		
Sale of T-Bills	-	94,906,425

13 TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), Total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 0.88% as of September 30, 2020 (September 30, 2020: 1.36%) and this includes 0.23% (September 30, 2020: 0.39%) representing Sindh Sales tax and SECP fee.

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 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 Asset Management Company 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.

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 (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); and
- Inputs for the assets or liability that are not based on observable market data (that is, 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.

As at September 30, 2020			
----- Un-audited -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets measured at fair value
Government Securities

-	-	-	-
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As at June 30, 2020			
----- Audited -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets measured at fair value
Government Securities

4,938,921,023	4,938,921,023	-	4,938,921,023
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16 DATE OF AUTHORIZATION FOR ISSUE

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

17 GENERAL

Figures have been rounded off to the nearest rupee.

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

Chief Executive Officer

Chief Financial Officer

Director



A Lakson Group Company

Lakson Investments Limited

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