LAKSON EQUITY FUND

Annual Report 2022

LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

CONTENTS

Vision

To be a top quartile provider of investment solutions to both individuals and institutions. Through the success of our clients and employees we seek to build sustainable and long-term shareholder value, and to be an employer of choice in the asset management industry.

Mission

To deliver superior performance as measured by market share parameters, high-quality service and a portfolio of innovative yet tailored products across a range of investment disciplines and distribution channels.
To provide a fulfilling, stimulating and supportive environment for our employees that fosters their personal growth and facilitates our productivity as a team.

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
Chief Financial Officer & Company Secretary of the Management Company	Mr. Junaid Arshad
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 : 2-Star AM2+ : Asset Manager Rating by PACRA

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2022

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Equity Fund ('LEF' or 'Fund') is pleased to submit its report together with Audited Financial Statements for the year ended June 30, 2022.

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.

Principal activities

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 15% of Net Assets to meet redemptions however LEF did not utilize this facility during the period under review.

Development and Performance Review

The LEF closed FY22 with a return of -19.18% vs 12.28% of the benchmark, underperforming the benchmark by 6.9%. The LEF provided a return of -10.47% (BM: 7.54%) during 4QFY22. As of June 30, 2022, the fund had 88% exposure in equities and 12% in cash. Sector allocation is skewed towards Commercial Banks (21.5%), Oil & Gas Exploration (13.3%), Technology (12.3%), Construction & Materials (8.5%), Textiles (10.4%) and others (23.3%).

Earning Per Unit (EPU)

LPU is not being disclosed as we feel determination of weighted average units for calculating LPU is not practicable for open end funds.

Principal Risk and Uncertainties

The economic instability, rising current account deficit, declining FX reserves, higher than expected inflation, PKR devaluation, lower than expected financial aid by both unilateral/bilateral donor agencies, further monetary tightening and worsening of external relations remains a risk for all business sectors in Pakistan.

Asset Manager and Fund Rating

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company at "AM2+". The PACRA has given the one-year, three-years & five-years performance-ranking of "3-Star" to LEF.

Additional Matters:

1. The detail of Directors of the Management Company is disclosed in this Annual Report.

2. The financial statements prepared by the Management Company present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in unit holders' fund.

3. Proper books of accounts of the Fund have been maintained.

4. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

5. Relevant International Financial Reporting Standards, as applicable in Pakistan, provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 ('NBFC Regulations), directives issued by the Securities & Exchange Commission of Pakistan and requirements of the constitutive documents of the Fund have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.

6. The system of internal control is adequate and sound in design and has been effectively implemented and monitored.

7. There are no significant doubts upon the Fund's ability to continue as a going concern.

8. Key financial data has been summarized in this Annual Report.

9. Outstanding statutory payments on account of taxes, duties, levies and charges have been fully disclosed in these financial statements.

10. The statement as to the value of investments of provident fund is not applicable in the case of the Fund as such expenses are borne by the Management Company.

11. The pattern of unit holding as at June 30, 2022 is given in this Annual Report.

12. A performance table / key financial data is annexed to this annual report.

External Auditor
The existing auditors M/s. BDO Ebrahim & Co., Chartered Accountants being eligible have given their consent for reappointment as auditors for the year ending June 30, 2023. The Board of Directors, on the recommendations of the Audit Committee, has reappointed M/s. BDO Ebrahim & Co., Chartered Accountants for the year ending June 30, 2023.

Economy Review
The SBP increased the Policy Rate by 250bps in April and by another 150bps in May, taking the policy rate to 13.75% amid surge in inflation readings and sharp current account deficit prints. The current account deficit in 2QCY22 clocked in at US$4.3bn, compared to US$4.0bn in 1QCY22 and US$2.5bn in the same period last year. FY22 current account deficit was reported at US$17.4bn (4.6% of GDP), compared to a deficit of US$1.8bn in FY21. In 2Q, FX reserves held with the SBP plunged below US$10bn to US$9.8bn, from US$11.4bn at the end of March 2022. Overall fx reserves clocked in at US$15.5bn at the end of the quarter, compared with US$17.4bn in March. Exports in 2QCY22 were reported at US$8.4bn, up 3% QoQ owed to strong textile and food exports, while imports continued to overshadow the strong growth in exports. The country received the highest-ever home remittance inflows of over US$31bn in FY22, up 6% YoY. All major international credit rating agencies have turned negative on Pakistan's credit-rating outlook, despite being confident on the disbursement of US$1.2bn IMF tranche. Lastly, on account of higher fuel and utility prices, among others, inflation readings continued to soar during the quarter, with June's inflation print clocking in at 21.3% (13yr high reading for June).

Equity Market Review
As interest rates continued to rise, the KSE-100 index decreased to 41,540pts in 4QFY22, down 7.54% from the previous quarter. Average daily traded value decreased to US$27.29mn in 2QFY22, from US$28.86mn in 1QFY22 exhibiting a decrease of 5.46%. Foreign selling continued to prevail, increasing by US$5.58mn to US$26.37mn in 2QFY22, largely concentrated in Banks, Cement and Fertilizer sectors. The country received the highest-ever home remittances of over US$31bn in FY22 up 6.1% YoY. On the local front, volumes remain thin. Mutual funds continued to sell owed to large redemption calls, while foreign corporates remained net sellers as well. Economic weakness and political uncertainty in 2Q led to the correction in the market.

Future Outlook

Equity market returns are dependent on the future course of inflation, interest rates, external account performance and to a lesser extent sentiment & politics. We believe, on balance, conditions are not conducive for optimal returns in the equity markets despite deeply discounted valuations in almost all sectors. However, we believe, clarity will emerge in the medium term, especially regarding the direction of inflation and the wider implication for interest rates. Clarity on the sustainability of the current account deficit and confidence in Pakistan's ability to shore up external reserves is needed drive equity asset class returns. On the flip side, due to the discounted valuations, we believe positive developments will have an outsized impact on equity market performance.

Acknowledgment

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

Babar Ali Lakhani

Dated: September 22, 2022

Chief Executive Officer

لیکسن ایکویٹی فنڈ
30 جون 2022 کو ختم ہونے والے سال کے لیے
مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، لیکسن ایکویٹی فنڈ ("LEF" یا فنڈ) کی مینجمنٹ کمپنی 30 جون 2022 کو ختم ہونے والے سال کے لیے اپنی رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

فنڈ کا مقصد

فنڈ کا مقصد بنیادی طور پر ایکویٹی اور متعلقہ لسٹڈ سیکیورٹیز میں سرمایہ کاری کے ذریعے سرمایے کی مالیت میں طویل مدتی اضافہ حاصل کرنا ہے۔ سرمایہ کاری مالیاتی استحکام اور نمایاں طور پر اعلیٰ انتظامی مہارتوں کا مظاہرہ کرنے والی اہم کمپنیوں میں کی جائے گی جس میں سے کچھ سرمایہ کم مالیاتی قدر والے اسٹاکس میں لگایا جائے گا۔

نمایاں سرگرمیاں

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 سیکیورٹیز 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 ریڈیمپشنز کی تکمیل کے لیے خالص اثاثوں کے 15% 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 بینچ مارک منافع 12.28%- کے مقابلے میں 19.18%- منافع کے ساتھ مالی سال 2022 کا اختتام بینچ مارک کے مقابلے میں 6.9% کم تر کارکردگی کے ساتھ کیا۔ فنڈ نے مالی سال 2022 کی چوتھی سہ ماہی کے دوران 10.47%- منافع فراہم کیا (بینچ مارک: 7.54%-)۔ 30 جون 2022 کے مطابق فنڈ ایکویٹیز میں 88% اور کیش میں 12% سرمایہ کاری رکھتا ہے۔ شعبہ جاتی تفویض کا جھکاؤ اس طرح ہے۔ کمرشل بینکس (21.5%)، آئل اینڈ گیس ایکسپلوریشن (13.3%) اور ٹیکنالوجی (12.3%)، کنسٹرکشن اینڈ میٹیریلز (8.5%)، ٹیکسٹائلز (10.4%) اور دیگر (23.3%)۔

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 اوپن اینڈ فنڈز کے لیے

قابل عمل نہیں ہے۔

اہم خطرات وخدشات

اقتصادی عدم استحکام، بڑھتا ہوا کرنٹ اکاؤنٹ خسارہ، زرِمبادلہ کے کم ہوتے ذخائر، توقع سے زیادہ افراطِ زر، روپے کی قدر میں کمی، یک طرفہ / دوطرفہ قرض فراہم کنندہ ایجنسیز، دونوں کی طرف سے توقع سے کم مالی امداد، مزید مالیاتی سختی اور بگڑتے خارجہ تعلقات پاکستان میں تمام کاروباری شعبوں کے لیے ایک خطرہ بنے ہوئے ہیں۔

مذکورہ بالا خطرات غیر ملکی اور مقامی سرمایہ کاروں، دونوں کو اپنی سرمایہ کاریاں تحلیل کرنے پر مجبور کر سکتے ہیں جس کے مالیاتی مارکیٹ پر منفی اثرات پڑ سکتے ہیں اور فنڈ کی منافع کمانے کی صلاحیت بھی متاثر ہو سکتی ہے۔

ایسیٹ منیجر اینڈ فنڈ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے مینجمنٹ کمپنی کی ایسیٹ منیجر ریٹنگ اور LEF کی فنڈ اسٹیبلیٹی ریٹنگ "+AM2" پر برقرار رکھی ہے۔ PACRA نے LEF کو ایک سال، تین سال اور پانچ سال کی ''3 اسٹار'' کی پرفارمنس رینکنگ دی ہے۔

اضافی معاملات

1- منیجمنٹ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔

2- مینجمنٹ کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوز اور یونٹ ہولڈرز کے فنڈ میں نقل وحرکت کی منصفانہ عکاسی کرتے ہیں۔

3- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔

4- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے اور شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔

5- ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 کے تقاضوں، نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ اینٹیٹیز ریگولیشنز، 2008 (NBFC ریگولیشنز)، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ڈائریکٹیوز اور فنڈ کی دستوری دستاویزات کے تقاضوں کی پیروی کی گئی ہے اور ان سے کسی بھی انحراف کی مناسب انداز میں نشان دہی کی گئی ہے۔

6- انٹرنل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔

7- فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک وشبہات نہیں ہیں۔

8- اہم مالیاتی ڈیٹا کا خلاصہ اس سالانہ رپورٹ میں شامل ہے۔

9- ٹیکسز، ڈیوٹیز، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کردی گئی ہیں۔

10- پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت سے متعلق گوشوارہ فنڈ پر قابلِ اطلاق نہیں ہے جیسا کہ ایسے اخراجات مینجمنٹ کمپنی کی طرف سے برداشت کیے جاتے ہیں۔

11-30 جون 2022 کے مطابق یونٹ ہولڈنگ کا پیٹرن اس سالانہ رپورٹ میں دیا گیا ہے۔

12- کارکردگی کی جدول/ اہم مالیاتی ڈیٹا اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

بیرونی آڈیٹر

موجودہ آڈیٹرز میسرز BDO ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر 30 جون 2023 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے اپنی رضامندی ظاہر کر دی ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے لیے میسرز BDO ابراہیم اینڈ کو کی دوبارہ تقرری کر دی ہے۔

معاشی جائزہ

اسٹیٹ بینک آف پاکستان نے اپریل میں پالیسی ریٹ میں 250 بنیادی پوائنٹس اور مئی میں مزید 150 بنیادی پوائنٹس کا اضافہ کیا، جو افراط زر کی ریڈنگ میں اضافے اور کرنٹ اکاؤنٹ خسارے کے گہرے اثرات کے درمیان پالیسی ریٹ کو 13.75% تک لے گیا۔ مالی سال 2022 کی دوسری سہ ماہی میں کرنٹ اکاؤنٹ خسارہ 4.3 ارب امریکی ڈالر ہو گیا، جو کہ مالی سال 2022 کی پہلی سہ ماہی میں 4.0 ارب امریکی ڈالر اور پچھلے سال کی اسی مدت میں 2.5 ارب امریکی ڈالر تھا۔ مالی سال 2022 میں کرنٹ اکاؤنٹ خسارہ 17.4 ارب امریکی ڈالر (GDP کا 4.6%) رپورٹ کیا گیا، جبکہ مالی سال 2021 میں خسارہ 1.8 ارب امریکی ڈالر تھا۔ دوسری سہ ماہی میں، اسٹیٹ بینک آف پاکستان کے پاس موجود زرِمبادلہ کے ذخائر مارچ 2022 کے آخر میں 11.4 ارب امریکی ڈالر سے کم ہو کر 9.8 ارب امریکی ڈالر پر آ گئے۔ مالی سال 2022 کی دوسری سہ ماہی میں 8.4 ارب امریکی ڈالر کی برآمدات رپورٹ کی گئیں، ٹیکسٹائل اور خوراک کی مضبوط برآمدات کی وجہ سے سہ ماہی کی بنیاد پر 3% اضافہ ہوا، جب کہ درآمدات نے برآمدات میں مضبوط نمو مانند کرنے کا سلسلہ جاری رکھا۔

ملک کو مالی سال 2022 میں اب تک کی سب سے زیادہ گھریلو ترسیلات زر موصول ہوئیں جو کہ مالی سال 2022 میں 6% اضافہ ہے۔ تمام بڑی بین آئی ایم ایف کی 1.2 ارب امریکی ڈالر کی قسط کی ادائیگی پر اعتماد کے باوجود الاقوامی کریڈٹ ریٹنگ ایجنسیوں نے پاکستان کی کریڈٹ ریٹنگ آؤٹ لک منفی کر دی ہے۔ آخر میں، ایندھن اور یوٹیلیٹی کی بلند قیمتوں کی وجہ سے، دوسروں کے علاوہ، جون کے انفلیشن پرنٹ کلاک 21.3 فیصد (جون کے لیے 13 سال کی بلند ترین ریڈنگ) کے ساتھ سہ ماہی کے دوران افراط زر کی ریڈنگ میں مسلسل اضافہ ہوتا رہا۔

ایکویٹی مارکیٹس کا جائزہ

جیسا کہ شرح سود میں مسلسل اضافہ جاری رہا، KSE-100 انڈیکس مالی سال 2022 کی چوتھی سہ ماہی میں 41,540 تک کم ہو گیا، جو کہ پچھلی سہ ماہی سے 7.54% کم ہے۔ مالی سال 2022 یومیہ سودوں کی اوسط مالیت کم ہو کر 27.29 ملین امریکی ڈالر ہو گئی، جو مالی سال 2022 کی پہلی سہ ماہی میں 28.86 ملین امریکی ڈالر سے 5.46% کمی کو ظاہر کرتی ہے۔ غیر ملکی فروخت جاری رہی، جو مالی سال 2022 کی دوسری سہ ماہی میں 5.58 ملین امریکی ڈالر سے بڑھ کر 26.37 ملین امریکی ڈالر ہو گئی، جو زیادہ تر بینکوں، سیمنٹ اور کھاد کے شعبوں میں مرکوز ہے۔ ملک کو مالی سال 2022 میں 6.1% فیصد سالانہ کے حساب سے 31 بلین امریکی ڈالر کے ساتھ اب تک کی سب سے زیادہ گھریلو ترسیلات موصول ہوئیں۔ مقامی محاذ پر، حجم میں کمی کا

رجحان رہا۔ میوچل فنڈز نے بڑی ریڈیمپشن کالوں کی وجہ سے فروخت جاری رکھی، جبکہ غیر ملکی کارپوریٹس بھی خالص فروخت کنندہ رہے۔ دوسری سہ ماہی میں معاشی کمزوری اور سیاسی غیر یقینی صورتحال مارکیٹ میں کریکشن کا باعث بنی۔

مستقبل کی توقعات

ایکویٹی مارکیٹ کے منافع جات کا انحصار مستقبل میں افراط زر کی سمت، شرح سود، بیرونی اکاؤنٹ کی کارکردگی اور کچھ حد تک جذبات اور سیاست پر ہوتا ہے۔ ہمیں یقین ہے کہ توازن کے لحاظ سے، تقریباً تمام شعبوں میں گہری رعایتی قیمتوں کے باوجود ایکویٹی مارکیٹوں میں زیادہ سے زیادہ منافع کے لیے حالات سازگار نہیں ہیں۔ تاہم، ہمیں یقین ہے، خاص طور پر افراط زر کی سمت اور شرح سود کے لیے وسیع تر اثرات کے حوالے سے درمیانی مدت میں ابھار واضح ہو جائے گا۔ ایکویٹی اثاثہ کلاس منافع جات میں تیزی کے لیے پاکستان کی کرنٹ اکاؤنٹ خسارہ سنبھالنے کی صلاحیت کے بارے میں وضاحت اور زرمبادلہ کے ذخائر بڑھانے کی صلاحیت پر اعتماد کی ضرورت ہے۔ دوسری طرف، رعایتی قیمتوں کی وجہ سے، ہمیں یقین ہے کہ مثبت پیش رفت کا ایکویٹی مارکیٹ کی کارکردگی پر بڑا اثر پڑے گا۔

اظہار تشکر

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

برائے و منجانب بورڈ

بابر علی لاکھانی
چیف ایگزیکٹیو آفیسر
تاریخ: 22 ستمبر 2022

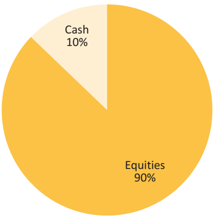
REPORT OF THE FUND MANAGER
FOR THE YEAR ENDED JUNE 30, 2022

Fund Facts

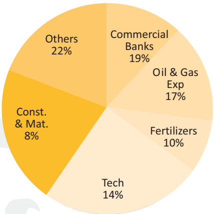
Fund Type	Open-End
Category	Equity Fund
Net Assets (PKR Mil.)	2,343
NAV (30.06.2022)	92.5778
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	BDO Ebrahim & Co
Management Fee	2.00%
Front End Load	3.00%
Back End Load	None
Launch Date	November 13, 2009
Benchmark	KSE-100 Index*
Dealing Days	Mon-Fri
Cut-Off Time	04:00 PM
Asset Manager Rating	AM2+ by PACRA (27.Aug.2021)

* since 25th Mar-2020

Asset Allocation



Sectorwise Exposure



Fund Performance	LEF	Benchmark
FY 22- YTD	-19.18%	-12.28%
Jun-22	-3.27%	-3.57%
2 Months	-9.53%	-8.20%
3 Months	-10.47%	-7.54%
6 Months	-11.87%	-6.85%
12 Months	-19.18%	-12.28%
CY 22- YTD	-11.87%	-6.85%
3 Year	3.93%	20.87%
5 Year	-27.69%	-11.12%
Since Inception	197.65%	287.18%

Investment Committee

Babar Ali Lakhani	Chief Executive Officer
Kashif Mustafa	Executive Direcotr & COO
Mustafa O. Pasha, CFA	Chief Investment Officer
Syavash Pahore	
Abdul Samad Khanani	
Hassan Bin Nasir	
Umair Bin Hassan	
Nada Uzair, FCCA	

Investment Objective

The investment objective of the Lakson Equity Fund ("LEF") 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.

The LEF achieved its investment objective by building a diverse portfolio comprising of fundamentally strong stocks that offered high growth potential in the form of capital appreciation and/or high dividend yields. The LEF did not take exposure in any speculative stocks and only stocks with the potential to perform in the present, challenging economic environment were selected.

Investment Strategy

The LEF invests in fundamentally sound stocks based on the recommendations of its team of equity analysts and market dynamics. The asset allocation to different sectors and different stocks in the same sector remained dynamic, keeping in view the market conditions, opportunities and the relative attractiveness of each sector and individual stocks. The asset allocation pattern of the LEF changed from time to time keeping in view the market conditions, opportunities, political and economic factors. The LEF aims to build a diverse portfolio ranging across companies deemed the most attractive among peers. Companies with high earnings potential despite a weak economic outlook were sought, resulting in a portfolio that was heavily invested with stocks offering high dividend yields and lower price to earnings multiples relative to the market. The LEF adopted a combination of top-down and bottom-up methodologies to invest in fundamentally sound stocks.

Economic Review

The SBP increased the Policy Rate by 250bps in April and by another 150bps in May, taking the policy rate to 13.75% amid surge in inflation readings and sharp current account deficit prints. The current account deficit in 2QCY22 clocked in at US$4.3bn, compared to US$4.0bn in 1QCY22 and US$2.5bn in the same period last year. FY22 current account deficit was reported at US$17.4bn (4.6% of GDP), compared to a deficit of US$1.8bn in FY21. In 2Q, FX reserves held with the SBP plunged below US$10bn to US$9.8bn, from US$11.4bn at the end of March 2022. Overall fx reserves clocked in at US$15.5bn at the end of the quarter, compared with US$17.4bn in March. Exports in 2QCY22 were reported at US$8.4bn, up 3% QoQ owed to strong textile and food exports, while imports continued to overshadow the strong growth in exports. The country received the highest-ever home remittance inflows of over US$31bn in FY22, up 6% YoY. All major international credit rating agencies have turned negative on Pakistan's credit-rating outlook, despite being confident on the disbursement of US$1.2bn IMF tranche. Lastly, on account of higher fuel and utility prices, among others, inflation readings continued to soar during the quarter, with June's inflation print clocking in at 21.3% (13yr high reading for June).

Equity Market Review

As interest rates continued to rise, the KSE-100 index decreased to 41,540pts in 4QFY22, down 7.54% from the previous quarter. Average daily traded value decreased to US$27.29mn in 2QFY22, from US$28.86mn in 1QFY22 exhibiting a decrease of 5.46%. Foreign selling continued to prevail, increasing by US$5.58mn to US$26.37mn in 2QFY22, largely concentrated in Banks, Cement and Fertilizer sectors. The country received the highest-ever home remittances of over US$31bn in FY22 up 6.1% YoY. On the local front, volumes remain thin. Mutual funds continued to sell owed to large redemption calls, while foreign corporates remained net sellers as well. Economic weakness and political uncertainty in 2Q led to the correction in the market.

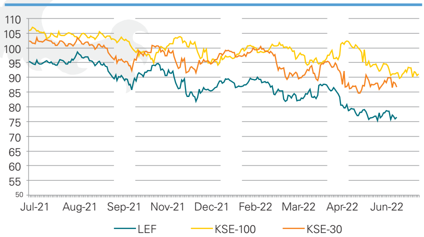
Fund Performance

The LEF closed FY22 with a return of -19.18% vs 12.28% of the benchmark, underperforming the benchmark by 6.9%. The LEF provided a return of -10.47% (BM: 7.54%) during 4QFY22. As of June 30, 2022, the fund had 88% exposure in equities and 12% in cash. Sector allocation is skewed towards Commercial Banks (21.5%), Oil & Gas Exploration (13.3%), Technology (12.3%), Construction & Materials (8.5%), Textiles (10.4%) and others (23.3%).

Performance Table	FY22	FY21
Net Assets - Beginning (PKR Mil.)	4,015.00	2,932
Net Assets - Ending (PKR Mil.)	2,343.00	4,015
Highest Offer Price (PKR)	123.1612	124.8151
Lowest Offer Price (PKR)	93.9138	92.0618
Highest Redemption Price (PKR)	119.5739	121.1797
Lowest Redemption Price (PKR)	91.1784	89.3803
Beginning NAV - Ex-Div. (PKR)	114.5388	87.9078
Interim Distributions (PKR)	-	2.60
Final Distribution (PKR)	-	-
Ending NAV - Ex-Div. (PKR)	92.5778	114.5388
Return	-19.18%	33.24%
Net Income / (Loss) (PKR Mil.)	(579.84)	689.00

Distributions	FY22	FY21
Interim Distributions (PKR)	-	2.60
Final Distribution	-	-
NAV before Distribution	-	118.1700
NAV after Distribution	-	115.5700
Distribution Date	-	26 -Jun -21

LEF vs. Benchmark



Future Outlook

Equity market returns are dependent on the future course of inflation, interest rates, external account performance and to a lesser extent sentiment & politics. We believe, on balance, conditions are not conducive for optimal returns in the equity markets despite deeply discounted valuations in almost all sectors. However, we believe, clarity will emerge in the medium term, especially regarding the direction of inflation and the wider implication for interest rates. Clarity on the sustainability of the current account deficit and confidence in Pakistan's ability to shore up external reserves is needed drive equity asset class returns. On the flip side, due to the discounted valuations, we believe positive developments will have an outsized impact on equity market performance.

Circumstances Materially Affecting Interests of Unit Holders

PACRA maintained the Asset manager Rating of Lakson Investments to 'AM2+' during FY22.

During the current year, the SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 57.225 million.

Other Disclosures

Lakson Investments Limited or any of its delegates did not receive any soft commission from its broker(s) or dealer(s).

There was no unit split undertaken during the year.

As of June 30, 2022, the LEF does not employ leverage.

Breakdown of Unit Holding by Size

Units Range	No. of Clients	Units Held
Holding upto 100	4	176
101 - 500	6	1,252
501 - 1,000	6	4,800
1,001 - 5,000	15	42,549
5,001 - 10,000	4	29,080
10,001 - 50,000	10	298,627
50,001 - 100,000	8	590,690
100,001 - 500,000	11	3,112,909
500,001 - 1,000,000	4	2,386,423
1,000,001 - 5,000,000	5	13,206,342
5,000,001 - above	1	5,635,581
	74	**25,308,428**

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
Head Office:
CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON EQUITY FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Lakson Equity Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 23, 2022

BDO

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Fax: +92 21 3568 4239
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2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Lakson Equity Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement, the statement of comprehensive income, the statement of cash flows and the statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	**Existence and valuation of investments** As disclosed in note 6 to the financial statements of the Fund for the year ended June 30, 2022, the investments held by the Fund comprised of equity securities which represent 89.65% of the net assets of the Fund as at the year end.	Our audit procedures included the following: • We evaluated the design and implementation of key controls of Investment and tested controls over acquisition, disposals and periodic valuation of investments portfolio.

BDO

S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, any discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as changes in the valuation of investments is the main driver of performance of the Fund. Further, the Fund is required to be compliant with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) with respect to investments. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	• We performed substantive audit procedures at the year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of investment valuations on the basis of published quoted market prices at the Pakistan Stock Exchange Limited as at June 30, 2022 and matching the valuation of investment with that appearing in the financial statements. • We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Lakson Investments Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

BDO

The Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.

- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BDO

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 29 SEP 2022

UDIN: AR202210067vtNE9Wg0r

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

Statement of Assets and Liabilities
As at June 30, 2022

	Note	2022	2021
		(Rupees)	
ASSETS			
Bank balances	5	**276,575,247**	401,454,771
Investments	6	**2,100,446,835**	2,841,101,544
Dividend and other receivables	7	**1,171,735**	938,275
Mark-up accrued on bank balances		**4,365,146**	2,454,753
Advances and deposit	8	**2,650,000**	16,758,125
TOTAL ASSETS		**2,385,208,963**	3,262,707,468
LIABILITIES			
Payable to the Management Company	9	**25,625,765**	27,237,675
Remuneration payable to the Trustee	10	**308,065**	388,588
Annual Fee Payable to Securities and Exchange Commission of Pakistan	11	**592,933**	678,503
Accrued expenses and other liabilities	12	**1,120,146**	58,248,194
Payable against purchase of investments		**14,561,168**	16,484,007
TOTAL LIABILITIES		**42,208,077**	103,036,967
NET ASSETS		**2,343,000,886**	3,159,670,501
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**2,343,000,886**	3,159,670,501
CONTINGENCIES AND COMMITMENTS	14		
		---------Number of units---------	
Number of units in issue	15	**25,308,428**	27,586,022
		---------------Rupees---------------	
Net assets value per unit		**92.5778**	114.5388

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Income Statement
For the year ended June 30, 2022

	Note	2022	2021
		(Rupees)	
Income			
(Loss) / income on sale of investment at fair value through profit or loss - net		**(489,732,176)**	618,133,296
Unrealised (loss) / gain on revaluation of investment at fair value through profit or loss - net	6.1	**(265,447,463)**	266,222,234
Dividend income on investments at fair value through profit or loss		**183,990,648**	149,619,421
Mark-up on bank balances - at amortised cost		**22,813,381**	22,407,965
		(548,375,610)	1,056,382,916
Expenses			
Remuneration to the Management Company	9.1	**59,296,585**	67,852,807
Sindh sales tax on remuneration of the Management Company	9.2	**7,708,556**	8,820,865
Remuneration to the Trustee	10	**4,480,257**	4,963,684
Annual fee to Securities and Exchange Commission of Pakistan	11	**592,966**	678,528
Auditors' remuneration	16	**352,203**	352,203
Fee and subscription		**384,831**	914,806
Printing charges		**18,645**	8,475
Brokerage expenses		**14,347,645**	15,294,212
SECP supervisory fee		**2,500**	2,500
Settlement charges		**1,506,061**	1,065,867
Bank charges		**3,142**	6,002
Total expenses		**88,693,391**	99,959,949
Net (loss) / income from operating activities		**(637,069,001)**	956,422,967
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	23	**(57,225,346)**	19,128,459
Net (loss) / income for the year before taxation		**(579,843,655)**	937,294,508
Taxation	17	-	-
Net (loss) / income for the year after taxation		**(579,843,655)**	937,294,508
Allocation of net income for the year			
Net income for the year after taxation		-	937,294,508
Income already paid on units redeemed		-	(248,026,778)
		-	689,267,730
Accounting income available for distribution			
Relating to capital gains		-	639,048,347
Excluding capital gains		-	50,219,383
		-	(248,026,778)

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Statement of Comprehensive Income
For the year ended June 30, 2022

	2022	2021
	(Rupees)	
Net (loss) / income for the year after taxation	**(579,843,655)**	937,294,508
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	**(579,843,655)**	937,294,508

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Statement Of Movement in Unit Holders' Fund
For the year ended June 30, 2022

	Year ended 2022			Year ended 2021		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
			----(Rupees)----			
Net assets at beginning of the year	**3,023,016,359**	**136,654,142**	**3,159,670,501**	3,422,375,365	(490,786,271)	2,931,589,094
Issuance of 7,887,658 units (2021: 9,191,764)						
Capital value	**903,443,069**	**-**	**903,443,069**	823,563,382	-	823,563,382
Element of (loss) / income	**(66,592,155)**	**-**	**(66,592,155)**	157,199,651	-	157,199,651
Total proceeds on issuance of units	**836,850,914**	**-**	**836,850,914**	980,763,033	-	980,763,033
Redemption of 10,165,252 units (2021: 14,954,171)						
Capital value	**(1,164,315,951)**	**-**	**(1,164,315,951)**	(1,312,690,305)	-	(1,312,690,305)
Income already paid on units redeemed	**-**	**-**		(248,026,778)	(248,026,778)	
Element of income / (loss)	**90,639,077**		**90,639,077**	(58,997,882)		(58,997,882)
Total payments on redemption of units	**(1,073,676,874)**	**-**	**(1,073,676,874)**	(1,371,688,187)	(248,026,778)	(1,619,714,965)
Interim cash distribution during the year is Rs.Nil (2021: Rs. 2.6 per unit)	-	-	-	(8,433,852)	(61,827,317)	(70,261,169)
Total comprehensive (loss) / income for the year	**-**	**(579,843,655)**	**(579,843,655)**	-	937,294,508	937,294,508
Net assets as at end of the year	**2,786,190,399**	**(443,189,513)**	**2,343,000,886**	3,023,016,359	136,654,142	3,159,670,501
Undistributed (loss) / income brought forward:						
Realized loss		**(129,568,092)**			(383,727,787)	
Unrealized income / (loss)		**266,222,234**			(107,058,484)	
		136,654,142			(490,786,271)	
Accounting income available for distribution:						
Relating to capital gains		-			639,048,347	
Excluding capital gains		-			50,219,383	
Total comprehensive (loss) / income for the year		**(579,843,655)**			689,267,730	
Interim cash distribution during the year is Rs.Nil (2021: Rs. 2.6 per unit)		-			(61,827,317)	
Undistributed (loss) / income at end of the year		**(443,189,513)**			136,654,142	
Undistributed loss brought forward:						
Realized loss		**(177,742,050)**			(129,568,092)	
Unrealized (loss) / income		**(265,447,463)**			266,222,234	
Undistributed (loss) / income at end of the year		**(443,189,513)**			136,654,142	
Net assets value per unit at beginning of the year			**114.5388**			87.9078
Net assets value per unit at end of the year			**92.5778**			114.5388

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer | **Chief Financial Officer** | **Director**

Statement of Cash Flow
For the year ended June 30, 2022

	2022	2021
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / profit for the year	**(579,843,655)**	937,294,508
Adjustments for:		
Unrealised loss / (gain) on revaluation of investment at fair value through profit or loss - net	**265,447,463**	(266,222,234)
Mark-up on bank balances - at amortised cost	**(22,813,381)**	(22,407,965)
Dividend income on investment at fair value through profit or loss	**(183,990,648)**	(149,619,421)
	(521,200,221)	499,044,888
Decrease in assets		
Investments	**475,207,246**	138,080,508
Other receivables	**(60,885)**	(15,992)
Advances and Deposits	**14,108,125**	(10,321,375)
Receivable against sale of investments	**-**	28,069,401
	489,254,486	155,812,542
(Decrease) / increase in liabilities		
Payable to the Management Company	**(1,611,910)**	4,912,934
Remuneration payable to the Trustee	**(80,522)**	(348,753)
Annual fee payable to Securities and Exchange Commission of Pakistan	**(85,570)**	62,260
Payable against purchase of investments	**(1,922,839)**	(29,308,770)
Accrued expenses and other liabilities	**(57,128,048)**	18,327,003
	(60,828,889)	(6,355,326)
Profit received on bank balances - at amortised cost	**20,902,700**	26,468,781
Dividend received on investment at fair value through profit or loss	**183,818,361**	149,452,782
Net cash generated from operating activities	**111,946,436**	824,423,667
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	**836,850,914**	980,763,033
Distribution to unit holders' in cash	**-**	(70,261,169)
Payments on redemption of units	**(1,073,676,874)**	(1,619,714,965)
Net cash used in financing activities	**(236,825,960)**	(709,213,101)
Net (decrease) / increase in cash and cash equivalents	**(124,879,524)**	115,210,566
Cash and cash equivalents at beginning of the year	**401,454,771**	286,244,205
Cash and cash equivalents at end of the year	**276,575,247**	401,454,771

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

Notes to and forming part of the Financial Statements
For the year ended June 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The 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 and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on 18 September 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

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, while the Head Office is in the Lakson Square building No.2 , Karachi.

1.3 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 "Equity Scheme" as per the Circular 07 of 2009 issued by 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 27, 2021 (AM2+ as on August 28, 2020).

On July 27, 2022, VIS assigned following rankings to the Fund based on the performance review for the year ended June 30, 2022 (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 : 2-Star

1.5 Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Scheme, private Funds etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. For this purpose, Re-Stated Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds alongwith necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh."

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as 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, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, unless otherwise stated.

These financial statements have been prepared under accrual basis of accounting except for cash flows information.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

2.4 Use of judgments and estimates

The preparation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

Classification and valuation of investment

For details please refer notes 4.2.1.1 and to these financial statements.

Impairment of investment

For details please refer note 4.2.1.2 to these financial statements.

Provision for taxation

For details please refer notes 4.4 and 17 to these financial statements.

Other assets

Judgement is involved in assessing the realisability of other assets balances.

3 APPLICATION OF NEW STANDARDS, AMENDSMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following stantdards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Interest Rate Benchmarch Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent consessions	April 01, 2021
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendmends to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendmends to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendmends to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendmends to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified and measured at: amortised cost or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model on which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (refer note 4.2.1.2). Interest income, foreign exchange gains and losses and impairment are recognised in income statement.

4.2.1.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.

- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investment, advances and deposits, dividend and mark-up receivable and bank balances.

4.2.1.3 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.1.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.7 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value per unit

The net assets value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.

- Dividend income from equity securities is recognised when the right to receive the dividend is established.

- Mark up on bank deposits is recognised on a time apportionment basis using effective rate.

- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

4.10 Expenses

All expenses including NAV based expenses are recognised in the income statement on a time apportionment basis.

4.11 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

			June 30, 2022	June 30, 2021
5	**BANK BALANCES**	**Note**	**(Rupees)**	
	Current accounts		**7,703**	7,703
	Profit and loss sharing accounts	5.1	**276,567,544**	401,447,068
			276,575,247	401,454,771

5.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 6.5% to 16.24% (June 30, 2021: 5.00% to 8.65%) per annum.

6 INVESTMENTS

	At fair value through profit or loss			
	Listed equity securities	6.1	**2,100,446,835**	2,841,101,544

6.1 Investment at fair value through profit or loss

Following are the details of investments in shares of listed companies - (fully paid up ordinary shares of Rs. 10 each unless stated otherwise):

Sectors / Companies	Holding as at July 01, 2021	Purchased during the year	Bonus shares / letter of right received during the year	Disposed during the year	Holding as at June 30, 2022	Carrying value as of June 30, 2022	Market value as of 30 June 2022	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	---- Number of Shares ----					---- (Rupees) ----			---- (%) ----		
Commercial Banks											
Bank Al-Habib Limited	901,405	229,400	-	(1,130,805)	-	-	-	-	-	-	0.00
Bank Al-Falah Limited	534,448	2,287,500	-	(1,674,058)	1,147,890	39,077,208	36,732,480	(2,344,728)	1.75	1.57	0.06
Habib Bank Limited	1,278,671	627,354	-	(1,193,389)	712,636	86,441,081	65,092,172	(21,348,909)	3.10	2.78	0.05
MCB Bank Limited	617,311	479,755	-	(217,422)	879,644	135,323,410	108,178,619	(27,144,791)	5.15	4.62	0.07
Faysal Bank Limited	-	790,000	-	(243,000)	547,000	14,317,081	12,613,820	(1,703,261)	0.60	0.54	0.04
United Bank Limited	832,708	1,181,340	-	(696,216)	1,317,832	166,209,849	149,086,334	(17,123,515)	7.10	6.36	0.05
Bank of Punjab Limited	1,509,789	-	-	(1,509,789)	-	-	-	-	-	-	0.00
Meezan Bank Limited	763,974	741,141	41,186	(730,606)	815,695	101,613,513	92,157,221	(9,456,292)	4.39	3.93	0.08
						542,982,142	**463,860,646**	**(79,121,496)**	**22**	**20**	
Chemicals											
Engro Polymer & Chemicals Limited	913,542	939,500	-	(1,394,642)	458,400	38,812,276	36,502,392	(2,309,884)	1.74	1.56	0.01
ICI Pakistan Limited	32,443	-	-	(32,443)	-	-	-	-	-	-	0.00
Lotte Chemical Pakistan Limited	38,300	-	-	(38,300)	-	-	-	-	-	-	0.00
Descon Oxychem Limited	-	1,441,000	-	(131,000)	1,310,000	32,972,050	20,567,000	(12,405,050)	0.98	0.88	0.87
						71,784,326	**57,069,392**	**(14,714,934)**	**2.72**	**2.44**	
Fertilizers											
Engro Corporation Limited	320,280	62,500	-	(160,074)	222,706	64,923,910	57,255,486	(7,668,424)	2.73	2.44	0.00
Fauji Fertilizer Bin Qasim Limited	2,068,000	967,000	-	(3,035,000)	-	-	-	-	-	-	0.00
Fauji Fertilizer Company Limited	428,973	900,621	-	(459,321)	870,273	93,974,843	95,921,490	1,946,647	4.57	4.09	0.01
Engro Fertilizer Limited	-	1,572,406	-	(501,900)	1,070,506	93,725,567	94,889,652	1,164,085	4.52	4.05	0.01
						252,624,320	**248,066,628**	**(4,557,692)**	**11.81**	**10.59**	
Pharma & Bio Tech											
The Searl Company Limited (6.1.2)	139,544	662,093	54,445	(693,907)	162,175	24,231,683	17,680,319	(6,551,364)	0.84	0.75	0.11
Ferozsons Laboratories Limited	180,400	120,900	-	(160,200)	141,100	50,907,094	37,943,201	(12,963,893)	1.81	1.62	0.47
GlaxoSmithKline Pakistan Limited	19,700	-	-	(19,700)	-	-	-	-	-	-	0.00
						75,138,777	**55,623,520**	**(19,515,257)**	**2.65**	**2.37**	
Textile Composite											
Nishat Mills Limited	802,700	1,034,200	-	(1,608,506)	228,394	20,414,844	16,880,601	(3,534,243)	0.80	0.72	0.01
Gul Ahmed Textile Mills Limited	1,339,280	2,218,500	-	(2,929,962)	627,818	31,672,169	21,226,527	(10,445,642)	1.01	0.91	0.03
Kohinoor Textile Mills Limited	305,000	276,500	-	(568,500)	13,000	987,950	650,000	(337,950)	0.03	0.03	0.00
Interloop Pakistan Limited	-	1,000,994	12,675	(670,732)	342,937	25,038,883	20,919,157	(4,119,726)	1.00	0.89	0.01
						78,113,846	**59,676,285**	**(18,437,561)**	**3**	**3**	
Cement											
Lucky Cement Company Limited	182,551	264,024	-	(332,257)	114,318	74,330,017	52,476,535	(21,853,482)	2.50	2.24	0.00
Kohat Cement Company Limited	50,900	241,800	-	(160,700)	132,000	26,536,173	17,177,160	(9,359,013)	0.82	0.73	0.01
D.G. Khan Cement Company Limited	509,510	1,020,000	-	(1,359,027)	170,483	9,939,209	10,655,188	715,979	0.51	0.45	0.04
Maple Leaf Cement Factory Limited	704,896	4,563,583	-	(3,395,062)	1,873,417	61,960,973	51,237,955	(10,723,018)	2.44	2.19	0.17
Pioneer Cement Limited	243,500	1,547,970	-	(1,615,300)	176,170	10,415,892	10,628,336	212,444	0.51	0.45	0.08
Cherat Cement Company Limited	141,700	938,052	-	(901,805)	177,947	25,477,839	16,556,189	(8,921,650)	0.79	0.71	0.09
Fauji Cement Company Limited	1,311,900	2,662,000	-	(2,605,400)	1,368,500	22,263,215	19,391,645	(2,871,570)	0.92	0.83	0.10
						230,923,318	**178,123,008**	**(52,800,310)**	**8.48**	**7.60**	
Power Generation & Distribution											
Hub Power Company Limited	1,314,110	653,413	-	(845,858)	1,121,665	85,624,832	76,463,903	(9,160,929)	3.64	3.26	0.09
Nishat Power Limited	956,463	-	-	(956,463)	-	-	-	-	-	-	0.00
						85,624,832	**76,463,903**	**(9,160,929)**	**3.64**	**3.26**	
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (6.1.2)	65,902	10,500	-	(17,900)	58,502	91,521,174	101,778,269	10,257,095	4.85	4.34	0.00
Oil and Gas Development Company Limited	1,082,217	721,103	-	(563,768)	1,239,552	110,589,041	97,515,556	(13,073,485)	4.64	4.16	0.03
Pakistan Oilfield Limited	436,991	201,832	-	(350,027)	288,796	113,100,399	117,196,305	4,095,906	5.58	5.00	0.10
Pakistan Petroleum Limited (6.1.2)	1,058,618	809,902	-	(588,187)	1,280,333	103,675,183	86,435,281	(17,239,902)	4.12	3.69	0.05
						418,885,797	**402,925,411**	**(15,960,386)**	**19.18**	**17.20**	

Sectors / Companies	Holding as at July 01, 2021	Purchased during the year	Bonus shares / letter of right received during the year	Disposed during the year	Holding as at June 30, 2022	Carrying value as of June 30, 2022	Market value as of 30 June 2022	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	---------- Number of Shares ----------					---------- (Rupees) ----------			---------- (%) ----------		
Oil and Gas Marketing Companies											
Attock Petroleum Limited	39,000	-	-	(39,000)	-	-	-	-	-	-	0.00
Pakistan State Oil Company Limited (6.1.2)	478,255	934,300	-	(1,123,672)	288,883	49,034,028	49,641,655	607,627	2.36	2.12	0.06
Sui Northern Gas Pipeline Limited	-	848,500	-	-	848,500	28,570,176	29,027,185	457,009	1.38	1.24	0.13
						77,604,204	**78,668,840**	**1,064,636**	**3.75**	**3.36**	
Food & Personal Care Products											
Fauji Foods Limited	756,850	1,847,000	4,298,739	(6,902,589)	-	-	-	-	-	-	0.00
Unity Foods Limited	72,034	1,313,700	-	(1,223,234)	162,500	3,897,804	3,261,375	(636,429)	0.16	0.14	0.00
At-Tahur Limited	-	1,152,000	128,880	(159,000)	1,121,880	28,536,392	21,394,252	(7,142,140)	1.02	0.91	0.11
						32,434,196	**24,655,627**	**(7,778,569)**	**1.17**	**1.05**	
Technology and Communication											
TRG Pakistan Limited	477,625	1,958,200	-	(1,184,920)	1,250,905	133,375,449	96,732,484	(36,642,965)	4.61	4.13	0.91
Systems Limited	113,070	442,248	246,333	(300,054)	501,597	165,012,548	165,456,786	444,238	7.88	7.06	0.37
Airlink Communications Limited	-	608,931	24,332	(633,263)	-	-	-	-	-	-	0.00
Hum Network Limited	-	6,611,500	-	(650,000)	5,961,500	43,948,111	42,445,880	(1,502,231)	2.02	1.81	4.35
Avanceon Limited	-	1,548,981	71,945	(1,371,700)	249,226	22,718,274	19,417,198	(3,301,076)	0.92	0.83	0.18
Octupus Digital Limited	-	856,504	-	(856,504)	-	-	-	-	-	-	0.00
Pakistan Aluminium Bewerages Can Limited	-	544,102	-	(544,102)	-	-	-	-	-	-	0.00
						365,054,382	**324,052,348**	**(41,002,034)**	**15**	**14**	
Automobile Assembler											
Indus Motor Company Limited	60,050	-	-	(60,050)	-	-	-	-	-	-	0.00
Millat Tractors Limited	44,289	-	6,569	(50,858)	-	-	-	-	-	-	0.00
Agriauto Industries Limited	74,359	-	-	(74,359)	-	-	-	-	-	-	0.00
Honda Atlus Cars (Pakistan) Limited	-	49,600	-	(49,600)	-	-	-	-	-	-	0.00
Pak Suzuki Motor Company Limited	55,200	209,461	-	(264,661)	-	-	-	-	-	-	0.00
						-	-	-	-	-	
Glass and Ceramics											
Shabbir Tiles & Ceramics Limited	848,500	2,272,212	-	(2,154,712)	966,000	15,315,527	14,132,580	(1,182,947)	0.67	0.60	0.59
						15,315,527	**14,132,580**	**(1,182,947)**	**1**	**1**	
Automobile and Parts											
Thal Limited	44,850	-	-	(44,850)	-	-	-	-	-	-	0.00
Engineering											
International Industries Limited	100,100	77,200	-	(177,300)	-	-	-	-	-	-	0.00
Mughal Iron and Steel Limited	291,780	1,090,129	76,197	(1,458,106)	-	-	-	-	-	-	0.00
International Steels Limited	929,755	1,096,000	-	(1,346,656)	679,099	41,823,521	40,311,317	(1,512,204)	1.92	1.72	0.16
Aisha Steel Mills Limited	1,847,372	3,833,160	-	(3,617,222)	2,063,310	24,168,723	22,799,576	(1,369,147)	1.09	0.97	0.27
Agha Steels Limited	400,000	1,510,500	20,000	(1,930,500)	-	-	-	-	-	-	0.00
						65,992,244	**63,110,893**	**(2,881,351)**	**3**	**3**	
Refinery											
Attock Refinery Limited	103,800	270,422	-	(266,300)	107,922	18,435,761	18,970,529	534,768	0.90	0.81	0.13
Byco Petroleum Pakistan Limited	1,971,200	-	-	(1,971,200)	-	-	-	-	-	-	0.00
National Refinery Limited	57,700	176,595	-	(162,837)	71,458	18,018,828	18,048,147	29,319	0.86	0.77	0.01
Pakistan Refinery Limited	565,000	1,013,500	-	(628,300)	950,200	16,961,798	16,999,078	37,280	0.81	0.73	0.89
						53,416,387	**54,017,754**	**601,367**	**3**	**2**	
Cable & Electrical goods											
Pak Elektron Limited	720,500	-	-	(720,500)	-	-	-	-	-	-	0.00
Transport											
Pakistan International Bulk Terminal	30,305	-	-	(30,305)	-	-	-	-	-	-	0.00
Total as at June 30, 2022						**2,365,894,298**	**2,100,446,835**	**(265,447,463)**	**100**	**90**	
Total as at June 30, 2021						2,574,879,310	2,841,101,544	266,222,234	100	85	

6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP, of following companies:

	June 30, 2022	June 30, 2021	**June 30, 2022**	June 30, 2021
	------(Number of shares)------		**--------(Rupees)--------**	
Engro Corporation Limited	**160,000**	160,000	**41,134,400**	47,137,600
Oil and Gas Development Company Limited	**70,000**	70,000	**5,506,900**	6,652,100
Pakistan Petroleum Limited	**330,000**	330,000	**133,917,300**	28,653,900
	560,000	560,000	**180,558,600**	82,443,600

6.1.2 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.3.643 million at June 30, 2022(June 30, 2021: Rs. 12.56 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.

7 DIVIDEND AND OTHER RECEIVABLES	**Note**	**June 30, 2022**	June 30, 2021
		(Rupees)	
Dividend receivable		**526,566**	354,279
Withholding tax recoverable	7.1	**645,169**	583,996
		1,171,735	938,275

7.1 The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application.

8 ADVANCES AND DEPOSITS

	Note	**June 30, 2022**	June 30, 2021
		(Rupees)	
Security deposits with:			
National Clearing Company of Pakistan Limited		**2,550,000**	2,550,000
Central Depository Company of Pakistan Limited		**100,000**	100,000
Advances against:			
Pre-IPO subscription	8.1	-	14,108,125
		2,650,000	16,758,125

8.1 In prior year, amount was paid to participate in the IPO offered by Pakistan Aluminum Beverage Cans Limited through book building process . The amount constituted 25% of total bid amount.

9 PAYABLE TO THE MANAGEMENT COMPANY

	Note	**June 30, 2022**	June 30, 2021
		(Rupees)	
Remuneration payable to the Management Company	9.1	3,874,610	5,299,832
Sindh Sales Tax on Management Company's remuneration	9.2	3,203,127	3,388,405
Federal Excise Duty on Management Company's remuneration	9.3	18,483,430	18,483,430
Sales load payable to the Management Company		64,598	66,008
		25,625,765	27,237,675

9.1 As per the amendment introduced through SRO 639(I)/2019, dated June 20, 2019, in regulation 61 of the NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the year, the fee has been charged 2% of average annual net assets of the Fund. The fee is payable monthly in arrears.

9.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on Management Company's remuneration. Above liability includes Rs. 2,699,429 (June 30, 2021: Rs. 2,699,429) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 9.3 below. Had the provision on FED not been made, Net Asset Value per unit of the Fund as at June 30, 2022 would have been higher by Re. 0.1067 (June 30, 2021: Re. 0.0979) per unit. The amount is payable to the management company for onwards payment to the Government.

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 disclosed in detail in note 10.3 to the financial statements for the year ended June 30, 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 June 13, 2013 to June 30, 2016 aggregating to Rs.18.483 million. Had the provision not been made, Net Asset Value per unit of the Fund as at June 30, 2022 would have been higher by Rs. 0.7303 (June 30, 2021: Rs. 0.6700) per unit.

		Note	June 30, 2022	June 30, 2021
			(Rupees)	
10	**REMUNERATION PAYABLE TO THE TRUSTEE**			
	Trustee fee payable	10.1	**273,647**	344,907
	Sindh Sales Tax payable on Trustee Fee	10.2	**34,418**	43,681
			308,065	388,588

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of the Trust Deed as per the tariff specified therein, based on the average net assets of the Fund. The fee is paid to the Trustee on monthly basis in arrears.

Earlier the tariff structure applicable to the Fund was as follows:

Upto Rs. 1 billion	Rs. 0.7 million or 0.20% per annum of net assets value whichever is higher
Over Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets value exceeding Rs. 1,000 million

CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee is charged by permanently eliminating the minimum fee component as mentioned in the offering documents. During the reporting period, Management Company has charged the Trustee fee accordingly.

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

		Note	June 30, 2022	June 30, 2021
			(Rupees)	
11	**PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**			
	Annual fee payable	11.1	**592,933**	678,503

11.1 As per Regulation 62 of the NBFC Regulations, an Asset Management Company managing a CIS, shall pay SECP an annual fee of 0.02% of the average annual net assets. During the reporting period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

		Note	June 30, 2022	June 30, 2021
12	**ACCRUED EXPENSES AND OTHER LIABILITIES**			
	Payable to Sindh workers' welfare fund	23	-	57,225,346
	Auditors' remuneration		**329,477**	235,460
	Fee payable to National Clearing Company of Pakistan Limited		**90,000**	99,610
	Other liabilities		**39,960**	18,305
	Fee payable to Central Depository Company of Pakistan Limited		-	29,492
	Professional tax		**660,709**	451,741
	Rating fee payable		-	188,240
			1,120,146	58,248,194

13 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 year ended June 30, 2022 is 3% (June 30, 2021: 3.71%) which includes 0.36% (June 30, 2021: 0.91%) representing government levies (comprising of Workers Welfare Fund and SECP fee, etc.). As per SRO 639(I)/2019, dated June 20, 2019 the total expense ratio of the Equity Scheme shall be caped up to 4.5%.

14 CONTINGENCIES AND COMMITMENTS

14.1 During the current year, the Fund received an order under section 161 of the Income Tax Ordinance, 2001 for monitoring of withholding taxes in which additional tax on dividend and certain other payments were imposed while assuming tax rate of 25% on dividend whereas the correct rate of 12.5% applicable for withholding for the Tax Year 2017 being Stock Fund and creating a demand of Rs. 24.373 million including penalty and default surcharge in this respect. The Fund had filed an appeal before Commissioner Appeals (Inland Revenue) against the order. The management expects a favorable outcome and accordingly, no provision has been recorded in respect of this matter.

	Note	**June 30, 2022**	June 30, 2021
		(No. of units)	
15 NUMBER OF UNITS IN ISSUE			
Total outstanding as of 1 July		**27,586,022**	33,348,429
Issued during the year	15.1	**7,887,658**	9,191,764
Redemptions during the year	15.2	**(10,165,252)**	(14,954,171)
Total units in issue		**25,308,428**	27,586,022

15.1 Includes 5.86 million (2021: 6.538 million) units on the conversion of units from the related funds.

15.2 Includes 5.049 million (2021: 6.193 million) units on the conversion of units to the related funds.

16 AUDITORS' REMUNERATION

Annual audit fee	**200,000**	200,000
Fee for the review of half yearly financial statements	**100,000**	100,000
Out of pocket and sales tax expenses	**52,203**	52,203
	352,203	352,203

17 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash.

The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current year as a result of loss incurred during the year.

18 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of cumulative weighted average number of outstanding units is not practicable.

19 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 also include entities having holding 10% or more in the units of the Fund as at June 30, 2022. It also includes staff retirement funds of the above related parties / connected persons.

Transactions and balances with related parties are as follows:

19.1 Details of balance with related parties / connected persons at the year end

	June 30, 2022	June 30, 2021
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration and other payables (including the Sindh sales tax and federal excise duty amounting to Rs. 21.687 million (June 30, 2021: Rs. 21.87 million)*	**25,561,167**	27,171,667
Sales load payable	**64,598**	66,008
Central Depository Company of Pakistan Limited Trustee of the Fund		
Remuneration payable (Including Sindh sales tax amounting to Rs. 34,418 (June 30, 2021: Rs.43,681)	**308,065**	388,588
Security deposit	**100,000**	100,000
Settlement charges payable	-	29,492

19.2 Details of transaction with related parties / connected persons for the year end

	June 30, 2022	June 30, 2021
Lakson Investments Limited - Management Company of the Fund		
Remuneration for the year	**59,296,585**	67,852,807
Sindh sales tax on remuneration of Management Company	**7,708,556**	8,820,865
Dividend paid	-	2,941,520
Central Depository Company of Pakistan Limited Trustee of the Fund		
Remuneration for the year (including Sindh Sales Tax of Rs.515,428 (2021: Rs. 571,043))	**4,480,257**	4,963,684
Settlement charges for the year	**463,940**	233,629

	June 30, 2022	June 30, 2021
	(Rupees)	
Directors, Chief Executive and their spouse and minors		
Dividend paid	-	13,801,901
Other key management personnel		
Dividend paid	-	132,908
Century Insurance Company Limited Gratuity fund		
Dividend paid	-	19,847
Century Insurance Company Limited		
Dividend paid	-	2,531,726
Century Insurance Company Limited Employees Contributory Provident Fund Trust		
Dividend paid	-	33,005
Century Paper & Board Mills Limited Employees Contributory Provident Fund		
Dividend paid	-	421,326
Century Paper & Board Mills Limited Employees Gratuity Fund		
Dividend paid	-	332,023
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund		
Dividend paid	-	338,936
Colgate Palmolive Pakistan Limited Employees Gratuity Fund		
Dividend paid	-	299,578
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund		
Dividend paid	-	152,290
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust		
Dividend paid	-	3,283
Lakson Investments Limited Employees Contributory Provident Fund		
Dividend paid	-	43,343
Siza Commodities (Private) Limited		
Dividend paid	-	5,297,157

	June 30, 2022	June 30, 2021
	(Rupees)	
Siza Private Limited		
Dividend paid	-	358,989
Siza Services Private Limited		
Dividend paid	-	1,042,303
Bashir Dawood		
Dividend paid	-	7,857,826
Sindh General Provident Investment Fund		
Dividend paid	-	9,865,019
Sindh Province Pension Fund		
Dividend paid	-	14,330,123

19.3 Details of units held, issued and redeemed by the related parties / connected persons

	Year ended June 30, 2022							
	Number of Units				Rupees			
	Number of units as at 01 July 2021	Units issued during the year	Units redeemed during the year	Number of holdings at the year ended 30 June 2022	Balance as at July 01, 2021	Units issued during the year	Units redeemed during the year	Balance as at 30 June 2022)
Lakson Investments Limited - Management Company of the Fund	1,400,301	-	1,400,301	-	160,388,830	-	137,820,165	-
Directors, Chief Executive and their spouse and minors	6,932,984	298,724	1,833,305	5,398,403	794,095,615	33,263,345	198,739,124	499,772,278
Other key management personnel	54,454	57,869	71,906	40,417	6,237,120	5,849,279	7,415,117	3,741,716
Associated companies / undertakings of the Management Company								
Accuracy Surgical Limited Employees Contributory Provident Fund	17,002	54,456	33,136	38,322	1,947,417	5,659,860	3,521,719	3,547,760
Century Insurance Company Limited Gratuity Fund	16,250	63,267	35,111	44,407	1,861,220	6,538,684	3,715,276	4,111,070
Century Insurance Company Limited	992,361	898,464	1,890,826	-	113,663,838	95,000,000	201,442,611	-
Century Insurance Company Limited Employees Contributory Provident Fund	19,698	78,796	42,037	56,457	2,256,144	8,148,547	4,432,315	5,226,650
Century Paper & Board Mills Limited Employees Contributory Provident Fund	225,120	796,473	496,745	524,848	25,784,977	82,795,214	52,673,882	48,589,265
Century Paper & Board Mills Limited Employees Gratuity Fund	198,337	715,639	431,912	482,064	22,717,313	74,256,986	45,742,773	44,628,402
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund	235,216	740,297	479,552	495,961	26,941,400	77,093,709	51,014,218	45,915,018
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	263,795	922,736	640,520	546,011	30,214,811	96,239,169	68,261,496	50,548,503
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund	104,562	372,610	232,369	244,803	11,976,406	38,813,268	24,600,895	22,663,338
Gam Corporation Private Limited Employees Contributory Provident Fund	69,779	200,277	121,559	148,497	7,992,391	21,209,029	12,945,303	13,747,500
Hasanali Karabhai Foundation Employees Contributory Provident Fund	3,161	9,695	5,485	7,370	362,085	1,015,852	583,773	682,334
Lakson Business Solutions Limited Employees Contributory Provident Fund	1,283	-	-	1,283	146,940	-	-	118,777
Lakson Investments Limited Employees Contributory Provident Fund	31,132	22,510	16,703	36,940	3,565,877	2,201,254	1,756,000	3,419,801
Merit Packaging Limited Employees Contributory Provident Fund	23,733	101,772	59,956	65,549	2,718,440	10,485,371	6,316,364	6,068,369
Merit Packaging Limited Employees Gratuity Fund	13,489	45,203	25,441	33,251	1,544,991	4,702,391	2,681,388	3,078,303
Siza Commodities (Private) Limited	2,076,328	-	1,402,037	674,291	237,820,106	388,767	150,000,000	62,424,389
Siza Foods Private Limited Employees Contributory Provident Fund Trust	126,600	149,258	138,738	137,120	6,874,726	22,532,844	14,715,900	12,694,235
Siza Private Limited	468,327	1,610	469,938	-	53,641,616	183,047	50,774,052	-
Siza Service (Private) Limited	637,853	-	-	637,853	73,058,927	-	-	59,051,027
Siza Services Private Limited Employees Contributory Provident Fund	11,936	44,520	28,835	27,621	1,367,169	4,640,426	3,060,296	2,557,116
Sybrid Private Limited Employees Contributory Provident Fund	24,078	86,390	55,995	54,473	2,757,832	9,004,114	5,940,958	5,042,975
Connected person due to holding more than 10% units								
Bashir Dawood	3,080,034	-	-	3,080,034	352,783,382	-	-	285,142,772
Sindh General Provident Investment Fund (Being more than 10% unit holding)	3,879,598	-	-	3,879,598	444,364,479	-	-	359,164,648
Sindh Province Pension Fund (Being more than 10% unit holding)	5,635,581	-	-	5,635,581	645,492,689	-	-	521,729,691

	Year ended June 30, 2021							
	Number of Units				Rupees			
	Number of units as at 01 July 2020	Units issued during the year	Units redeemed during the year	Number of holdings at the year ended 30 June 2021	Balance as at July 01, 2020	Units issued during the year	Units redeemed during the year	Balance as at 30 June 2021)
Lakson Investments Limited - Management Company of the Fund	837,657	562,644	-	1,400,301	76,292,428	2,500,292	-	160,388,830
Directors, Chief Executive and their spouse and minors	5,675,136	5,581,098	4,323,251	6,932,984	693,188,870	305,736,733	640,186,316	794,095,615
Other key management personnel	74,086	7,188	26,819.99	54,454	8,104,483	1,087,963	455,403	6,237,120
Associated companies / undertakings of the Management Company								
Accuracy Surgical Limited Employees Contributory Provident Fund	41,593	26,297	50,888	17,002	3,656,309	2,956,567	5,794,844	1,947,417
Century Insurance Co. Ltd., Gratuity Fund	33,745	15,359	32,854	16,250	2,966,467	1,588,536	3,672,828	1,861,220
Century Insurance Company Limited	1,416,940	18,620	443,199	992,361	124,560,111	2,151,967	49,000,000	113,663,838
Century Insurance Company Limited Employees Contributory Provident Fund	47,177	11,058	38,537	19,698	4,147,222	1,165,806	4,304,718	2,256,144
Century Paper & Board Mills Limited Employees Contributory Provident Fund	591,116	88,021	454,017	225,120	51,963,710	9,482,364	50,752,931	25,784,977
Century Paper & Board Mills Limited Employees Gratuity Fund	487,945	110,027	399,635	198,337	42,894,206	11,626,142	44,672,871	22,717,313
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund	531,212	177,735	473,731	235,216	46,697,664	18,524,826	52,955,112	26,941,400
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	517,985	273,689	527,879	263,795	45,534,928	28,305,554	59,003,136	30,214,811
Cyber Internet Services (Pvt.) Ltd. Employees Contributory Provident Fund	234,005	73,955	203,398	104,562	20,570,845	7,773,331	22,719,563	11,976,406
Gam Corporation Private Limited Employees Contributory Provident Fund	135,371	148,050	213,642	69,779	11,900,192	16,156,397	24,326,189	7,992,391
Hasanali Karabhai Foundation Employees Contributory Provident Fund	17,040	4,399	18,278	3,161	1,497,929	491,044	2,046,735	362,085
Lakson Business Solutions Limited Employees Contributory Provident Fund	1,263	20	-	1,283	110,998	2,298	-	146,940
Lakson Investments Limited Employees Contributory Provident Fund	-	31,132	-		-	3,136,842	-	
Merit Packaging Limited Employees Contributory Provident Fund	82,523	31,084	89,874	23,733	7,254,406	3,535,804	10,240,147	2,718,400
Merit Packaging Limited Employees Gratuity Fund	38,781	17,909	43,201	13,489	3,409,112	2,047,754	4,920,705	1,544,991
Premier Fashions (Private) Limited	115,684	-	115,684	-	10,169,550	-	12,493,971	-
Siza Commodities Private Limited	5,969,024	38,960	3,931,656	2,076,328	524,723,750	4,502,583	428,500,000	237,820,106
Siza Foods Private Limited Employees Contributory Provident Fund	97,081	142,943	180,003	60,021	8,534,219	15,594,601	20,497,536	6,874,726
Siza Private Limited	174,289	468,327	174,289	468,327	15,321,389	50,305,141	16,963,770	53,641,616
Siza Service (Private) Limited	304,247	333,606	-	637,853	26,745,684	35,881,576	-	73,058,927
Siza Services Private Limited Employees Contributory Provident Fund	24,775	22,391	35,230	11,936	2,177,907	2,474,979	4,011,473	1,367,169
Sybrid Private Limited Employees Contributory Provident Fund	53,234	37,804	66,960	24,078	4,679,658	4,265,775	7,623,994	2,757,832
Connected person due to holding more than 10% units								
Bashir Dawood	3,022,241	57,793	-	3,080,034	327,382,413	-	-	352,783,382
Sindh General Provident Investment Fund (Being more than 10% unit holding)	3,794,238	85,360	-	3,879,598	333,543,127	-	-	444,364,479
Sindh Province Pension Fund (Being more than 10% unit holding)	5,511,586	123,995	-	5,635,581	484,511,387	-	-	645,492,689

19.4 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of NBFC Regulations and the Trust Deed respectively.

19.5 Purchase and redemption of the Fund's unit by related parties / connected persons are recorded at the applicable net assets value per unit. Dividend income are recorded at the rates and amount declared by the investee entities. Other transactions are at agreed rates.

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- credit risk;
- liquidity risk;
- market risk; and
- operational risk.

Risk management framework

The Asset Management Company's Board of Directors has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Committee of the Management Company oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Asset purchases and sales are determined by the Fund’s Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund’s investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund’s Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

20.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, receivable against sale of marketable securities and security deposits and dividend receivable on securities.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

- Analysing of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.

- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.

- Cash is held only with reputable banks with high quality external credit enhancements.

- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

Exposure to credit risk

The maximum exposure to credit risk as at the reporting date is as follows:

	2022		2021	
	Balance as per the Statement of Asset and Liabilities	**Maximum Exposure**	Balance as per the Statement of Asset and Liabilities	Maximum Exposure
	----------------------------(Rupees)	**----------------------------**		
Bank balances (including profit due)	**280,940,393**	280,940,393	**403,909,524**	403,909,524
Investments	**2,100,446,835**	-	**2,841,101,544**	-
Dividend receivable	**526,566**	526,566	**354,279**	354,279
Deposits and Advances			-	-
(Central Depository Company of Pakistan and National Clearing Company Limited)	**2,650,000**	2,650,000	**16,758,125**	16,758,125
Receivable against sale	**2,384,563,794**	284,116,959	**3,262,123,472**	421,021,928

Difference in the balance as per the Statement of Assets and Liabilities and maximum exposure in investments is due to the fact that investments in equity securities of Rs. 2,100,446,835 (June 30, 2021: Rs. 2,841,101,544) do not carry credit risk.

Bank balances

The Fund's cash and cash equivalent at the reporting date are with banks having the following credit ratings:

Bank balances

The Fund's cash and cash equivalent at the reporting date are with banks having the following credit ratings:

Rating	2022 (Rupees)	2021 (Rupees)	2022 (%)	2021 (%)
AAA	**25,518,178**	3,531,764	**9.08**	0.87
AA+	**4,227,802**	124,314,388	**1.50**	30.78
A+	**27,860**	27,851	**0.01**	0.01
AA	**31,224**	31,224	**0.01**	0.01
AA-	**251,109,542**	145,445	**89.38**	0.04
A	-	275,833,066	**0.00**	68.29
A-	**25,787**	25,786	**0.01**	0.01
Total	**280,940,394**	403,909,522	**100.00**	100.00

Above total balances include profit due Rs. 4,365,146 (2021: Rs. 2,454,753).

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affects the group of counterparties whose aggregate credit exposure is significant in relation to the Fund’s total credit exposure.

Details of Fund's concentration of credit risk of financial instruments by industry-wise distribution are as follows:

	2022 (Rupees)	2022 (%)	2021 (Rupees)	2021 (%)
Commercial banks (including profit due)	**280,940,394**	98.66	**403,909,522**	95.80
National Clearing Company of Pakistan Limited	**2,550,000**	0.90	**2,550,000**	0.60
Central Depository Company of Pakistan- security deposit	**100,000**	0.04	**100,000**	0.02
Dividend Receivable	**526,566**	0.18	**354,279**	0.08
Other receivables	**645,169**	0.23	**583,996**	0.14
Other - Pre IPO Advance	-	0.00	**14,108,125**	3.36
	284,762,129	100.00	**421,605,922**	100.00

Past due and impaired assets and collaterals held

None of the financial assets of the Fund are past due or impaired as at June 30, 2022.

Settlement risk

The Fund’s activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations, mainly by a guaranteed settlement mechanism of NCCPL.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder’s option based on the Fund’s net asset value per unit at the time of redemption calculated in accordance with the Fund’s constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund is entitled to borrow, with prior approval of trustee, for meeting redemptions. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment with in 90 days of such borrowings.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue.

Maturity analysis for financial liabilities

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	2022	
	Contractual cash flows	
Financial liabilities (excluding unit holders' fund)	**Carrying amount**	**Less than 3 month**
	----------- (Rupees) -----------	
Payable to the Management Company	**3,939,208**	3,939,208
Remuneration payable to the Trustee	**273,647**	273,647
Accrued expenses and other liabilities	**1,120,146**	1,120,146
Payable against purchase of investments	**14,561,168**	14,561,168
	19,894,169	19,894,169
Unit holders' fund	**2,343,000,886**	2,343,000,886

	2021	
	Contractual cash flows	
	Carrying amount	Less than 3 month
	----------- (Rupees) -----------	
Financial liabilities (excluding unit holders' fund)		
Payable to the Management Company *	**5,365,840**	5,365,840
Remuneration payable to the Trustee	**344,907**	344,907
Accrued expenses and other liabilities *	**1,022,848**	1,022,848
Payable against purchase of investments	**16,484,007**	16,484,007
	23,217,602	23,217,602
Unit holders' fund	**3,159,670,501**	3,159,670,501

*excluding provision for workers' welfare fund, federal excise duty on Management Company's remuneration, annual fee payable to Securities and Exchange Commission of Pakistan and Sindh Sales Tax payable on Management Company's remuneration.

20.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

The Fund is exposed to interest rate risk and equity price risk.

20.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

Exposure to interest rate risk

Interest rate profile of the Fund's interest-bearing financial instruments is as follows:

	2022	2021
	(Rupees)	
Variable-rate instrument		
Financial assets (bank balances)	**276,567,544**	401,447,068

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased unit holder fund and income statement by Rs. 2,765,675 (June 30, 2021: Rs. 3,999,171). The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

None of the other assets and Fund's liabilities are exposed to interest rate risk.

A summary of the Fund's interest rate gap position, categorised by the earlier of contractual re-pricing or maturity date is as follows:

	June 30, 2022			
	Interest rate % Note	Exposed to interest rate risk - No later than one year	Not exposed to interest rate risk	Total
		Rupees		
Financial assets				
Bank balances	5.1	**276,567,544**	**4,372,849**	**280,940,393**
Investments		**-**	**2,100,446,835**	**2,100,446,835**
Dividend receivable		**-**	**526,566**	**526,566**
Security deposit		**-**	**2,650,000**	**2,650,000**
		276,567,544	**2,107,996,250**	**2,384,563,794**

	June 30, 2021			
	Interest rate % Note	Exposed to interest rate risk - No later than one year	Not exposed to interest rate risk	Total
		Rupees		
Financial assets				
Bank balances (including profit due)	5.1	401,447,068	2,462,456	403,909,522
Investments		-	2,841,101,544	2,841,101,544
Dividend receivable		-	354,279	354,279
Security deposit		-	16,758,125	16,758,125
Receivable against sale of investments		-	-	-
		401,447,068	2,860,676,404	3,262,123,470

20.3.2 Other market price risk

The Fund is exposed to equity price risk i.e. the risk of unfavourable changes in the fair value of equity securities as a result changes in the levels of Pakistan Stock Exchange Index and the value of individual shares, which arises from investments measured at fair value through income statement.

The management of the Fund monitors the proportion of equity securities in its investment portfolio based on market indices. The Fund's policy is to manage price risk through diversification and selection of securities within the specified limits set by internal risk management guidelines or the requirements of NBFC regulations.

The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of the issued capital of that investee company and the net assets of the Fund with overall limit of 30% or index weight whichever is higher subject to maximum of 35% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations).

The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary goal of the Fund's investment strategy is to maximise investment returns.

Details of the Fund's investment in industrial / economic sector are given in note 6.1.

Sensitivity analysis - equity price risk

All of the Fund's listed equity investments are listed on Pakistan Stock Exchange Limited. For such investments classified as at fair value through profit or loss the impact on income statement and unit holders' fund, due to a 5% increase or decrease in the fair values of the equity investments, would have been an increase or decrease of Rs. 105,022,342 (June 30, 2021: Rs. 142,055,076).

20.4 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;

- requirements for the reconciliation and monitoring of transactions;

- compliance with regulatory and other legal requirements;

- documentation of controls and procedures;

- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;

- ethical and business standards;

- risk mitigation, including insurance where this is effective.

20.5 Unit holder's fund risk management

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

20.6 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 at the end of the reporting period. 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 or indirectly (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.

		2022						
		Carrying amount				Fair Value		
On-balance sheet financial instruments		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
		(Rupees)						
Financial assets measured at fair value								
Listed equity securities	20.6.2	2,100,446,835	-	-	2,100,446,835	2,100,446,835	-	2,100,446,835
		2,100,446,835	-	-	2,100,446,835	2,100,446,835	-	2,100,446,835
Financial assets not measured at fair value	20.6.1							
Bank balances - Held at amortized cost		-	276,575,247	-	276,575,247	-	-	-
Dividend receivable		-	526,566	-	526,566	-	-	-
Security deposit		-	2,650,000	-	2,650,000	-	-	-
Return receivable on bank balances		-	4,365,146	-	4,365,146	-	-	-
		-	284,116,959	-	284,116,959	-	-	-
Financial liabilities not measured at fair value	20.6.1							
Payable to the Management Company		-	3,939,208	-	3,939,208	-	-	-
Remuneration payable to the Trustee		-	273,647	-	273,647	-	-	-
Accrued expenses and other liabilities		-	1,120,146	-	1,120,146	-	-	-
Payable against the purchase of equity investment		-	14,561,168	-	14,561,168	-	-	-
		-	19,894,169	-	19,894,169	-	-	-

On-balance sheet financial instruments		2021						
		Carrying amount				Fair Value		
		Fair value through profit and loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Total
		-- (Rupees) --						
Financial assets measured at fair value								
Listed equity securities	20.6.2	2,841,101,544	-	-	2,841,101,544	2,841,101,544	-	2,841,101,544
		2,841,101,544	-	-	2,841,101,544	2,841,101,544	-	2,841,101,544
Financial assets not measured at fair value	20.6.1							
Bank balances - Held at amortized cost		-	401,454,771	-	401,454,771	-	-	-
Dividend receivable		-	354,279	-	354,279	-	-	-
Security deposit		-	16,758,125	-	16,758,125	-	-	-
Return receivable on bank balances		-	2,454,753	-	2,454,753	-	-	-
Receivable against purchase of investments		-	-	-	-			
		-	421,021,928	-	421,021,928	-	-	-
Financial liabilities not measured at fair value	20.6.1							
Payable to the Management Company		-	5,365,840	-	5,365,840	-	-	-
Remuneration payable to the Trustee		-	344,907	-	344,907	-	-	-
Accrued expenses and other liabilities		-	1,022,848	-	1,022,848	-	-	-
Payable against the purchase of equity investment		-	16,484,007	-	16,484,007	-	-	-
		-	23,217,602	-	23,217,602	-	-	-

20.6.1 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.

20.6.2 For level 1 investments at fair value through profit or loss' - 'Investment in respect of equity securities, the Fund uses daily quotation rates which are taken from Pakistan Stock Exchange Limited at the reporting date.

21 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance of units	Payable against redemption of units	Dividend payable	Total
	------------------- (Rupees in ‘000) -------------------			
Opening balance as at July 1, 2021	-	-	-	-
Receivable against issuance of units	(836,850,914)	-	-	(836,850,914)
Payable against redemption of units	-	1,073,676,874	-	1,073,676,874
	(836,850,914)	1,073,676,874	-	236,825,960
Amount received on issuance of units	836,850,914	-	-	836,850,914
Amount paid on redemption of units	-	(1,073,676,874)	-	(1,073,676,874)
	836,850,914	(1,073,676,874)	-	(236,825,960)
Closing balance as at June 30, 2022	-	-	-	-

22 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top brokers, members of the Investment Committee, Fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company are as follows:

22.1 Unit holding pattern of the Fund

Category	June 30, 2022 Number of Investors	Investment Amount	% of Total net assets
	-----------------(Rupees)-----------------		
Individual investor	30	13,128,480	0.56
Associated Companies and Directors	28	893,616,559	38.14
Insurance companies	2	682,306	0.03
Foreign Individuals	4	288,121,123	12.30
Retirement Funds	8	1,105,232,816	47.17
Other Corporate investors	2	42,219,601	1.80
Total	74	2,343,000,886	100.00

	June 30, 2021 Number of Investors	Investment Amount	% of Total net assets
	-----------------(Rupees)-----------------		
Individual investor	33	3,276,595	11.88
Associated Companies and Directors	34	12,426,444	45.05
NBFC's (Management Company)	1	1,400,301	5.08
Retirement Funds	6	10,019,267	36.32
Other Corporate investors	4	463,415	1.68
Total	78	27,586,022	100.00

22.2 List of top 10 brokers by percentage of commission paid

Name of Broker	Commission paid (Percentage %) 2021
Inter Market Securities Limited	12.30%
Vector Securities (Private) Limited	11.34%
Ismail Iqbal Securities Private Limited	10.47%
Topline Securities Limited	9.76%
EFG Hermes Pakistan Limited	8.47%
JS Global Capital Limited	7.82%
Insight Securities (Private) Limited	7.13%
Alfalah Securities Limited	6.37%
KTrade Securities Limited	6.12%
Fortune Securities Limited	4.94%
Foundation Securities Limited	4.32%
Fortune Securities Limited	4.19%
BMA Capital Limited	4.11%
Taurus Securities Limited	1.85%

	June 30, 2021
JS Global Capital Limited	14.34%
Ismail Iqbal Securities Private Limited	13.88%
Arif Habib Limited	12.56%
Inter Market Securities Limited	10.33%
Topline Securities Limited	8.73%
EFG Hermes Pakistan Limited	7.60%
Alfalah Securities Limited	7.39%
Venture Capital Private Limited	6.88%
BMA Capital Limited	4.96%
Fortune Securities Limited	4.43%

22.3 Particulars of the Investment Committee and Fund manager

Following are the members of the investment committee of the Fund:

- Mr. Babar Ali Lakhani (Chairman Investment Committee)
- Mr. Kashif Mustafa - (Executive Direcor & COO)
- Mr. Mustafa O. Pasha - (Chief Investment Officer)
- Mr. Syavash Pahore
- Mr. Hassan Bin Nasir
- Mr. Abdul Samad Khanani
- Mr. Umair Bin Hassan
- Ms. Nada Uzair

Mr. Babar Ali Lakhani - Chief Executive Officer

Mr. Lakhani has over twenty one years of investment and portfolio management experience in domestic and international equity and fixed income markets. Mr. Lakhani most recently served as the Chief Investment Officer of Century Insurance, a Public Limited Company listed on the Karachi and Lahore Stock Exchanges of Pakistan. He was an Investment Associate at High Street Advisors and a Research Analyst at Credit Suisse Equity Group (formerly Credit Suisse First Boston). Mr. Lakhani brings extensive investment experience, globally practiced portfolio management discipline, and a comprehensive understanding of the global asset management industry to Lakson Investments Limited.

Mr. Lakhani received his BA in Finance from Bentley College, and his MBA from Brandeis University.

Mr. Lakhani is a member of the Global Association of Risk Professionals (GARP), the Society of Financial Service Professionals and the Young Presidents' Organization (YPO). Mr. Lakhani is a member of the Alumni Trustee Committee of Brandeis University and is the school's representative in Pakistan.

Mr. Lakhani was looking after Lakson Asset Allocation Emerging Market Fund and Lakson Asset Allocation Global Commodities Fund. Subsequently, Mr. Umair and Mr. Pasha have designated to manage the Lakson Asset Allocation Emerging Market Fund and Lakson Asset Allocation Global Commodities Fund respectively.

Mr. Kashif Mustafa – Executive Director and COO

Mr. Mustafa has more than thirteen years of experience working in the financial markets of Pakistan local & international brokerage houses, and leading Asset Management Companies. Mr. Mustafa's experience includes; Financial Analysis, Equity Research, Investment Advisory and Business Development.

Mr. Mustafa O. Pasha, CFA – Chief Investment Officer

Mr. Pasha has over thirteen years of experience in the asset management and investment advisory industry. He did his Bachelors in Economics from McGill University (Montreal, Canada) in 2006 and obtained his CFA charter in 2012.

He was previously associated with BMA where he initially served as a fixed income analyst and later became the in house economist for the entire BMA group. Between 2009 - 2012 he supervised fixed income/money market investments across all mutual funds and institutional/HNW accounts advised by BMA. He is also managing Lakson Tactical Fund.

Mr. Syavash Pahore

Syavash is currently working in the capacity of Head of Research at Lakson Investments. He has over five years of experience in Research. He was previously associated with organizations such as Optimus Capital, Elixir Securities and JS Investments. Syavash has completed his Bachelor of Arts in Finance, Accounting and Management from the University of Nottingham, and has also cleared CFA Level II.

Mr. Hassan Bin Nasir

Mr. Hassan Bin Nasir has over twelve years of experience and currently holds positions of Vice President Fixed Income in Lakson Investments Limited. He completed his Masters in Business Administration in Finance major from Bahria University, Pakistan. He has immense experience in managing portfolios across Collective Investment Schemes, Separate Managed Accounts with Strong Fixed Income background, investment strategy and trading experience in instruments including, Government Securities, Corporate Debt Securities, Banking Products and Shariah Compliant Corporate Debt Securities. He is managing the following funds:

- Lakson Income Fund
- Lakson Money Market Fund
- Lakson Asset Allocation Developed Markets Fund

Mr. Abdul Samad Khanani - Fund Manager

Mr. Khanani has over six years of experience in equity research. He did his Bachelors in Finance from IoBM in 2014 and is also perusing CFA. Before joining LI, Mr. Khanani was heading the research team at KASB Securities. He also worked at InterMarket Securities (local partner of Tellimer Research) and Fortune Securities.

At Lakson, he is responsible for deriving the overall equity strategy of equity portfolios by working closely with the research team and ensure smooth execution. Currently he is managing:

Lakson Equity Fund
Lakson Tactical Fund
Lakson Islamic Tactical Fund

Mr. Umair Bin Hassan

Mr. Hassan has a Bachelors degree in Computational Finance from NED, and is pursuing MS in Economics from IBA. He was previously associated with MCB Arif Habib as Deputy Manager Risk. Mr Umair brings an overall work experience of three years and currently looking after the risk department of Lakson Investments.

Ms. Nada Uzair

Ms. Uzair is an ACCA Member, with over eight years of experience in asset management and investment advisory industry. She has knowledge base in NBFC Rules & Regulations, AML Regulations, corporate governance, formulation of internal policies/mechanisms, development and execution of multi-faceted compliance and audit programs.

She started her career with Deloitte Yusuf Adil, specializing in Internal Audit and performed outsourced assignments for PSX, Alfalah GHP, BMA and Askari Investment Management Limited. Prior to joining the Compliance department at Lakson Investments, she was associated with Pak Oman AMC managing the Internal Audit department and subsequently the Compliance department.

22.4 Directors meeting attendance

2022

Name of directors	Designation	Meeting Attended	31 Aug 21	26 Oct 21	17 Feb 22	29 Apr 22
- Mr. Iqbal Ali Lakhani	Chairman	3	✓	✓	✓	✓
- Mr. Babar Ali Lakhani	CEO	4	✓	✓	✓	✓
- Mr. Jacques John Vesser	Director	4	✓	✓	✓	✓
- Mr. Amin Mohammed Lakhani	Director	3	✓	✓	✓	✓
- Mr. Jamil Ahmed Mughal	Director	4	✓	✓	✓	✓
- Ms. Kathleen Kennedy Townsend	Director	2	✓	✓	✗	✗
- Ms. Roxanne Davies	Director	4	✓	✓	✓	✓
			7	7	6	6

* Ms. Kathleen Kennedy Townsend resigned in the month of November 2021

22.5 Rating of the Fund and the management company

Details of the ratings of the Fund and the Management Company are given in note 1.4 to the financial statements.

23 SINDH WORKERS' WELFARE FUND

The Government of Sindh introduced levy of the Sindh Workers’ Welfare Fund (SWWF) through the Sindh Workers’ Welfare Act, 2014. The Mutual Fund Association of Pakistan (MUFAP), in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Companies (AMCs) are covered under the term “financial institutions” as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds / Pension Funds managed by those AMCs do not qualify as “financial institutions” as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 57.225 million.

24 GENERAL

24.1 These financial statements were authorized for issue by the Board of Directors of the Management Company on September 22, 2022.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Performance Table	FY22	FY21	FY20	FY19	FY18
Net Assets - Beginning (PKR Mil.)	3,160	2,932	3,293	3,235	4,217
Net Assets - Ending (PKR Mil.)	2,343	3,160	2,932	3,293	3,235
Net Asset value per share	92.5778	114.5388	87.9078	91.0784	114.2367
Selling Price for units	95.3552	117.9750	90.5451	93.8108	117.6638
Repurchase Price for units	92.5778	114.5388	87.9078	91.0784	114.2367
Highest Offer Price (PKR)	123.1612	124.8151	115.7108	124.2959	135.3738
Lowest Offer Price (PKR)	93.9138	92.0618	73.0724	92.9168	107.8971
Highest Redemption Price (PKR)	119.5739	121.1797	112.3405	120.6756	131.4308
Lowest Redemption Price (PKR)	91.1784	89.3803	70.9440	90.2104	104.7544
Beginning NAV - Ex-Div. (PKR)	114.5388	87.9078	91.0784	114.2367	130.9153
Interim Distributions (PKR)	Nil	2.6000	Nil	Nil	Nil
Final Distribution (PKR)	Nil	Nil	Nil	Nil	Nil
Ending NAV - Ex-Div. (PKR)	92.5778	114.5388	87.9078	91.0784	114.2367
Return	-19.18%	33.23%	-19.17%	-20.27%	-12.70%
Net Income / (loss) (PKR Mil.)	(580)	689	(164)	(799)	(523)
Income Distribution	Nil	62	Nil	Nil	Nil
Accumulated Capital Growth	(442)	138	(490)	(326)	473
Average Annual return of the Fund					
One Year	-19.18%	33.23%	-3.48%	-20.27%	-12.74%
Two year	7.02%	28.59%	-23.05%	-30.43%	10.30%
Three year	3.93%	2.52%	-32.85%	-12.06%	21.99%
Since inception (November 13,2009)	197.65%	276.55%	182.64%	192.83%	267.29%

Distributions	FY22	FY21	FY20	FY19	FY18
Interim Distribution	Nil	2.6000	Nil	Nil	Nil
Final Distribution	Nil	0	Nil	Nil	Nil
NAV before Distribution	Nil	118.17	Nil	Nil	Nil
NAV after Distribution	Nil	115.57	Nil	Nil	Nil
Distribution Date	Nil	26-Jun-21	Nil	Nil	Nil

Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

During FY22
Summary of Actual Proxy voted by CIS:

	Resolutions	For	Against	Abstain*
Number	5	5	-	-
(%ages)	100%	100%	-	-

Note: The proxy voting policy of the Lakson Equity Fund (LEF) is available on the website of Lakson Investments Limited, the Management Company. A detailed information regarding actual proxies voted by the Management Company in respect of the Lakson Equity Fund (LEF) is also available without charge upon request to all unit holders.

A Lakson Group Company

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