

LAKSON EQUITY FUND
Quarterly Report (March 31, 2021)



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. Kathleen Kennedy Townsend
Chief Financial Officer & Company Secretary of the Management Company	Syed Shafaeen Hassan
Audit Committee	Mr. Jacques John Visser - Chairman Mr. Amin Mohammed Lakhani Mr. Iqbal Ali Lakhani Mr. Jamil Ahmed Mughal
Human Resource and Remuneration Committee	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	BDO Ebrahim & Co. Chartered Accountants 2nd Floor, Block C, Lakson Square, Building No. 1, Sarwar Shaheed Road, Karachi - 74200.



Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
National Bank of Pakistan
Silk Bank Limited
Sindh Bank Limited
Telenor Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited

Legal Adviser

Fazleghani Advocates
F-72/I, Block 8, KDA-5,
Kehkashan, Clifton,
Karachi, Pakistan.

Registrar

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

Distributors

Metro Capital Pvt. Limited
Ismail Iqbal Securities
BMA Capital Management Limited
Amir Noorani
Topline Securities (Pvt.) Limited
Adam Securities
Elixir Securities (Pvt.) Limited
Vector Capital (Pvt.) Limited
Pearl Securities Pvt. Limited
Rabia Fida

Rating by PACRA

1 Year : 3-Star
3 Year : 2-Star
5 Year : 3-Star
AM2+ : Asset Manager Rating by PACRA

Review Report of the Directors' of the Management Company For the period ended March 31, 2021

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Equity Fund ('LEF') is pleased to submit the review report together with the condensed interim financial statements for the nine months ended March 31, 2021.

Fund Objective

The objective of the Fund is to provide long term capital appreciation by investing mainly in equity and related listed securities. Investments will be made in companies of substance, financial strength and demonstrably superior management skills with some exposure given to smaller capitalized value stocks.

Fund Profile

The Fund is an actively managed open-end equity fund and is listed on Pakistan Stock Exchange Limited. LEF maintains an average exposure of 70% of Net Assets in listed equity securities. The asset allocation to different sectors and stocks is made on the basis of relative attractiveness of each sector and individual stocks in that particular sector. The allocations may change from time to time keeping in view the market conditions, opportunities, political and economic factors. LEF is allowed to borrow up to 10% of Net Assets to meet redemptions however LEF did not utilize this facility during the period under review.

Fund performance

The LEF closed 9MFY21 with a return of 26.71% vs 29.53% of the benchmark, underperforming the benchmark by 2.82%. The LEF provided a return of 2.83% (BM: 1.90%) during 3QFY21. As of March 31, 2021, the fund had 93% exposure in equities and 5% in cash. Sector allocation is skewed towards Commercial Banks (18.3%), Oil & Gas Exploration (15.2%), Chemicals (9.9%), Construction & Materials (14.8%), Oil & Gas Marketing (4.9%), Electricity (5.4%) and others (24.5%).

Earning per Unit (EPU)

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

Economic Review

The KSE-100 Index returned 30% MoM in 9MFY21. The recovery post-COVID-led downfall was supported by introducing relief packages to help businesses and underserved households launch a construction package and amnesty scheme for investors in the sector to revive allied industries. Moreover, the interest rate cuts by a cumulative 625 basis points during March-June to 7% gave strong cues to the market to maintain a growth trend. Other than this, the supply of subsidized loans to pay salaries during the pandemic, cheaper loans for construction and housing, and new and running businesses in export and manufacturing sectors also kept sentiments buoyant. Remittances remained above USD 2bn (for the ninth consecutive month) in Feb-21. Rupee continues to strengthen against USD, closing at 152.76. Moreover, Govt also revived IMF extended fund facility and received a tranche of USD 499mn during the last week of the month. Govt also launched 3-tranche Euro bond deal to raise USD 2.5bn from international capital markets.

Equity Market Review

The KSE-100 index rose 29% to 44,491 points in March'21 from 34,421 points on June 20. During this period the index also hit a low of 34,409 points in July, but since then has been one of the best performing markets of the region. During this period the best performing sectors have been tech, engineering and cement (because of the governments' amnesty scheme for the construction sector). KSE-100 ADTO was US\$82mn during the period. Global risk off sentiment led to net FIPI outflow of US\$588mn with foreign selling primarily concentrated in Banks (US\$178.7mn), E&P (USD112.6mn), and Cement (US\$102.8mn). On the local side, individuals, insurance companies and companies were buyers.



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. SBP has indicated to keep interest rates unchanged at 7% till June 2021. Several structural reforms are underway, where circular debt settlement and tax reforms spearheaded the resumption of the US\$6bn IMF Program. Remittances are likely to normalize (from current pace of over US\$2bn/month) which may cause some slippage in the current account, however 2-3% current account deficit (% of GDP) remains manageable. Real GDP growth is projected to rise by 3% in FY21 as per SBP (IMF projections: 1.5%) and 4% in FY22f. 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. Provisional budgets measures include removal of tax credits and subsidies, rationalization of GST and potential increase in corporate tax rates. Covid-19 vaccine has been made available to all (Russian vaccine Sputnik V), and should ease jitters arising from the ongoing third wave of infections.

The valuation discount has once again widened where KSE-100 is now trading at a CY22f P/E of 5.6x (14% discount to CY21td peak). The market may draw optimism from continued positive macroeconomic data (including high-frequency) and passing of the SBP act; but sentiment will be tested by the pace of Covid-19 cases, rampant inflation and news-flow related to the upcoming budget. Swift replacement of the Finance minister together with timely Eurobond issuance should reinforce investor confidence.

Acknowledgment

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

For and on Behalf of the Board

Director

Chief Executive Officer

Dated: April 19, 2021



لیکسن ایکویٹی فنڈ
31 مارچ 2021 کو ختم ہونے والی مدت کے لیے
بینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، لیکسن ایکویٹی فنڈ ("LEF") کی بینجمنٹ کمپنی، 31 مارچ 2021 کو ختم ہونے والے نو ماہ کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

فنڈ کا مقصد

فنڈ کا مقصد بنیادی طور پر ایکویٹی اور متعلقہ لسٹڈ سکیورٹیز میں انویسٹمنٹ کے ذریعے طویل مدتی خطیر منافع جات حاصل کرنا ہے۔ یہ انویسٹمنٹس ممتاز، مالیاتی طاقت اور ثابت شدہ اعلیٰ انتظامی مہارت کی حامل کمپنیوں میں کی جائیں گی جب کہ کچھ حصہ مختصر سر مایہ جاتی قدر والے اسٹاکس کے لیے مختص کیا جائے گا۔

فنڈ کا تعارف

LEF ایک فعال انداز میں چلایا جانے والا اوپن اینڈ ایکویٹی فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ LEF خالص اثاثوں کا کم از کم 70% حصہ لسٹڈ ایکویٹی سکیورٹیز میں رکھتا ہے۔ مختلف شعبوں اور اسٹاکس میں اثاثے کو ہر شعبے اور اس مخصوص شعبے میں انفرادی اسٹاکس متعلقہ کشش کی بنیاد پر مخصوص کیا جاتا ہے۔ یہ تخصیص مارکیٹ کے حالات، مواقع، سیاسی اور اقتصادی عوامل کو پیش نظر رکھتے ہوئے وقتاً فوقتاً تبدیل کی جاسکتی ہے۔ LEF کو ریڈیمپشن کی تکمیل کے لیے خالص اثاثوں کے 10 فی صد تک قرض لینے کی اجازت ہے، تاہم LEF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی

LEF نے 29.53 فیصد شیئ مارک کے مقابلے میں 26.71 فیصد کے ساتھ مالی سال 2021 کے پہلے نو ماہ کا اختتام کیا، جو شیئ مارک 2.82 کم تر کارکردگی ہے۔ LEF نے مالی سال 2021 کی تیسری سہ ماہی کے دوران 2.83% منافع (شیئ مارک: 1.90 فیصد) فراہم کیا۔ 31 مارچ 2021 کے مطابق فنڈ نے ایکویٹیز میں 93% اور کیٹس میں 5% سرمایہ کاری کی۔ بالفاظ شعبہ کمرشل بینکنگ (18.3 فیصد)، آئل اینڈ گیس ایکسپلوریشن (15.2 فیصد)، کیمیکلز (9.9 فیصد)، کنسٹرکشن اور مینجریلز (14.8 فیصد)، آئل اینڈ گیس مارکیٹنگ (4.9 فیصد)، بجلی (5.4 فیصد) اور دیگر (24.5 فیصد) پر زیادہ توجہ رکھی گئی۔

نی پونٹ آمدنی (EPU)

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



معاشی جائزہ

KSE-100 انڈیکس نے مالی سال 2021 کے پہلے 9 ماہ میں ماہ بہ ماہ بنیاد پر 30 فیصد کا منافع کمایا۔ کوویڈ کے نتیجے میں زوال سے بحالی کو کاروباری اداروں اور کم وسائل رکھنے والے گھرانوں کے لئے امدادی پیکیج متعارف کروانے اور اس شعبے میں سرمایہ کاروں کے لئے متعلقہ صنعتوں کی بحالی کے لئے تعمیراتی پیکیج اور اینٹسٹی اسکیم شروع کر کے مدد دی گئی۔ مزید یہ کہ مارچ تا جون کے دوران شرح سود میں مجموعی طور پر 625 بنیاد پوائنٹس کی کٹوتی کے ساتھ 7 فیصد تک کمی نے مارکیٹ کو نمو کار رجحان برقرار رکھنے کے لئے زبردست اشارہ دیا۔ اس کے علاوہ، عالمی وبا کے دوران تنخواہوں کی ادائیگی کے لئے سبسڈی والے قرضوں کی فراہمی، تعمیرات اور رہائش، اور برآمدات اور مینوفیکچرنگ کے شعبوں میں نئے اور چلتے کاروباروں کے لئے سستے قرضوں نے بھی جذبات کو برقرار رکھا ہے۔ فروری میں 2020 ترسیلات زر 2 ارب ڈالر (مسلل نویں مہینے) سے زائد رہیں۔ 152.76 پر بند ہونے کے ساتھ، روپیہ امریکی ڈالر کے مقابلہ میں بدستور مستحکم ہے۔ مزید یہ کہ حکومت نے آئی ایم ایف کے توسیعی فنڈ کی سہولت کو بھی بحال کیا اور ماہ کے آخری ہفتے کے دوران 499 ملین ڈالر کی ایک قسط وصول کی۔ حکومت نے انٹرنیشنل کنٹریل مارکیٹس سے 2.5 ملین ڈالر اکٹھا کرنے کے لئے 3 اقساط والا یورو بانڈ معاہدہ بھی لانچ کیا۔

ایکویٹی مارکیٹ کا جائزہ

KSE-100 میں جون 2020 کو 34,421 پوائنٹس سے مارچ 2021 تک 44,491 پوائنٹس تک اضافہ ہوا۔ اس مدت کے دوران انڈیکس نے جون 2020 میں 34,421 پوائنٹس کی چٹائی سطح کو بھی چھوا، تاہم اس کے بعد سے یہ خطے کی سب سے اچھی کارکردگی دکھانے والی مارکیٹس میں سے ایک رہا اس دوران میں سب سے اچھی کارکردگی دکھانے والے شعبے ٹیکنالوجی، انجینئرنگ اور سیمنٹ رہے ہیں (حکومت کی طرف سے تعمیراتی شعبے کے لیے اینٹسٹی اسکیم کی وجہ سے)۔ اس مدت کے دوران KSE-100 کا ADTO 82 ملین ڈالر تھا۔ خطرات سے چھٹا چھڑانے کے عالمی جذبات کے نتیجے میں 588 ملین ڈالر کا خالص FIPI اخراج ہوا جہاں غیر ملکی فروخت کا ارتکاز بنیادی طور پر ٹیکسوں (178 ملین ڈالر)، E&P (112.6 ملین ڈالر) اور سیمنٹ (102 ملین ڈالر) میں رہا۔ مقامی رخ پر، افراد، انشورنس کمپنیز اور کمپنیز نے خریداری کی۔

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 میں اضافے (9 فیصد یا اس سے زیادہ)، مانگ کے طاقت ور رجحانات اور اعلیٰ مالی استحکام کے ساتھ۔ اسٹیٹ بینک نے اشارہ کیا ہے کہ جون 2021 تک سود کی شرحوں میں 7 فیصد کی شرح سے کوئی تبدیلی نہیں کی جائے گی۔ متعدد ساختی اصلاحات جاری ہیں، جہاں گروتھی قرضوں کے تصفیے اور ٹیکس اصلاحات نے 6 ارب ڈالر کے آئی ایم ایف پروگرام دوبارہ آغاز میں مرکزی کردار ادا کیا۔ ترسیلات زر معمول پر آنے کا امکان ہے (2 ارب ڈالر ماہانہ سے زائد کی رفتار سے) جس کے نتیجے میں کرنٹ اکاؤنٹ میں کچھ گراؤ آسکتی ہے، تاہم، کرنٹ اکاؤنٹ کا 2 سے 3 فیصد خسارہ (جی ڈی پی کا فیصد) بدستور قابل انتظام ہے۔ اسٹیٹ بینک کی پیش گوئی کے مطابق مالی سال 2021 میں حقیقی جی ڈی پی میں 3 فیصد (آئی ایم ایف کی پیش گوئی: 1.5 فیصد) اور مالی سال 2022 میں 4 فیصد تک اضافے کا امکان ہے۔ مالی حیثیت بدستور کمزور ہے لیکن توقع ہے کہ ٹیکس اصلاحات کی بدولت بہتری آئے گی جس کا ہدف زیادہ وسیع ٹیکس بیس کے ذریعے ٹیکسوں سے آمدنی میں اضافہ ہے۔ عبوری بجٹ اقدامات میں ٹیکس کریڈٹ اور سبسڈیوں کو ختم کرنا، جی ایس ٹی کو معقول بنانا، اور کارپوریٹ ٹیکس کی شرحوں میں ممکنہ اضافہ شامل ہے۔ کوویڈ - 19 کی ایک ویکسین سب کو (روسی ویکسین اسپوٹنک V) دستیاب کر دی گئی ہے اور اس سے انٹیکسٹن کی جاری تیسری لہر سے پیدا



ہونے والے خوف و ہراس میں کمی آنا چاہیے۔

قدرتی (ویلیوشن) میں رعایت ایک بار پھر وسعت اختیار کر گئی ہے جہاں KSE-100 میں اب سال 2022 کے لیے 5.6 فی سینٹ متوقع آمدنی پر لین دین ہو رہا ہے۔ (موجودہ سال 2021 میں تاحال رعایت کی بلند ترین سطح 14 فیصد ہے۔)۔ مارکیٹ مسلسل مجموعی معاشی ڈیٹا (بشمول اعلیٰ توانی) اور ایس پی 500 کی منظوری سے خوش امید کی حاصل کر سکتی ہے، کووڈ-19 کیسوں کی رفتار، بے تماشاً فراڈز اور آئندہ بجٹ سے متعلق گردش کرتی خبروں سے ان جذبات کی آزمائش ہوگی۔ وزیر خزانہ تیزی سے تبدیلی اور یورو بونڈ کے بروقت سے سرمایہ کار کے اعتماد کو تقویت ملنا چاہیے۔

اظہار تشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی، سینٹرل ڈیپازٹری کمیٹی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کا، ان کے مسلسل تعاون اور مدد پر شکر گزار ہے۔ مینجمنٹ کمیٹی کے ڈائریکٹرز فنڈ کی ترقی اور عمدہ نظم و نسق کے لیے مینجمنٹ کمیٹی کی ٹیم کی کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے اور از طرف بورڈ

.....
ڈائریکٹر

.....
چیف ایگزیکٹو آفیسر

تاریخ: 19 اپریل 2021

**Condensed Interim Statement of Assets and Liabilities
As at March 31, 2021**

Assets	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees)	
Bank balances	6	154,370,010	286,244,205
Investments	7	2,919,202,784	2,712,959,818
Dividend and profit receivable	8	48,928,325	6,700,847
Deposits and prepayments		3,277,733	7,007,116
Receivable against purchase of investments		15,410,428	28,069,401
Total assets		3,141,189,280	3,040,981,387
Liabilities			
Payable to the Management Company	9	27,251,512	22,324,741
Remuneration payable to the Trustee		392,375	737,341
Annual fee payable to Securities and Exchange Commission of Pakistan		523,803	616,243
Accrued expenses and other liabilities	10	67,888,196	39,921,191
Payable against purchase of investments		31,907,238	45,792,777
Total liabilities		127,963,124	109,392,293
Contingencies and commitments	11		
Net assets		3,013,226,156	2,931,589,094
Unit holders' fund (as per the statement attached)		3,013,226,156	2,931,589,094
		(Number)	
Number of units in issue		27,052,447	33,348,429
		(Rupees)	
Net assets value per unit		111.3846	87.9078

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**Condensed Interim Income Statement (Unaudited)
For the nine months and quarter ended March 31, 2021**

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2021	2020	2021	2020
Income		----- (Rupees) -----			
Gain / (Loss) on sale of held for trading investments - net		234,120,344	(98,517,074)	(62,042,216)	(41,967,998)
Unrealized gain / (loss) on revaluation of held for trading investments - net	7.1	514,197,125	(589,481,301)	122,158,668	(1,004,143,173)
		748,317,469	(687,998,375)	60,116,452	(1,046,111,171)
Dividend income on held for trading investment		111,756,029	126,860,762	55,530,022	47,773,775
Return / Mark up on:					
- bank balances		18,072,233	45,256,542	4,824,143	15,092,754
- Government securities (held for trading)		223,522	-	-	-
		18,295,755	45,256,542	4,824,143	15,092,754
		878,369,253	(515,881,071)	120,470,617	(983,244,642)
Expenses					
Remuneration to the Management Company	9.1	52,382,784	47,301,526	16,551,627	16,936,477
Sindh Sales tax on remuneration of the Management Company		6,809,762	6,149,198	2,151,712	2,201,742
Remuneration to the Trustee		3,807,901	3,521,580	1,213,797	1,237,867
Annual fee to the Securities and Exchange Commission of Pakistan		523,828	473,015	165,516	169,364
SECP Supervisory Fee		1,877	1,890	617	624
Auditors' remuneration		153,767	202,486	38,633	46,463
Fees and subscription		494,024	479,557	153,794	162,383
Printing charges		8,475	3,390	8,475	3,390
Brokerage expenses		12,902,555	9,550,092	4,446,727	4,121,621
Settlement charges		769,867	725,088	404,700	147,600
Bank and other charges		3,928	36,259	-	-
Total expense		77,858,769	68,444,080	25,135,599	25,027,530
Net income / (loss) from the operating activities		800,510,484	(584,325,151)	95,335,018	(1,008,272,172)
Sindh Workers' Welfare Fund (SWWF)		(16,010,210)	-	(1,906,701)	-
Net income / (loss) for the period before taxation		784,500,274	(584,325,151)	93,428,317	(1,008,272,172)
Taxation	13	-	-	-	-
Net income / (loss) for the period after taxation		784,500,274	(584,325,151)	93,428,317	(1,008,272,172)
Allocation of net income / (loss) for the period					
Net income / (loss) for the period after taxation		784,500,274	-	93,428,326	-
Income already realized on units redeemed		(215,590,279)	-	(94,213,329)	-
		568,909,995	-	(785,003)	-
Accounting income available for distribution					
- Relating to capital gains		748,317,469	-	182,622,906	-
- Excluding capital gains		(179,407,474)	-	(183,407,909)	-
Accounting income available for distribution		568,909,995	-	(785,003)	-

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the nine months and quarter ended March 31, 2021**

	Nine months ended March 31, 2021	2020	Quarter ended March 31, 2021	2020
	------(Rupees)-----			
Net income for the period after taxation	784,500,274	(584,325,151)	93,428,317	(1,008,272,172)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>784,500,274</u>	<u>(584,325,151)</u>	<u>93,428,317</u>	<u>(1,008,272,172)</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Movement In Reserve Or Unit Holders' Fund (Unaudited)
For the nine months ended March 31, 2021

	Nine months ended 31 March 2021		Nine months ended 31 March 2020	
	Capital value	Undistributed income	Capital value	Undistributed income
	3,422,375,365	(490,786,271)	2,931,589,094	(326,402,761)
Net assets at beginning of the period	----- (Rupees) -----			
Issuance of 7,090,950 units (2020: 11,979,853)				
- Capital value	494,508,924	-	494,508,924	-
- Element of loss	118,349,841	-	118,349,841	-
Total proceeds on issuance of units	612,858,765	-	612,858,765	-
Redemption of 13,215,495 units (2020: 14,450,925)				
- Capital value	(1,261,666,875)	-	(1,261,666,875)	-
- Element of loss	161,535,177	(215,590,279)	(54,055,102)	-
Total payments on redemption of units	(1,100,131,698)	(215,590,279)	(1,315,721,977)	-
Total comprehensive (loss) / income for the year	784,500,274	-	-	(584,325,151)
Net assets as at end of the period	2,895,102,432	784,123,724	3,013,226,156	(910,727,912)
Undistributed income brought forward:				
- Realized income at beginning of the period	(383,727,787)	-	-	345,197,337
- Unrealized income at beginning of the period	(107,058,484)	-	-	(671,600,098)
Accounting income available for distribution:	(490,786,271)	-	-	(326,402,761)
Relating to capital gains	748,317,469	-	-	-
Excluding capital gains	(179,407,474)	-	-	-
Net (loss) / income for the period after taxation	568,909,995	-	-	-
Undistributed income / (loss) at end of the period	784,500,274	295,714,003	784,500,274	(584,325,151)
Represented by:				
- Realized income at end of the period	(20,483,122)	-	-	(321,246,611)
- Unrealized income at end of the period	514,197,125	-	-	(589,481,301)
Undistributed income / (loss) at end of the period	295,714,003	-	-	(910,727,912)
Net assets value per unit at beginning of the period	87.9078	-	-	91.0784
Net assets value per unit at end of the period	111.3846	-	-	75.4632

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**Condensed Interim Cash Flow Statement (Unaudited)
For the nine months ended March 31, 2021**

	Nine months ended March 31,	
	2021	2020
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / loss for the period	784,500,274	(584,325,151)
Adjustments for:		
(Gain) / loss from disposal of marketable securities - net	(234,120,344)	98,517,074
Unrealised diminution / (appreciation) in the fair value of investments 'held for trading' - net	(514,197,125)	589,481,301
	36,182,805	103,673,224
Decrease / (increase) in assets		
Investments	542,074,503	93,847,748
Dividend and profit receivable	(42,227,478)	(37,423,697)
Receivable against sale of investment	12,658,973	(40,395,621)
Deposits and prepayments	3,729,383	(105,454)
	516,235,381	15,922,976
(Decrease) / increase in liabilities		
Payable to the Management Company	4,926,771	(614,429)
Remuneration payable to the Trustee	(344,966)	762,083
Annual fee payable to Securities and Exchange Commission of Pakistan	(92,440)	(2,775,256)
Payable against purchase of investments	(13,885,539)	86,283,615
Accrued expenses and other liabilities	27,967,005	3,022,127
	18,570,831	86,678,140
Net cash generated from operating activities	570,989,017	206,274,340
CASH FLOWS FROM FINANCING ACTIVITIES		
Received on issuance of units	612,858,765	1,228,847,464
Paid against redemption of units	(1,315,721,977)	(1,395,657,908)
Net cash inflows / (outflows) from financing activities	(702,863,212)	(166,810,444)
Net (decrease) / increase in cash and cash equivalents during the period	(131,874,195)	39,463,896
Cash and cash equivalents at beginning of the period	286,244,205	474,086,705
Cash and cash equivalents at end of the period	154,370,010	513,550,601

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**Notes to and forming part of the Condensed Interim
Financial Information (Unaudited)
For the nine months and quarter ended March 31, 2021**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Lakson Equity Fund (the "Fund") was established under the Trust Deed executed on 2 September 2009 between the Lakson Investments Limited as its Management Company, a company incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017) and the Central Depository Company of Pakistan Limited (CDC) as its Trustee, also incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017). The Fund has been registered as a Notified Entity on 18 September 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).
- 1.2 The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore.
- 1.3 The Fund is an open end mutual fund and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund is categorised as "Equity Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and it primarily invests in listed equity securities and other avenues of investment, which include cash or near cash instruments, cash in bank accounts (excluding TDR) and treasury bills not exceeding 90 days maturity and any other investment authorised by SECP.

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

- 1.4 The Pakistan Credit Rating Company Limited (PACRA) has maintained asset manager rating of the Management Company of the Fund to the scale AM2+' (stable outlook) dated August 28, 2020 (AM2+ as on August 29, 2019).

On February 11, 2021, PACRA assigned following rankings to the Fund based on the performance review for the period ended December 31, 2021 (trailing 12 months for 1 Year ranking, trailing 36 months for 3 Year ranking, and trailing 60 months for 5 Year ranking).

1 Year : 3-Star
3 Year : 2-Star
5 Year : 3-Star

- 1.5 During the current period, the Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.2 The comparative balance sheet presented in these condensed interim financial information as at 31 March 2021 has been extracted from the audited financial statements of the Company for the year ended 30 June 2020, whereas the comparative income statement, statement of comprehensive income, the statement of cash flows and statement of movement in unitholders' fund for the nine months period ended 31 March 2021 have been extracted from the unaudited condensed interim financial information for the period then ended.
- 2.3 These 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.
- 2.4 These condensed interim financial information are being submitted to the unit holders as required under Regulation 38(2)(f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited. However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause 5.19.13 of the Pakistan Stock Exchange Limited (PSX) Rule Book.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial information give a true and fair view of the state of the Fund's affairs as at 31 March 2021

2.5 Basis of measurement

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

2.6 Functional and presentation currency

These 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.

2.7 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments which are effective from annual period beginning on or after 1 July 2020. These amendments are not likely to have an impact on the Fund's financial position. Therefore these are not stated in this condensed interim financial information.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020, unless otherwise stated.

The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2020.

6. BANK BALANCES	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
(Rupees)			
Local Currency			
In profit and loss sharing accounts	6.1	154,362,307	286,236,502
In current account		7,703	7,703
		<u>154,370,010</u>	<u>286,244,205</u>

6.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 5.00% to 8.60% (30 June 2020: 6.60% to 10.40%) per annum.

7. INVESTMENTS

At fair value through profit or loss			
Listed equity securities	7.1	<u>2,919,202,784</u>	<u>2,712,959,818</u>

5.1 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 investee company	Holding as at July 01, 2020	Purchased during the period	Bonus / rights shares received during the period	Disposed during the period	Holding as at 31 March 2021	Carrying value 31 March 2021	Market value March 2021	Unrealised gain / (loss) net	Market values as a percentage of total investments	Market value as a percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
			Number of shares			Rs.	Rs.	Rs.	Percentage (%)	Percentage (%)	Percentage (%)
Commercial Banks											
Bank Al-Habib Limited	1,340,340	796,920	-	1,235,855	901,405	50,634,378	58,627,381	7,993,003	2.01	1.72	0.08%
Bank Alfalah Limited	1,261,192	588,648	-	1,315,392	534,448	17,979,068	16,289,975	(1,689,093)	0.56	0.48	0.03%
Habib Bank Limited	2,002,661	890,500	-	1,341,749	1,551,412	166,187,157	180,243,046	14,055,889	6.17	5.29	0.11%
MCB Bank Limited	786,568	835,463	-	876,492	745,539	125,543,778	128,344,539	2,800,761	4.40	3.76	0.06%
United Bank Limited	1,213,867	659,412	-	985,071	888,208	95,911,940	105,643,460	9,731,520	3.62	3.10	0.07%
Bank of Punjab Limited	5,481,289	3,446,000	-	7,382,000	1,545,289	13,579,750	12,439,576	(1,140,174)	0.43	0.36	0.07%
Meezan Bank Limited	1,019,750	698,200	-	1,136,293	656,712	59,695,681	74,326,664	14,630,983	2.55	2.18	0.05%
						329,531,752	375,914,641	46,382,889	39.73	16.89	
Chemicals											
Engro Fertilizers & Chemicals Limited	1,636,342	2,002,600	-	2,462,300	1,176,542	48,095,804	64,698,005	16,602,201	2.22	1.90	0.13%
ICI Pakistan Limited	72,700	45,150	-	88,307	29,543	20,816,564	24,570,618	3,754,054	0.84	0.72	0.32%
Archtoma Pakistan Limited	-	350	-	350	-	-	-	-	-	-	0.00%
Sicara Peroxide Limited	-	1,144,000	-	1,144,000	-	-	-	-	-	-	0.00%
Dieson Oxychem Limited	1,052,500	426,000	-	1,674,340	195,840	-	-	-	-	-	0.00%
Lotte Chemical Pakistan Limited	-	2,830,500	-	1,894,500	936,000	14,453,326	14,929,200	475,874	0.51	0.44	0.06%
						83,365,694	104,197,863	20,832,169	3.57	3.06	
Fertilizers											
Engro Corporation Limited (S.1.1)	608,148	117,500	-	329,767	395,881	117,080,878	109,785,442	(7,295,436)	3.76	3.22	0.00
Fauji Fertilizer Company Limited	1,469,792	500,800	-	1,509,419	461,173	50,485,206	48,187,967	(2,297,239)	1.65	1.41	0.00
Fauji Fertilizer Bin Qasim Limited	-	6,715,000	687,821	5,598,821	1,808,000	47,700,810	49,559,200	1,858,390	1.70	1.45	0.00
						215,266,894	207,512,609	(7,754,285)	7.11	6.08	
Technology & Communication											
TRC Pakistan Limited	-	652,100	-	237,700	414,400	56,584,260	62,247,024	5,662,764	2.13	1.83	0.00
Systems Limited	-	98,900	7,170	14,500	91,570	41,533,911	43,086,432	1,552,521	1.48	1.26	0.00
						98,118,171	105,333,456	7,215,285	3.61	3.09	
Insurance											
Adanijee Insurance Company Limited	1,259,000	437,000	-	1,696,000	-	-	-	-	-	-	-
Pharma & Bio Tech											
The Searle Company Limited (S.1.2)	57,788	130,200	-	54,900	133,088	35,415,942	32,876,729	(2,539,213)	1.13	0.96	0.06%
Ferozsons Laboratories Limited	9,480	130,600	-	9,480	130,600	42,639,486	39,761,170	(2,878,316)	1.36	1.17	0.36%
GloSmithline Pakistan Limited	129,900	103,600	-	185,600	47,900	8,538,894	7,524,132	(1,014,762)	0.26	0.22	0.02%
						86,893,322	80,162,031	(6,731,291)	2.75	2.35	
Textile Composites											
Nishat Mills Limited	1,043,200	490,500	-	886,100	647,600	56,247,936	59,915,952	3,668,016	2.05	1.76	0.18%
Nishat Chunian Limited	384,000	-	-	384,000	-	-	-	-	-	-	0.00%
Gul Ahmed Textile Mills Limited	1,842,000	180,500	-	1,812,600	209,900	6,247,526	9,928,270	3,680,744	0.34	0.29	0.05%
Kohinoor Textile Mills Limited	-	382,500	-	1,812,600	382,500	28,753,910	23,462,550	(5,291,360)	0.80	0.69	0.09%
						91,240,372	93,306,772	2,066,400	3	3	
Cement											
Lucky Cement Company Limited (S.1.1)	351,610	101,800	-	220,759	232,651	122,723,667	190,213,131	67,489,464	6.52	5.58	0.07%
Kohat Cement Company Limited	37,000	36,600	-	37,000	36,600	7,984,253	7,584,252	(400,001)	0.26	0.22	0.02%
D.G. Khan Cement Company Limited	459,500	788,021	-	560,561	666,960	74,370,850	80,375,350	6,004,500	2.75	2.36	0.15%
Maple Leaf Cement Factory Limited	3,310,345	1,033,829	-	2,879,228	1,484,846	56,174,072	66,521,101	10,347,029	2.28	1.95	0.14%
Pioneer Cement Limited	85,700	40,000	-	38,700	38,700	2,795,920	2,795,920	-	0.12	0.10	0.00%
Chunian Cement Company Limited	340,000	40,000	-	636,600	389,400	21,965,986	29,153,420	7,187,434	0.87	0.74	0.08%
Fauji Cement Company Limited	3,273,000	3,292,500	-	4,576,100	1,989,400	38,772,181	45,398,108	6,625,927	1.56	1.33	0.14%
						355,983,319	464,132,002	108,148,683	15.90	13.61	
Power Generation & Distribution											
Hub Power Company Limited	1,697,316	713,114	-	1,033,624	1,376,806	104,449,007	111,714,039	7,265,032	3.83	3.28	0.11%
Kot Addu Power Company Limited	-	3,449,500	-	1,984,037	1,465,463	45,787,013	58,237,500	12,450,487	1.99	1.71	0.17%
						150,236,020	169,951,539	19,715,519	5.82	4.98	

Name of investee company	Holding as at July 01, 2020	Purchased during the period	Bonus / right shares received during the period	Disposed during the period	Holding as at 31 March 2021	Rupees				Market value as a percentage of total investments	Market value as a percentage of net assets	Per value of shares held as a percentage of total paid up capital of the company
						Carrying value as of 31 March 2021	Market value as of 31 March 2021	Unrealised gain / (loss) net	Percentage (%)			
Oil and Gas Exploration Companies												
Mari Petroleum Company Limited (5.1.2)	115,122	7,700	-	67,120	55,702	72,180,636	85,296,473	13,115,837	2.92	2.50	0.04%	
Oil and Gas Development Company Limited (5.1.1)	1,240,071	622,000	-	717,001	1,455,070	124,653,014	116,350,563	(8,302,451)	3.99	3.41	0.03%	
Pakistan Oilfield Limited	246,449	291,419	-	70,731	467,137	175,087,187	177,460,675	2,373,488	6.08	5.20	0.03%	
Pakistan Petroleum Limited (5.1.1)	658,210	1,074,100	-	625,947	1,106,363	102,564,553	96,618,681	(5,945,872)	3.31	2.83	0.04%	
						474,485,390	475,726,392	1,241,002	16.30	13.95		
Oil and Gas Marketing Companies												
Attock Petroleum Limited	94,700	54,300	-	110,000	39,000	13,883,469	12,753,780	(1,129,689)	0.44	0.37	0.04%	
Pakistan Oil Refinery Limited	374,000	72,000	-	72,000	374,000	78,573,426	91,626,488	13,253,062	3.15	2.69	0.08%	
Pakistan Sui Oil Company Limited (5.1.2)	376,507	890,516	-	868,868	398,155	-	-	-	-	-	0.00%	
Sui Northern Gas Pipeline Limited	1,357,383	829,717	-	2,187,100	-	-	-	-	-	-	0.00%	
						92,456,895	104,380,268	12,123,373	3.58	3.07		
Food & Personal Care Products												
Fauji Foods Limited	-	1,834,850	-	1,014,000	820,850	14,072,737	12,173,206	(1,899,531)	0.42	0.36	0.10%	
The Organic Meat Company Limited	-	803,712	-	803,712	-	-	-	-	-	-	0.00%	
Unity Foods Limited	-	279,500	-	-	279,500	8,068,088	8,312,330	244,242	0.28	0.24	0.25%	
						22,140,825	20,485,536	(1,655,289)	1	1		
Transport												
Pakistan International Bulk Terminal	-	6,157,705	-	4,870,500	1,287,205	16,556,189	13,451,292	(3,084,897)	0.46	0.39	0.07%	
Automobile and Parts												
Thal Limited	45,550	-	-	700	44,850	14,573,559	16,508,388	1,934,829	0.57	0.48	0.11%	
Automobile Assemblers												
Indus Motor Company Limited	63,900	49,400	-	50,710	62,590	70,788,310	72,357,170	1,568,860	2.48	2.12	0.53%	
Pak Suzuki Motor Company Limited	-	459,800	-	203,200	256,600	62,087,346	80,798,208	18,710,862	2.77	2.37	0.31%	
Agrauto Industries Limited	94,259	84,300	-	36,500	142,059	28,320,927	30,447,505	2,126,578	1.04	0.89	0.99%	
Millat Tractors Limited	-	24,655	2,494	-	27,149	29,895,560	29,857,113	(38,447)	1.02	0.88	0.00%	
						191,092,143	213,459,996	22,367,853	7	6		
Glass & Ceramics												
Thin Glass Industries Limited	732,530	233,000	-	965,530	1,866,000	22,971,022	25,246,160	2,255,138	0.86	0.74	0.00%	
Shabbir Tiles & Ceramics Limited	-	2,009,500	-	941,500	22,971,022	25,246,160	2,255,138	1	1	0	0.65%	
Engineering												
International Industries Limited	-	797,900	-	722,500	75,400	11,927,157	15,319,018	3,391,861	0.52	0.45	0.02%	
Algha Steels Limited	-	2,063,440	-	911,940	1,151,500	40,787,530	35,558,320	(5,229,210)	1.22	1.04	0.20%	
Mughal Iron & Steel Industries Limited	1,127,100	1,091,500	49,280	1,872,100	395,780	36,577,522	33,866,934	(3,210,588)	1.14	0.98	0.16%	
International Steels Limited	893,500	894,518	-	1,276,701	511,317	38,865,029	43,758,509	4,893,480	1.50	1.28	0.12%	
Algha Steel Mills Limited	2,762,500	7,564,472	-	7,701,600	2,625,372	48,825,560	62,352,585	13,427,025	2.14	1.83	0.34%	
						177,082,798	190,355,366	13,272,568	6.52	5.58		
Cable & Electrical Goods												
Pak Elektron Limited	-	287,000	-	-	287,000	10,317,970	9,482,480	(835,490)	0.32	0.28	0.07%	
						10,317,970	9,482,480	(835,490)	0	0		
Refinery												
Attock Refinery Limited	-	101,800	-	-	101,800	24,620,331	25,997,684	1,377,353	0.89	0.76	0.00%	
Byco Petroleum Pakistan Limited	-	1,692,500	-	-	1,692,500	18,618,135	17,703,550	(914,585)	0.61	0.52	0.00%	
National Refinery Limited	-	9,700	-	-	9,700	5,796,628	5,714,759	(81,869)	0.20	0.17	0.00%	
						49,035,094	49,415,993	380,899	2	1		
Total as at March 31, 2021						2,685,082,429	2,919,202,794	234,120,344	100	97.34		
Total cost as at March 31, 2021						3,082,856,343						
Total as at June 30, 2020						2,820,019,302	2,712,959,818	(107,059,484)	100	88.43		
Total cost as at June 30, 2020						2,786,724,992						

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

	31 March 2021	30 June 2020	31 March 2021	30 June 2020
	----- (Number of shares) -----		----- (Rupees) -----	
Engro Corporation Limited	160,000	160,000	44,371,200	46,867,200
Oil and Gas Development Company Limited	70,000	70,000	7,252,000	7,630,000
Pakistan Petroleum Limited	330,000	330,000	28,818,900	28,637,400
	<u>560,000</u>	<u>560,000</u>	<u>80,442,100</u>	<u>83,134,600</u>

5.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other Asset Management Companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 3.97 million at March 31, 2021 (June 30, 2020: Rs. 3.33 million) and not yet deposited on CDC account of department of Income Tax. Management is of the view that the decision will be in favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value of its investments.

5.1.3 Market Treasury Bills

	----- Number of treasury bills -----				Balance as at March 31, 2021			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealized (diminution)		
Government Securities									
6 Months Market Treasury Bills (face value of Rs. 100,000 each)	-	345,000	345,000	-	-	-	-	-	-
6 Months Market Treasury Bills (face value of Rs. 100,000 each)	-	114,000	114,000	-	-	-	-	-	-
					-	-	-	0.00%	0.00%

8. DIVIDEND AND PROFIT RECEIVABLE	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees)	
Unsecured - considered good			
- Dividend receivable		45,079,986	187,640
- Profit receivable on profit and loss sharing accounts		3,848,339	6,513,207
		<u>48,928,325</u>	<u>6,700,847</u>

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
9. PAYABLE TO THE MANAGEMENT COMPANY	Note	(Rupees)	
Remuneration payable to the Management Company	9.1	5,312,077	952,104
Sindh Sales Tax on Management remuneration	9.2	3,389,997	2,823,199
Federal Excise Duty on Management remuneration	9.3	18,483,430	18,483,430
Sale load payable to the management company		66,008	66,008
		27,251,512	22,324,741
<p>9.1 Under the provisions of Non-Banking Finance Companies and Notified Entities Regulations 2008, an Asset Management Company shall be entitled to remuneration equal to an amount not exceeding 2% of average annual net assets. Management Company has charged remuneration at 2% per annum based on the daily net assets of the Fund during the period ended 31 March 2020. Remuneration is paid to the Management company in arrears on a monthly basis.</p>			
<p>9.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) on Management Company's remuneration. Above liability includes Rs. 2,699,429 (30 June 2019: Rs. 2,699,429) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 10.3 below. Had the provision on FED not been made, Net Asset Value per unit of the Fund as at 31 March 2021 would have been higher by Re. 0.0998 (June 30, 2020: Re. 0.0809) per unit. The amount is payable to the management company for onwards payment to the Government</p>			
<p>9.3 There is no change in the status of the appeal pending in the Supreme Court of Pakistan against of the decision of Sindh High Court as more fully disclosed in the annual financial statements for the year ended 30 June 2018 regarding the FED on management's remuneration. The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs.18.483 million. Had the provision not been made, Net asset Value per unit of the Fund as at 31 March 2021 would have been higher by Re. 0.6832 (June 30, 2020: Re. 0.5543) per unit.</p>			
<p>9.4 As per the clause 60(s) of the Non-Banking Finance Companies and Notified Entities Regulation, 2008 fees and expenses related to registrar services, accounting, operation and valuation services relating to the Fund maximum up to 0.1% of average annual net assets of the Fund or actual whichever is less are allowed to be charged to the Fund by the Management Company.</p>			

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees)	
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
Payable to Sindh Workers' Welfare Fund	12.1	54,107,103	38,096,893
Withholding tax payable		3,573,197	-
Brokerage charges payable		9,300,390	1,157,682
Auditors' remuneration		155,822	189,166
Fee payable to National Clearing Company of Pakistan Limited		32,000	35,000
Fee payable to Central Depository Company Limited		29,492	22,600
Rating fee payable		133,100	133,100
Professional tax payable		537,091	266,750
Other liabilities		20,000	20,000
		<u>67,888,196</u>	<u>39,921,191</u>

- 12.1 Provision for Sindh Workers' Welfare Fund is being made on a daily basis going forward pursuant to the Mutual Funds Association of Pakistan (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 Collective Investment Schemes (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 01, 2014).

Total provision for SWWF till March 31, 2021 is Rs. 54.107 million (June 30, 2020: Rs.38.097 million). Had the provision not been made, Net Asset Value per unit of the Fund as at March 31, 2021 would have been higher by Rs. 2.00 (June 30, 2020: Rs. 1.41) per unit.

11. 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 March 31, 2021 is 4.58% which includes 1.12% representing government levies (comprising of Workers Welfare Fund and SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Equity Scheme shall be capped up to 4.5%

12. CONTINGENCIES AND COMMITMENTS

The Fund had no contingency or commitment at the period end.

13. TAXATION

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute at least 90% of the income earned (if any) during the year by the Fund to the unitholders.

14. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, 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 31 March 2021. It also includes staff retirement funds of the above related parties / connected persons.

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

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	(Rupees)	
14.1 Details of balances with related parties / connected persons at the period end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration and other payables (including the Sindh sales tax and federal excise duty amounting to Rs. 27.185 million (30 June 2020: Rs. 22.258 million)*	<u>27,185,504</u>	<u>22,258,733</u>
Sales load payable	<u>66,008</u>	<u>66,008</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	<u>392,375</u>	<u>737,341</u>
Security deposit	<u>100,000</u>	<u>100,000</u>
CDC Fee payable	<u>29,492</u>	<u>22,600</u>
	Nine months ended March 31,	2020
	2021	(Unaudited)
	(Rupees)	
14.2 Details of transaction with related parties / connected persons at the period end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration for the period	<u>52,382,784</u>	<u>47,301,526</u>
Sindh sales tax on remuneration of Management Company *	<u>6,809,762</u>	<u>6,149,198</u>
Central Depository Company Limited - Trustee of the Fund		
Remuneration for the period	<u>3,807,901</u>	<u>3,521,580</u>
Settlement charges	<u>241,500</u>	<u>178,088</u>

14.3 Details of transactions and balances with directors, key management personnel, employees, associated company/ undertakings of the Management Company and connected person are as follows:

	Number of Units				Rupees			
	Number of units as at 01 July 2020	Units issued during the period	Units redeemed during the period	Number of units as at 31 March 2021	Balance as at July 01, 2020	Units issued during the period	Units redeemed during the period	Balance as at 31 March 2021
Lakson Investments Limited - Management Company of the Fund	837,657	535,568.09	-	1,373,225	76,292,428	-	-	152,956,114
Directors, Chief Executive and their spouse and minors	5,675,136	4,403,008.65	4,280,260.92	5,797,884	693,188,870	177,796,177	635,045,568	645,794,937
Other key management personnel	74,086	6,158.89	26,819.99	53,425	8,104,483	974,991	455,403	5,950,745
Associated companies / undertakings of the Management Company								
Accuracy Surgical Limited Employees Contributory Provident Fund	41,593	9,295.30	17,416.13	33,472	3,656,309	991,486	1,971,858	3,728,234
Century Insurance Company Limited Gratuity Fund	33,745	15,001.62	16,754.46	31,992	2,966,467	1,568,689	1,896,987	3,563,457
Century Insurance Company Limited	1,416,940	-	443,199.47	973,741	124,560,111	-	49,000,000	108,459,741
Century Insurance Company Limited Employees Contributory Provident Fund	47,177	10,624.61	19,021.36	38,780	4,147,222	1,132,801	2,152,090	4,319,519
Century Paper & Board Mills Limited Employees Contributory Provident Fund	591,116	83,067.57	230,983.69	443,200	51,963,710	9,061,038	26,152,235	49,365,644
Century Paper & Board Mills Limited Employees Gratuity Fund	487,945	105,663.11	203,135.70	390,473	42,894,206	11,294,119	22,998,893	43,492,657
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund	531,212	172,560.07	240,693.98	463,078	46,697,664	18,185,890	27,250,968	51,579,750
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	517,985	267,885.36	266,529.94	519,340	45,534,928	28,005,976	30,176,048	57,846,533
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund	234,005	71,654.57	99,805.62	205,854	20,570,845	7,621,041	11,293,182	22,928,934
Gam Corporation Private Limited Employees Contributory Provident Fund	135,371	78,270.71	76,266.11	137,376	11,900,192	8,091,266	8,635,750	15,301,559
Hasanali Karabhai Foundation Employees Contributory Provident Fund	17,040	1,238.11	12,054.42	6,223	1,497,929	125,692	1,335,921	693,198
Lakson Business Solutions Limited Employees Contributory Provident Fund	1,263	-	-	1,263	110,998	-	-	140,641
Merit Packaging Limited Employees Contributory Provident Fund	82,523	7,350.99	33,466.74	56,407	7,254,406	792,687	3,791,329	6,282,887
Merit Packaging Limited Employees Gratuity Fund	38,781	4,420.79	14,791.17	28,410	3,409,112	488,761	1,674,630	3,164,454
Premier Fashions (Private) Limited	115,684	-	115,684.27	-	10,169,550	-	12,483,971	-
Siza Commodities (Private) Limited	5,959,024	-	3,931,655.90	2,037,368	524,723,750	-	428,500,000	226,931,409
Siza Foods Private Limited Employees Contributory Provident Fund	97,081	82,921.14	61,835.80	118,167	8,594,219	8,657,281	7,001,075	13,161,962
Siza Private Limited	174,289	458,478.79	174,289.31	458,479	15,321,389	50,000,000	16,963,770	51,067,476
Siza Service (Private) Limited	304,247	320,894.97	-	625,142	26,745,684	34,995,618	-	69,631,187
Siza Services Private Limited Employees Contributory Provident Fund	24,775	10,454.70	11,731.02	23,499	2,177,907	1,095,384	1,327,572	2,617,380
Sybird Private Limited Employees Contributory Provident Fund	53,234	13,726.67	19,558.72	47,402	4,679,658	1,482,888	2,209,994	5,279,815
Lakson Investments Limited Employees Contributory Provident Fund	-	30,502.52	-	30,503	-	3,100,000	-	3,397,511
Connected person due to holding more than 10% units								
Sindh General Provident Investment Fund	3,794,238	-	-	3,794,238	333,543,127	-	-	422,619,696
Sindh Province Pension Fund	5,511,586	-	-	5,511,586	484,511,387	-	-	613,905,785
Bashir Dawood	3,022,241	-	-	3,022,241	327,382,413	-	-	386,631,074

Number of Units					Rupees		
Nine months ended March 31, 2020							
Number of units as at 01 July 2019	Units issued during the period	Units redeemed during the period	Number of units as at 31 March 2020	Balance as at July 01, 2019	Units issued during the period	Units redeemed during the period	Balance as at 31 March 2020
837,657	-	-	837,657	95,583,789	-	-	93,302,076
6,026,787	5,302,66	-	6,032,090	889,328,746	395,924	-	671,881,901
95,518	15,612.71	40,887.82	70,243	1,497,457	1,270,171	4,180,000	7,823,942
41,593	-	-	41,593	4,373,315	-	-	4,632,769
38,321	-	4,576	33,745	4,029,321	-	500,000	3,758,697
1,416,940	-	1,416,940	148,986,463	-	-	-	157,825,337
47,177	-	-	47,177	4,960,497	-	-	5,254,786
591,116	-	-	591,116	62,153,841	-	-	65,841,223
487,945	-	-	487,945	51,305,799	-	-	54,349,602
531,212	-	-	531,212	55,855,119	-	-	59,168,819
517,985	-	-	517,985	54,464,370	-	-	57,695,560
234,005	-	-	234,005	24,604,806	-	-	26,064,528
17,040	-	-	17,040	1,791,675	-	-	1,897,969
1,263	-	-	1,263	132,765	-	-	140,641
82,523	-	-	82,523	8,677,002	-	-	9,191,780
38,781	-	-	38,781	4,077,642	-	-	4,319,555
1,844,304	-	857,173	987,131	193,922,303	-	95,000,000	109,951,170
5,496	-	5,496	-	577,894	-	578,932	-
-	5,551,799	-	5,551,799	-	601,070,518	-	618,384,898
97,081	-	-	97,081	10,207,787	-	-	10,813,381
1,362,321	-	1,362,321	-	143,243,447	-	147,374,142	-
3,430,433	-	3,430,433	-	360,698,394	-	371,099,811	-
24,775	-	-	24,775	2,604,997	-	-	2,799,543
53,234	-	-	53,234	5,597,344	-	-	5,929,415
3,794,238	-	-	3,794,238	398,951,239	-	-	422,619,696
5,511,586	-	-	5,511,586	579,524,513	-	-	613,905,785

Lakson Investments Limited - Management Company of the Fund
 Directors, Chief Executive and their spouse and minors
 Other key management personnel

Associated companies / undertakings of the Management Company

- Accuracy Surgical Limited Employees Contributory Provident Fund
- Century Insurance Co. Ltd., GF
- Century Insurance Company Limited
- Century Insurance Company Limited Employees Contributory Provident Fund
- Century Paper & Board Mills Limited Employees Contributory Provident Fund
- Century Paper & Board Mills Limited EGF
- Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund
- Colgate Palmolive Pakistan Limited Employees Gratuity Fund
- Cyber Internet Services (Pvt.) Ltd. Employees Contributory Provident Fund
- Gam Corporation Private Limited Employees Contributory Provident Fund
- Hasanali Karabhai Foundation Employees Contributory Provident Fund
- Lakson Business Solutions Limited Employees Contributory Provident Fund
- Merit Packaging Limited Employees Contributory Provident Fund
- Merit Packaging Limited Employees Gratuity Fund
- Premier Fashions (Private) Limited
- Princeton Travels Limited Employees Contributory Provident Fund
- Siza Commodities Private Limited
- Siza Foods Private Limited Employees Contributory Provident Fund
- Siza Private Limited
- Siza Services (Private) Limited
- Siza Services Private Limited Employees Contributory Provident Fund
- Sybird Private Limited Employees Contributory Provident Fund
- Connected person due to holding more than 10% units
- Sindh General Provident Investment Fund (Being more than 10% unit holding)
- Sindh Province Pension Fund (Being more than 10% unit holding)

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

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.

As at 31 March 2021							
On-balance sheet financial instruments	Carrying amount			Fair Value			
	Mandatory at Fair value through profit and loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Total
----- (Rupees) -----							
Financial assets measured at fair value							
Listed equity securities	2,919,202,784	-	-	2,919,202,784	2,919,202,784	-	2,919,202,784
	<u>2,919,202,784</u>	<u>-</u>	<u>-</u>	<u>2,919,202,784</u>	<u>2,919,202,784</u>	<u>-</u>	<u>2,919,202,784</u>
Financial assets not measured at fair value							
15.1 Bank balances - Held at amortized cost	-	154,370,010	-	154,370,010	-	-	-
Dividend and profit receivable	-	48,928,325	-	48,928,325	-	-	-
Security deposit	-	2,650,000	-	2,650,000	-	-	-
Receivable against sale of investment	-	15,410,428	-	15,410,428	-	-	-
	<u>-</u>	<u>221,358,763</u>	<u>-</u>	<u>221,358,763</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
15.1 Payable to the Management Company	-	-	5,378,085	5,378,085	-	-	-
Remuneration payable to the Trustee	-	-	392,375	392,375	-	-	-
Accrued expenses and other liabilities	-	-	9,537,704	9,537,704	-	-	-
Payable against the purchase of equity investment	-	-	31,907,238	31,907,238	-	-	-
	<u>-</u>	<u>-</u>	<u>47,215,403</u>	<u>47,215,403</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at 30 June 2020							
On-balance sheet financial instruments	Carrying amount			Fair Value			
	Mandatory at Fair value through profit and loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Total
----- (Rupees) -----							
Financial assets measured at fair value							
Listed equity securities	2,712,959,818	-	-	2,712,959,818	2,712,959,818	-	2,712,959,818
	<u>2,712,959,818</u>	<u>-</u>	<u>-</u>	<u>2,712,959,818</u>	<u>2,712,959,818</u>	<u>-</u>	<u>2,712,959,818</u>
Financial assets not measured at fair value							
Bank balances - Held at amortized cost	-	286,244,205	-	286,244,205	-	-	-
Receivable against sale of investment	-	28,069,401.00	-	28,069,401	-	-	-
Dividend and profit receivable	-	6,700,847	-	6,700,847	-	-	-
Deposits and advances	-	7,007,116	-	7,007,116	-	-	-
	<u>-</u>	<u>328,021,569</u>	<u>-</u>	<u>328,021,569</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Payable to the Management Company	-	-	1,018,112	1,018,112	-	-	-
Remuneration payable to the Trustee	-	-	737,341	737,341	-	-	-
Accrued expenses and other liabilities	-	-	1,557,548	1,557,548	-	-	-
Payable against the purchase of equity investment	-	-	45,792,777	45,792,777	-	-	-
	<u>-</u>	<u>-</u>	<u>49,105,778</u>	<u>49,105,778</u>	<u>-</u>	<u>-</u>	<u>-</u>

- 15.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

11 IMPACT OF COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 March 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

16. GENERAL

Figures have been rounded off to the nearest rupee.

17. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial information were authorised for issue on April 19, 2021 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director



A Lakson Group Company

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