LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND

Quarterly Report (September 30, 2022)

LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

CONTENTS

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 Bank Alfalah Limited Dubai Islamic Bank Limited Habib Bank Limited HBL Microfinance Bank Limited Habib Metropolitan Bank Limited Habib Bank AG Zurich National Bank of Pakistan United 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
Distributor	Rabia Fida BMA Capital Management Limited
Rating	5-Star (One Year) 5-Star (Three Years) 5-Star (Five Years) Fund Performance Ranking AM2+ : Asset Manager Rating by PACRA

Review Report of the Directors of the Management Company
For the quarter ended September 30, 2022

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Asset Allocation Developed Markets Fund ("LAADMF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended September 30, 2022.

Fund Objective
The investment objective of the Fund is to provide long-term capital appreciation by investing in a mix of domestic debt and Developed Markets Securities.

Principal activities
LAADMF is an open-end asset allocation scheme and is listed on Pakistan Stock Exchange Limited. The Scheme is managed using an active investment management style which focuses on an analysis of the macro factors such as government policies, global economic data, commodities prices and supply/demand dynamics. The Scheme switches exposure between the domestic Government Securities and the Developed Markets securities based on the outlook of the Investments Team of the performance of the Developed Markets. The Scheme may overweight or underweight countries relative to its benchmark for Developed Markets investments, the MSCI World Index. Exposure of the Scheme in the fixed income securities is managed through duration and yield curve management by shifting between different maturities of the Government Securities.

Fund performance
Lakson Asset Allocation Developed Markets Fund generated an absolute return of 5.72% in the 1QFY23 compared to the Benchmark return of 4.59%. The LAADMF has outperformed the benchmark by 1.13%. As of September 30, 2022, 34.7% of the fund was invested in equities, 62.0% in T-Bills, 3.2% in cash and remaining 0.1% in others on a total assets basis.

Earning per Unit (EPU)
EPU has not been disclosed as we feel the determination of weighted average units for calculating EPU is not practicable for open end funds

Economic Review
The fiscal year 2023 started on a challenging note as macroeconomic concerns remain heightened with Pakistan rupee depreciating by 11.5% QoQ to close at 228.5 against the greenback. This was despite the successful staff level agreement with the IMF, which paved the way for disbursement of around USD 1.2 billion, however increased political noise post Punjab by-elections, devastation of land and crops from flooding and highest ever oil import bill dampened investor sentiment and put pressure on the interbank currency market. Resultantly our FX reserves dropped to USD 8.8 billion, enough for just 6 weeks of imports.
The recent floods have caused considerable damage to the infrastructure along with loss of life and injuries. Latest estimates suggest damages of more than $30 billion; this is more than 10% of Pakistan's GDP. Damage to cotton and rice crops in particular will negatively impact our trade deficit, while the loss of perishable crops has led to higher food inflation.

CPI based inflation jumped to 27.3% in August, the highest monthly reading since May 1975 before settling in at 23.2% at the end of the quarter. The decrease in inflation was primarily driven by a reduction in electricity prices due to an administrative intervention, while both core and food inflation picked up further. Looking ahead, the supply-shock to food prices from the floods is expected to put additional pressure on headline inflation in the coming months. We expect FY23 inflation to average at 26.3%, with inflation peaking in the next couple of months.

On the external front, during the first quarter of FY23, imports have declined by 12.7% YoY to $16.3 billion while exports have grown by 1.8% to $7 billion. Resultantly the current account deficit shrank for the second consecutive month in August to only $0.7 billion almost half the level in July. It is however important to consider that this improvement in the CAD has been artificially driven by squeezing imports through extreme care in issuance of LCs and negotiations. Moreover, oil imports were lower due to build up of inventory in the previous quarter. We foresee import curbs to continue till December, till such time imports will be low and the feel good factor will be stretched for a few months. Whenever this opens, we expect pent up demand to wash away all the gains on the current account balance and as such we expect CAD balance for FY23 to come in at USD 14bn. A decline in oil prices on account of global recessionary concerns may however, provide respite and will materially change our estimates.

On the fiscal end, during the first quarter, FBR tax collection rose to Rs 1.635 trillion, surpassing the target by Rs 27 billion. Looking forward, with continued curbs placed on imports and the devastation caused by the floods, fiscal consolidation will be challenging for the government and addition foreign inflows will be needed to prevent any fiscal slippages.

Fixed Income Market Review
In 1QFY23, the State Bank of Pakistan kept the benchmark policy rate unchanged at 15.0%. The current stance was taken in lieu of a continued deceleration in economic activity as well as a decline in headline inflation and current account deficit. During the quarter, Kibor rates inched up by c.60bps QoQ to 15.77%, 15.91% and 16.21% for 3M, 6M and 12M rates. T-bill yields also increased by c.1% QoQ with 3M/6M/12M rates clocking in at 15.97%/15.95%/15.98%. On the flip side, PIB yields saw a decrease for the 3 Year and 10 Year tenor.

Developed Markets Review
The MSCI developed market index declined by 7% in the first quarter of this fiscal year. This is a continuation of the trend witnessed last quarter where the index shed 16% in 4QFY22. The cumulative index decline is now 22.2% in CYTD. The developed market performance remained weak led by decline in major European markets owing to growing recession fears and the deepening of energy woes. Developed markets such as Denmark, France and Hong Kong were down by 2.3%, 2.7% and 21.2% respectively.

Future Outlook
The SBP has raised its Policy Rate to 13.75% in 2HFY22 and raised it by a further 125 bps in July. The Policy Rate currently stands at 15.0%. This has been a response to rising inflation (which has reached 25%) and the worsening current account deficit.

Pakistan finally received Board approval from the IMF for its 7th and 8th review of the Extended Fund Facility. IMF program continuity and implementation of structural measures & performance criteria remains an ongoing issue due to heightened political uncertainty. General elections are expected to be held in June 2023 however the opposition continues to hold nationwide rallies and demand for early elections.

Floods have devastated large parts of Baluchistan & Sindh and displaced 30 million people. Initial estimates of the losses have risen threefold from USD 10 BN to USD 30 BN as the scale of devastation has become apparent in recent weeks. The floods have damaged vast areas of agricultural land and damaged harvests of cotton, fruits, onions, tomatoes and other crops.

Going forward, the outlook is contingent on the direction of politics, the timing of elections and maintaining the IMF program through this turbulent time. Pakistan's Eurobonds continue to trade at distressed yields. Commodity prices remain high; while the Bloomberg Commodity index has dropped 20% recently, it remains 50% above its pre-pandemic level. Continued high commodity prices can derail any expected stabilization in the external account.

Globally, monetary tightening has kicked off. The US Federal Reserve is set to raise the Federal Funds Rate by 75 basis points to a range of 3% - 3.25%. These are the highest rates in 2 decades as inflation is at a 4-decade high. Domestic political instability has risen globally, due to high inflation. Geopolitical tensions have risen as China, US & Russia carve out their own spheres of influence. Historically, globalization has been counted upon as a force for deflation; however the tides have turned in favor of de-globalization, resource nationalization and populist regimes. The outlook for the global economy depends greatly on how these forces interact and the pace of global inflation and monetary tightening.

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

For and on Behalf of the Board

Director **Chief Executive Officer**

Dated: October 31, 2022

لیکسن ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ
30 ستمبر 2022 کوختم ہونے والی سہ ماہی کے لیے
مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ ("LAADMF") کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کیلئے 30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

لیکسن ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ کی سرمایہ کاری کا مقصد، مختلف طرح کے ملکی قرضوں اور ڈیویلپڈ مارکیٹس سیکیوریٹیز میں سرمایہ کاری کرتے ہوئے طویل مدت کے لیے اصل سرمائے کی قدر میں اضافہ کرنا ہے۔

نمایاں سرگرمیاں

LAADMF ایک اوپن اینڈ ایسیٹ ایلوکیشن اسکیم ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ اسکیم کو انویسٹمنٹ مینجمنٹ کے ایک فعال انداز کو اختیار کرتے ہوئے چلایا جائے گا جس میں بڑے عوامل جیسے حکومتی پالیسیز، گلوبل اکنامک ڈیٹا، کموڈیٹیز کی قیمتیں اور سپلائی/ ڈیمانڈ ڈائنامکس کے تجزیوں کو پیش نظر رکھا جائے گا۔ اس اسکیم سے ڈومیسٹک گورنمنٹ سیکیوریٹیز اور ایسی ڈیویلپڈ مارکیٹس سیکیوریٹیز کے درمیان تبدیلیوں کے ساتھ سرمایہ کاری کی جاتی ہے، جس کا ڈیویلپڈ مارکیٹس کی سرمایہ کاری کے منظرنامے اور اپنی انویسٹمنس ٹیم کی پیشگوئیوں پر انحصار ہوتا ہے۔ یہ اسکیم ڈیویلپڈ مارکیٹس کی سرمایہ کاری سے متعلق بینچ مارک MSCI World Index کے حوالے سے متعلق ممالک کو اوورویٹ یا انڈرویٹ کرسکتی ہے۔ اسکیم کی سرمایہ کاری کو فکسڈ انکم سیکیوریٹیز میں اس کی مدت اور yield curve مینجمنٹ کے ذریعے مختلف میچوریٹیز اور حکومتی سیکیوریٹیز کے درمیان منتقل کرتے ہوئے منظم کیا جائے گا۔

فنڈ کی کارکردگی

لیکسن ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ نے مالی سال 2023 کی پہلی سہ ماہی میں بینچ مارک منافع 4.59% کے مقابلے میں 5.72% کا مطلق منافع حاصل کیا۔ فنڈ نے بینچ مارک کے مقابلے میں 1.13% بہتر کارکردگی کا مظاہرہ کیا ہے۔ 30 ستمبر 2022 کے مطابق فنڈ نے مجموعی اثاثہ جات بنیاد پر 34.7% ایکوئٹیز میں، 62.0% ٹی۔ بلز میں، 3.2% کیش میں اور باقی ماندہ 0.1% سرمایہ دیگر میں تفویض کیا۔

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۔

معاشی جائزہ

مالی سال 2023 کا آغاز مشکل صورتحال سے ہوا کیونکہ میکرو اکنامک معاملات بدستور تشویشناک تھے، ڈالر کے مقابلے میں روپے کی شرح مبادلہ سہ ماہی بہ سہ ماہی 11.5% کمی کے ساتھ 228.5 پر بند ہوئی تھی۔ آئی ایم ایف کے ساتھ اسٹاف لیول معاہدہ، جس کے نتیجے میں 1.2 ارب ڈالر ملنے کی راہ ہموار ہوئی، کامیابی سے طے پا جانے کے باوجود ایسا ہوا۔ پنجاب میں ضمنی انتخابات کے بعد سیاسی شورشرابہ میں اضافے، سیلاب سے اراضی اور فصلوں کی تباہی اور اب تک کے سب سے زیادہ آئل امپورٹ بل سے سرمایہ کاری کی حوصلہ شکنی ہوئی اور انٹر بینک کرنسی مارکیٹ پر دباؤ آیا۔ اس کے نتیجے میں ہمارے زرمبادلہ ذخائر 8.8 ارب ڈالر کے رہ گئے، جو محض 6 ہفتوں کی درآمدات کیلئے کافی تھے۔

حالیہ سیلاب سے جہاں اموات ہوئیں اور لوگ زخمی ہوئے، وہاں بنیادی ڈھانچے کو بھی کافی نقصان پہنچا۔ تازہ ترین تخمینوں میں نقصانات کا اندازہ 30 ارب ڈالر سے زائد لگایا گیا ہے جو کہ پاکستان کی جی ڈی پی کے 10% سے زیادہ ہے۔ بالخصوص کپاس اور چاول کی فصلوں کو پہنچنے والا نقصان ہمارے تجارتی خسارے پر منفی اثر ڈالے گا جبکہ سبزیوں اور پھلوں کی پیداوار متاثر ہونے کے باعث اشیائے خوراک کی قیمتیں بڑھ گئیں۔

سی پی آئی بیسڈ افراط زر کی شرح اگست میں بڑھ کر 27.3% تک جا پہنچی، جو مئی 1975 کے بعد کسی ایک مہینے میں ریکارڈ کی جانے والی سب سے اونچی شرح تھی، سہ ماہی کے اختتام پر یہ شرح 23.2 پر آ گئی۔ افراط زر کی شرح نیچے آنے کی وجہ بنیادی طور پر انتظامی مداخلت کے نتیجے میں بجلی کے نرخوں میں ہونے والی کمی تھی جبکہ کور اور فوڈ افراط زر میں مزید اضافہ ہوا۔ سیلاب کے باعث رسد متاثر ہونے سے اشیائے خوراک کی قیمتیں بڑھنے کے نتیجے میں آنے والے مہینوں میں ہیڈ لائن افراط زر پر اضافی دباؤ کا خدشہ ہے۔ ہم مالی سال 2023 میں افراط زر کی اوسط شرح 26.3% رہنے کی توقع کرتے ہیں، آنے والے مہینوں میں افراط زر کی شرح سب سے زیادہ رہنے کا امکان ہے۔

بیرونی محاذ پر، مالی سال 2023 کی پہلی سہ ماہی کے دوران، درآمدات سال بہ سال 12.7% کمی کے ساتھ 16.3 ارب ڈالر رہیں جبکہ برآمدات 1.8% اضافے کے ساتھ 7 ارب ڈالر ہو گئیں۔ نتیجے کے طور پر کرنٹ اکاؤنٹ خسارہ اگست میں مسلسل دوسرے ماہ کمی کے ساتھ محض 0.7 ارب ڈالر رہ گیا، جولائی کے مقابلے میں تقریباً نصف۔ تاہم یہ بات مدنظر رکھنا بھی اہم ہے کہ کرنٹ اکاؤنٹ خسارے میں یہ بہتری مذاکرات اور ایل سی کے اجراء میں انتہائی احتیاط برتنے کے نتیجے میں درآمدات کم کر کے مصنوعی طور پر لائی گئی تھی۔ مزید برآں گزشتہ سہ ماہی کے دوران ذخائر بڑھ جانے کی وجہ سے تیل کی درآمدات کم رہیں۔ ہم پیش گوئی کر سکتے ہیں کہ درآمدات پر پابندیاں دسمبر تک جاری رہیں گی، اس وقت تک درآمدات کم رہیں گی اور طمانیت کا احساس اگلے چند مہینوں تک برقرار رہے گا۔ جب یہ ختم ہوگا تو خدشہ ہے کہ طلب میں اضافہ کرنٹ اکاؤنٹ بیلنس کے حوالے سے تمام کامیابیاں بہا لے جائے گا اور یوں امکان ہے کہ مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ بیلنس 14 ارب ڈالر تک جا پہنچے گا۔ تاہم عالمی کساد بازاری سے متعلق خدشات کے باعث تیل کی قیمتوں میں کمی سے کچھ فائدہ ہو سکتا ہے اور ہمارے تخمینوں میں واقعتاً تبدیلی آ سکتی ہے۔

مالیاتی نقطہ نگاہ سے، پہلی سہ ماہی کے دوران، ایف بی آر کے جمع کردہ محصولات 1.635 ٹریلین روپے تک پہنچ گئے، جو ہدف سے 27 ارب روپے زائد تھے۔ آگے چل کر درآمدات پر مسلسل پابندیوں اور سیلاب سے ہونے والی تباہی کے تناظر میں حکومت کے لیے مالیاتی استحکام کا حصول مشکل ہوگا اور کسی بھی قسم کے مالی مسائل سے بچنے کے لیے بیرون ملک سے اضافی وسائل درکار ہوں گے۔

فکسڈ انکم مارکیٹ کا جائزہ

مالی سال 2023 کی پہلی سہ ماہی میں، اسٹیٹ بینک آف پاکستان نے شرح سود کسی تبدیلی کے بغیر 15% پر برقرار رکھی۔ یہ اقدام معاشی سرگرمی میں مسلسل سست روی کے ساتھ ساتھ ہیڈ لائن افراط زر میں کمی اور کرنٹ اکاؤنٹ خسارے کے پیش نظر کیا گیا۔ سہ ماہی کے دوران، 3 ماہ، 6 ماہ اور 12 ماہ کی

میعاد کے لیے Kibor کی سہ ماہی بہ سہ ماہی شرح c.60bps بڑھ کر بالترتیب 15.77%، 15.91% اور 16.21% ہوگئی۔ T-bill منافع جات میں بھی سہ ماہی بہ سہ ماہی c.1% اضافہ ہوا اور 3 ماہ، 6 ماہ اور 12 ماہ کی میعاد کے لیے شرح بالترتیب 15.97%، 15.95% اور 15.98% ہوگئی۔ اس کے برعکس، 3 سالہ اور 10 سالہ میعاد کے لیے PIB کے منافع جات میں کمی واقع ہوئی۔

ڈیویلپڈ مارکیٹس کا جائزہ

MSCI کے ڈیویلپڈ مارکیٹس کے انڈیکس میں رواں مالی سال کی پہلی سہ ماہی میں 7% کی کمی واقع ہوئی۔ یہ گزشتہ سہ ماہی کے رجحان کا تسلسل ہے، مالی سال 2022 کی چوتھی سہ ماہی میں انڈیکس میں 16% فیصد کی کمی ہوئی تھی۔ موجودہ سال تا حال انڈیکس میں مجموعی گراوٹ اب 22.2% ہے۔ ڈیویلپڈ مارکیٹس کی کارکردگی کمزور رہی، جس کی بڑی وجہ کساد بازاری کے بڑھتے ہوئے خدشات اور توانائی سے متعلق مشکلات میں شدت آنے کے باعث بڑی یورپی مارکیٹس میں آنے والی مندی تھی۔

ڈیویلپڈ مارکیٹس جیسے ڈنمارک، فرانس اور ہانگ کانگ میں بالترتیب 2.3%، 2.7% اور 21.2% کی کمی واقع ہوئی۔

مستقبل کی توقعات

اسٹیٹ بینک نے مالی سال 2022 کی دوسری ششماہی میں اپنا پالیسی ریٹ بڑھا کر 13.75% کر دیا اور جولائی میں اس میں مزید 125bps کا اضافہ کردیا۔ اس وقت پالیسی ریٹ 15.0% ہے۔ یہ افراط زر کی بڑھتی ہوئی شرح (جو 25% تک جا پہنچی ہے) اور کرنٹ اکاؤنٹ خسارے کی بگڑتی ہوئی صورتحال کا جواب تھا۔

پاکستان نے بالآخر توسیعی فنڈ فیسیلیٹی کے 7 ویں اور 8 ویں جائزے کے لیے آئی ایم ایف بورڈ کی منظوری حاصل کرلی۔ سیاسی بے یقینی میں اضافے کی وجہ سے آئی ایم ایف پروگرام کا تسلسل اور اسٹرکچرل اقدامات و معیار کارکردگی کا نفاذ بدستور مسئلہ بنے ہوئے ہیں۔ عام انتخابات کا انعقاد جون 2023 میں متوقع ہے، تاہم حزب اختلاف کے ملک گیر جلسے جاری ہیں اور وہ قبل از وقت انتخابات کا مطالبہ کررہی ہے۔

سیلاب نے بلوچستان اور سندھ کے وسیع حصے میں تباہی مچائی اور اس کی وجہ سے تین کروڑ افراد نقل مکانی پر مجبور ہوگئے۔ حالیہ ہفتوں کے دوران تباہی کی وسعت سامنے آنے کے بعد نقصانات کے ابتدائی تخمینے تین گنا بڑھ کر 10 ارب ڈالر سے 30 ارب ڈالر تک جا پہنچے۔ سیلاب سے زرعی اراضی کو بھی بڑے پیمانے پر نقصان پہنچا۔ کپاس، پھلوں، پیاز، ٹماٹر اور دیگر اجناس کی فصلیں متاثر ہوئی ہیں۔

آگے چل کر، مستقبل کی توقعات کا انحصار سیاست کی سمت، انتخابات کے وقت اور اس مشکل صورتحال میں آئی ایم ایف پروگرام کو جاری رکھنے پر ہوگا۔ پاکستان کے یورو بانڈز کے سودے بدستور کم منافع پر ہو رہے ہیں۔ اشیائے تجارت کی قیمتیں بدستور زیادہ ہیں؛ اگرچہ بلوم برگ کموڈیٹی انڈیکس میں حال ہی میں 20% کمی آئی ہے، پھر بھی یہ قبل از وباء سطح سے 50% اوپر ہے۔ اشیائے تجارت کی جاری مہنگائی بیرونی اکاؤنٹ میں استحکام کے کسی بھی امکان کو متاثر کرسکتی ہے۔

عالمی سطح پر مالیاتی امور میں سخت گیری کا آغاز ہو چکا ہے۔ امریکی فیڈرل ریزرو 75 بیسس پوائنٹس کے اضافے سے شرح سود کو 3.25%-3% تک کی رینج میں لے جانے والا ہے۔ یہ 2 دہائیوں میں سب سے زیادہ شرح ہے جبکہ افراط زر کی شرح 4 دہائیوں میں بلند ترین سطح پر ہے۔ افراط زر کی بلند شرح کے باعث دنیا بھر میں سیاسی عدم استحکام بڑھ گیا ہے۔ چین، روس اور امریکا اپنا اثر و نفوذ بڑھا رہے ہیں، جس کی وجہ سے جیو پولیٹیکل کشیدگی میں اضافہ ہوگیا ہے۔ تاریخی طور پر گلوبلائزیشن کو افراط زر میں کمی لانے والی قوت سمجھا جاتا رہا ہے؛ تاہم اب وقت ڈی۔ گلوبلائزیشن، وسائل کو قومیائے جانے اور عوامی

حکومتوں کے حق میں کروٹ لے چکا ہے۔ عالمی معیشت سے متعلق توقعات کا زیادہ تر انحصار ان قوتوں کے ایک دوسرے کے ساتھ تعامل، بین الاقوامی سطح پر مہنگائی کی رفتار اور مالیاتی سخت گیری پر ہے۔

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 کی مینجمنٹ کا، ان کے مسلسل تعاون اور مدد پر شکر گزار ہے۔ مینجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مندانہ انتظام وانصرام کے لیے مینجمنٹ کمپنی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے ومنجانب بورڈ

چیف ایگزیکٹیو آفیسر | ڈائریکٹر

تاریخ: 31 اکتوبر 2022

Condensed Interim Statement of Assets and Liabilities
As at September 30, 2022

	Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
		(Rupees)	
ASSETS			
Bank balances	6	**33,736,226**	156,385,700
Investments	7	**1,019,220,344**	882,009,374
Dividend receivable		**365,733**	863,139
Accrued mark-up and other receivable		**1,195,174**	1,335,714
TOTAL ASSETS		**1,054,517,477**	1,040,593,927
LIABILITIES			
Payable to the Management Company	8	**6,366,108**	6,402,855
Payable to the Trustee		**190,438**	196,065
Annual fee payable to the Securities and Exchange Commission of Pakistan		**52,011**	208,800
Accrued expenses and other liabilities	9	**5,947,118**	19,078,896
TOTAL LIABILITIES		**12,555,675**	25,886,616
NET ASSETS		**1,041,961,802**	1,014,707,311
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		**1,041,961,802**	1,014,707,311
CONTINGENCIES AND COMMITMENTS	10		
		(Number of units)	
Number of units in issue		**6,488,932**	6,680,744
		(Rupees)	
Net assets value per unit		**160.5752**	151.8853

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Condensed Interim Income Statement (Unaudited)
For the quarter ended September 30, 2022

	Note	2022	2021
		(Rupees)	
INCOME			
Realized gain / (loss) on sale of investment at fair value through profit or loss - net		**25,021,205**	(18,707)
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss' - net		**(19,502,522)**	25,769,358
		5,518,683	25,750,651
Dividend income on investments at fair value through profit or loss		**365,774**	515,735
Markup on:			
- Bank balances calculated using effective interest method		**119,181**	13,101,654
- Government and other debt securities using effective interest method		**23,894,935**	-
		24,014,116	13,101,654
Exchange (loss) / gain on foreign currency current account		**33,298,377**	4,752,475
Reversal of SWWF provision		-	5,089,762
Total Income		**63,196,950**	49,210,277
EXPENSES			
Remuneration to the Management Company	8.1	**4,136,776**	4,119,376
Sindh Sales tax on remuneration to the Management Company	8.2	**537,781**	535,519
Remuneration to the Trustee		**578,519**	581,648
Custody charges		**93,945**	147,640
Auditors' remuneration		**195,945**	71,475
Fees and subscription		**36,937**	47,389
Brokerage, settlement and bank charges		**1,150,904**	1,071
Financial Charges		**5,804**	20,422
Total Expenses		**6,789,289**	5,577,708
Net income from operating activities		**56,407,661**	43,632,569
Net Income for the period before Taxation		**56,407,661**	43,632,569
Taxation	11	-	-
Net income for the period after taxation		**56,407,661**	43,632,569
Allocation of Net Income for the period			
Net income for the year after taxation		**56,407,661**	43,632,569
Income already paid on units redeemed		**(22,395,699)**	(215,366)
		34,011,962	43,417,203
Accounting income available for distribution			
-Relating to capital gains		-	25,597,394
-Excluding capital gains		**34,011,962**	17,819,809
Accounting income available for distribution		**34,011,962**	43,417,203

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended September 30, 2022

	2022	2021
	(Rupees)	
Net income for the period after taxation	**56,407,661**	43,632,569
Other comprehensive income	-	-
Total comprehensive income for the period	56,407,661	43,632,569

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

For Lakson Investments Limited
(Management Company)

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

Condensed Interim Statement of Movement In Unit Holders' Fund (Unaudited)
For the quarter ended September 30, 2022

	2022			2021		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	--------------------------	--------------------------(Rupees)	--------------------------			
Net assets at beginning of the period	**917,611,396**	**97,095,915**	**1,014,707,311**	913,076,846	99,166,807	1,012,243,653
Issuance of 2,387,986 units (2021: 1,283 units) as capital refund						
- Capital value	**383,451,253**	**-**	**383,451,253**	197,324	-	197,324
- Element of income	**3,555,350**	**-**	**3,555,350**	9,133	-	9,133
Total proceeds on issuance of units	**387,006,602**		**387,006,602**	206,457	-	206,457
Redemption of 2,579,797 units (2021: 28,509 units)						
- Capital value	**(414,251,465)**	**-**	**(414,251,465)**	(4,384,647)	-	(4,384,647)
- Element of loss	**20,487,392**	**(22,395,699)**	**(1,908,307)**	-	215,366	215,366
Total payments on redemption of units	**(393,764,073)**	**(22,395,699)**	**(416,159,772)**	(4,384,647)	215,366	(4,169,281)
Total comprehensive income for the period	**-**	**56,407,661**	**56,407,661**	-	43,632,569	43,632,569
Net assets as at end of the period	**910,853,925**	**131,107,877**	**1,041,961,802**	908,898,656	142,799,376	1,051,482,666
Undistributed income brought forward:						
- Realized income		**99,123,569**			47,485,540	
- Unrealized (loss)		**(2,027,654)**			51,681,267	
		97,095,915			99,166,807	
Accounting income available for distribution:						
Relating to capital gains		**-**			25,597,394	
Excluding capital gains		**34,011,962**			17,819,809	
		34,011,962			43,417,203	
Undistributed income at end of the period		**131,107,877**			142,584,010	
Undistributed income carried forward						
- Realized income		**150,610,399**			116,814,652	
- Unrealized (loss) / income		**(19,502,522)**			25,769,358	
Undistributed income at end of the period		**131,107,877**			142,584,010	
Net assets value per unit at beginning of the period			**151.8853**			153.7987
Net assets value per unit at end of the period			**160.5752**			160.4242

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended September 30, 2022

	2022	2021
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	**56,407,661**	43,632,569
Adjustments for:		
Realized gain / (loss) on sale of investment at fair value through profit or loss - net	**(25,021,205)**	(18,707)
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss' - net	**19,502,522**	25,769,358
Dividend income	**(365,774)**	(515,735)
	50,523,204	68,867,485
(Increase) in assets		
Investments - net	**(131,692,286)**	(51,520,009)
Accrued mark-up and other receivable	**140,540**	(3,299,245)
	(131,551,746)	(54,819,254)
Increase in liabilities		
Payable to the Management Company	**(36,747)**	30,383
Payable to the Trustee	**(5,627)**	4,732
Annual fee to Securities and Exchange Commission of Pakistan	**(156,789)**	(214,718)
Accrued expenses and other liabilities	**(13,131,779)**	(5,477,787)
	(13,330,942)	(5,657,390)
Net cash (used in) operating activities	**(94,359,484)**	8,390,841
Dividend received	**863,180**	122,887
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issue of units	**387,006,602**	206,457
Cash paid on redemption of units	**(416,159,772)**	(4,600,013)
Net cash flow from financing activities	**(29,153,170)**	(4,393,556)
Net (decrease) in cash and cash equivalent during the period	**(122,649,474)**	4,120,172
Cash and cash equivalent at the beginning of the period	**156,385,700**	757,978,718
Cash and cash equivalent at the end of the period	**33,736,226**	762,098,890

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

For Lakson Investments Limited
(Management Company)

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

Notes to and Forming Part of the Condensed Interim Financial Statements (Unaudited)
For the quarter ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

The Lakson Asset Allocation Developed Market Fund (the "Fund") was established under the Trust Deed executed on 30 May 2011 between the Lakson Investments Limited as its Management Company, a company incorporated under the repealed Companies ordiance 1984 (now Companies Act, 2017) and the Central Depository Company of Pakistan Limited (CDC) as its Trustee, also incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017). The Fund has been registered as a Notified Entity on 7 July 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore, while the head office is in the Lakson Square Building No. 2, Karachi.

The Fund is an open end mutual fund and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund is categorised as "Asset Allocation Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and is authorised to invest within the prescribed limit mentioned in the offering document of the fund in Government securities, deposits and foreign currency deposits with local or foreign banks etc. in Pakistan. Further, as allowed by SECP and State Bank of Pakistan, the Fund can invest abroad up to 30% of the aggregated funds mobilized (including foreign currency funds) subject to a maximum limit of USD 15 million. The investments authorized outside Pakistan include exchange traded funds based on equities / debt with exposure in the commodities, index tracker funds tracking different commodities indices, actively managed commodities based funds, equities and debt securities of companies with exposure in commodities, future contracts of different commodities and foreign currency deposits etc.

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

Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 26 August 2022 (2021: AM2+ as on 27 August 2021).

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

1-year ranking: MFR 5-Star
3-year ranking: MFR 4-Star
5-year ranking: MFR 5-Star

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 30 September has been extracted from the audited financial statements of the Company for the year ended 30 June 2022, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the quarter ended 30 September 2022 have been extracted from the unaudited condensed interim financial information for the quarter ended 30 September, 2021.

This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

2.2 This condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2022. However, selected explanatory notes are included to explain events and transactions that are significant.

2.3 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2022.

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022.

4. FINANCIAL RISK MANAGEMENT

The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2022.

	Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
		(Rupees)	
6. BANK BALANCES			
In local currency			
In profit and loss sharing accounts	6.1	**4,786,827**	7,472,255
In current accounts		**8,504**	8,504
In foreign currency			
In current account	6.2	**28,940,895**	148,904,941
		33,736,226	156,385,701

6.1 These carry mark-up rates ranging from 5.00% to 14.00% (30 June 2022: from 5.0% to 8.0%) per annum.

6.2 This represents USD denominated current account maintained in foreign country to USD 126,682 (2021: USD 355,277).

	Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
7. INVESTMENTS			
At fair value through profit or loss			
Government Securities:			
Treasury Bills	7.1	**653,443,252**	675,761,354
Exchange Traded Funds (Foreign Investments)	7.2	**365,777,092**	206,248,020
		1,019,220,344	882,009,374

7.1 Government securities - Market Treasury Bills - at fair value through profit or loss

Name of Investee Company	Date of Maturity	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value as of the year ended 30 Sep 2022 before revaluation	Market value as of the year ended 30 Sep 2022 (After revaluation)	Unrealised appreciation / (diminution)	Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
		---------------- (Number of Certificates) ----------------				---------------------- (Rupees) ----------------------			%	
12 month Treasury Bills	18-May-23	850,000	-	-	850,000	77,669,790	77,378,135	(291,655)	7.43%	7.59%
12 month Treasury Bills	04-May-23	3,000,000	-	-	3,000,000	276,035,016	274,604,700	(1,430,316)	26.35%	26.94%
12 month Treasury Bills	06-Apr-23	375,000	-	-	375,000	34,866,933	34,708,238	(158,695)	3.33%	3.41%
12 month Treasury Bills	20-Apr-23	567,000	-	-	567,000	52,443,239	52,187,984	(255,255)	5.01%	5.12%
6 month Treasury Bills	06-Oct-22	2,610,000	-	460,000	2,150,000	214,225,393	214,564,195	338,802	20.59%	21.05%
As at September 30, 2022						**655,240,370**	**653,443,252**	**(1,797,118)**	**62.71%**	**64.11%**

7.1.1 These represent 6 months and 12 months Government Treasury bill carrying a fixed mark-up rate ranging from 14.70% to 15.70% per annum and will mature from October 6, 2022. The face value of Treasury Bills held as at September 30, 2022 amounted to Rs. 694.2 million. (June 30, 2022: 740.2)

7.2 Exchange Traded Funds (foreign investment) - at fair value through profit or loss

	Number of units				Balance as at September 30, 2022			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
Note	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Cost	Market value	Unrealized diminution		
					------------------- Rupees -------------------				
Powershares QQQ Trust Series 1	1,100	-	1,100	-	-	-	-	-	-
Vanguard S&P 500 UCITS ETF	5,870	-	5,870	-	-	-	-	-	-
Ishares 0-3 Months Treasury Bonds ETF	-	15,968	-	15,968	383,482,495	365,777,092	(17,705,403)	35.10%	35.89%
As at September 30, 2022					**383,482,495**	**365,777,092**	**(17,705,403)**	**35.10%**	**35.89%**
Total investment - September 30, 2022					**1,038,722,865**	**1,019,220,344**	**(19,502,521)**	**97.82%**	**100.00%**

7.2.1 iShares Trust - iShares 0-3 Month Treasury Bond ETF is an exchange traded fund launched by BlackRock, Inc. The fund is managed by BlackRock Fund Advisors. It invests in fixed income markets of the United States. The fund primarily invests in U.S. dollar denominated treasury securities with remaining maturity of less than or equal to three months. It seeks to track the performance of the ICE 0-3 Month US Treasury Securities Index, by using representative sampling technique. Total value of the units at USD 100.2700 per unit as at the quarter-end amounted to USD 1,601,111 (30 June 2022: Nil).

7.2.2 Above units are held by Habib Bank AG Zurich as a custodian.

		Note	**September 30, 2022 (Unaudited)**	June 30, 2022 (Audited)
			(Rupees)	
8.	**PAYABLE TO THE MANAGEMENT COMPANY**			
	Remuneration payable to the Management Company	8.1	**1,365,318**	1,395,220
	Sales tax payable on remuneration to the Management Company	8.2	**177,491**	181,379
	Federal excise duty payable on remuneration to the Management Company	8.3	**4,823,298**	4,823,298
	Sales load payable		-	2,959
			6,366,108	6,402,856

8.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding 2% per annum of the average annual net assets of the Fund. However, the Management Company is currently charging fee upto 2% of average annual net assets of the scheme for the quarter ended 30 September 2022. The fee is subject to a minimum of 1% and maximum of 2% of the average annual net assets of the Fund. The effective management fee rate for the quarter ended 30 September 2022 is 1.58% of the average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30,2022: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

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

While disposing the above petition through order dated 16 July 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from 01 July 2016. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period up to

30 June 2016 aggregating to Rs. 4.184 million. Had the provision not been made, NAV per unit of the Fund as at 30 September 2022 would have been higher by Re. 0.74 (30 June 2022: Re. 0.73) per unit.

	Note	**September 30, 2022 (Unaudited)**	June 30, 2022 (Audited)
		(Rupees)	
9 ACCRUED AND OTHER LIABILITIES			
Brokerage payable		**37,611**	36,620
Auditors' remuneration		**564,621**	303,372
Custody fee payable		**109,982**	651,690
Rating fee payable		**245,605**	307,950
Professional fees payable		**624,465**	652,183
Payable against redemption of units		-	2,435,120
Wht tax payable on dividend		-	10,331,629
Other liabilities		**4,364,833**	4,360,332
		5,947,118	19,078,896

10. CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments as at September 30, 2022.

11. TAXATION

11.1 The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial statement.

11.2 During the year ended 2014, the FBR has issued show cause notices to the Fund under section 122(9) for proceeding u/s 122(5A) of the Income Tax Ordinance, 2001 for amendment of assessment on grounds that exemption from tax claimed under clause 99 of Part-I of the Second Schedule is not as per law. Total tax including Workers' Welfare Fund payable as per amended assessment would be Rs. 7.203 million and Rs 19.001 million for the tax years 2012 and 2013 respectively. Trustee of the Fund had filed a suit in the High Court of Sindh for declaration and permanent injunction for which a stay order had been granted by Sindh High Court. The management expects a favorable outcome and, accordingly, no provision has been recorded in respect of this matter.

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Habib Bank AG Zurich being the Custodian, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company and unit holders holding more than 10% in the units of the Funds as at September 30, 2022. It also includes staff retirement funds of the above related parties / connected persons.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively. Other transactions are in normal course of business, at contracted rates and terms determined in accordance with the market rates.

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

	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
	(Rupees)	
12.1 Details of balance with related parties / connected persons for the period ended		
Lakson Investments Limited - Management Company		
Remuneration payable	**1,365,318**	1,395,220
Sindh Sales Tax on Management Company's remuneration*	**177,491**	181,379
Federal Excise Duty	**4,823,298**	4,823,298
Sales load payable	-	2,959
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	**168,529**	173,509
Sindh Sales Tax payable on Trustee remuneration*	**21,909**	22,556
Habib Bank AG Zurich - Custodian		
Bank deposits	**28,940,895**	148,904,941
Custody fee payable	**109,982**	651,690

	September 30, 2022	2021
	(Unaudited) (Rupees)	
12.2 Details of transaction with related parties / connected persons during the period ended		
Lakson Investments Limited - Management Company		
Remuneration to the Management Company	**4,136,776**	4,119,376
Sindh Sales Tax on Management Company's remuneration*	**537,781**	535,519
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	**511,963**	514,732
Sindh Sales Tax on Trustee remuneration*	**66,555**	66,915
Habib Bank AG Zurich - Custodian		
Custody charges	**93,945**	147,640

Sales tax is paid / payable to the management company for onwards payment to the Government.

12.2 Details of transaction and balances with directors, key management personnel, employees, associated company/ undertaking of the Mangement Company and connected person are as follows:

	Quarter ended September 30, 2022									
	----- Number of Units -----					----- Rupees -----				
	Number of Units as at July 01, 2022	Units issued during the period	Refund of Capital	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2022	Units issued during the period	Bonus units issued during the year	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
Directors, Chief Executive and their spouse and minors	3,999,071	445	-	-	3,999,516	607,400,118	71,825	-	-	642,223,043
Key management personnel, employees and connected persons of the Management Company	1,518	-	-	1,518	-	230,487	-	-	248,261	-
Associated companies / undertakings of the Management Company										
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust	33,814	31,178	-	33,814	31,178	5,135,921	5,052,885	-	5,453,285	5,006,457
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	47,174	43,105	-	47,174	43,105	7,164,970	6,985,733	-	7,603,733	6,921,545
Century Insurance Company Limited - Employees Gratuity Fund	40,507	36,628	-	40,507	36,628	6,152,349	5,936,058	-	6,525,183	5,881,516
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	462,216	427,147	-	462,216	427,147	70,203,859	69,225,289	-	74,551,789	68,589,224
Century Paper & Board Mills Limited - Employees Gratuity Fund	414,047	393,222	-	414,047	393,222	62,887,673	63,727,282	-	66,890,282	63,141,734
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust	433,221	398,248	-	433,221	398,248	65,799,964	64,541,727	-	69,853,727	63,948,696
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	481,135	443,972	-	481,135	443,972	73,077,354	71,952,047	-	77,596,547	71,290,928
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	218,744	203,125	-	218,744	203,125	33,223,932	32,919,343	-	35,291,543	32,616,870
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust	133,395	120,744	-	133,395	120,744	20,260,802	19,568,253	-	21,489,853	19,388,454
Hasanali Karabhai Foundation - Employees Contributory Provident Fund Trust	6,435	6,089	-	6,435	6,089	977,339	986,766	-	1,039,316	977,699
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	1,277	-	-	-	1,277	193,959	-	-	-	205,057
Lakson Investments Limited	74,555	-	-	-	74,555	11,323,781	-	-	-	11,971,655
Lakson Investments Limited - Employees Contributory Provident Fund Trust	27,293	25,950	-	27,293	25,950	4,145,476	4,205,624	-	4,409,625	4,166,982
Merit Packaging Limited - Employees Contributory Provident Fund Trust	57,024	52,112	-	57,024	52,112	8,661,053	8,445,502	-	9,191,502	8,367,901
Merit Packaging Limited - Employees Gratuity Fund	29,627	27,124	-	29,627	27,124	4,499,868	4,395,758	-	4,775,958	4,355,369
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	120,770	111,398	-	120,770	111,398	18,343,176	18,053,593	-	19,477,093	17,887,711
Siza Services Private Limited - Employees Contributory Provident Fund Trust	24,308	23,169	-	24,308	23,169	3,691,952	3,754,891	-	3,927,791	3,720,390
Sybrid Private Limited - Employees Contributory Provident Fund Trust	47,986	44,241	-	47,986	44,241	7,288,295	7,169,820	-	7,738,620	7,103,941

	Quarter ended September 30, 2021									
	Number of Units					Rupees				
	Number of Units as at July 01, 2021	Units issued during the period	Refund of Capital	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2021	Units issued during the period	Bonus units issued during the year	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
Directors, Chief Executive and their spouse and minors	5,462,544	1,227	-	28,509	5,435,262	840,132,185	197,444	-	4,600,000	871,947,500
Other key management personnel	-	57	-	-	57	-	801	-	-	9,144
Associated companies / undertakings of the Management Company										
Lakson Investments Limited	-	-	-	-	-	-	-	-	-	-
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	1,176	-	-	-	1,176	180,895	-	-	-	188,688
Lakson Investments Limited - Employees Contributory Provident Fund Trust	3,220	-	-	-	3,220	495,236	-	-	-	516,570
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust	59,580	-	-	-	59,580	9,163,306	-	-	-	9,558,052
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	42,523	-	-	-	42,523	6,540,047	-	-	-	6,821,786
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust	172,265	-	-	-	172,265	26,494,177	-	-	-	27,635,521
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	231,114	-	-	-	231,114	35,544,982	-	-	-	37,076,226
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	94,819	-	-	-	94,819	14,583,065	-	-	-	15,211,290
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust	16,030	-	-	-	16,030	2,465,444	-	-	-	2,571,653
Merit Packaging Limited - Employees Contributory Provident Fund Trust	21,500	-	-	-	21,500	3,306,705	-	-	-	3,449,154
Merit Packaging Limited - Employees Gratuity Fund	11,350	-	-	-	11,350	1,745,636	-	-	-	1,820,836
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	188,490	-	-	-	188,490	28,989,576	-	-	-	30,238,419
Century Paper & Board Mills Limited - Employees Gratuity Fund	186,574	-	-	-	186,574	28,694,977	-	-	-	29,930,985
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	17,720	-	-	-	17,720	2,725,318	-	-	-	2,842,722
Sybrid Private Limited - Employees Contributory Provident Fund Trust	20,016	-	-	-	20,016	3,078,399	-	-	-	3,211,013
Century Insurance Company Limited - Employees Gratuity Fund	15,355	-	-	-	15,355	2,361,607	-	-	-	2,463,343
Siza Services Private Limited - Employees Contributory Provident Fund Trust	10,683	-	-	-	10,683	1,643,028	-	-	-	1,713,808
Hasanali Karabhai Foundation - Employees Contributory Provident Fund Trust	3,513	-	-	-	3,513	540,232	-	-	-	563,504

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 quarter ended September 30, 2022 is 2.58% (September 30, 2021: 2.20%) which includes 0.26% (September 30, 2021: 0.26%) representing government levies (comprising SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be caped up to 4.5%. (excluding the government levies).

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value based on:

- quoted prices in active markets for identical assets or liabilities; (Level 1)

- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and (Level 2)

- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs). (Level 3)

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy.

Investments of the Fund are categorised as follows:

	As at September 30, 2022			
	-------------------- Un-audited --------------------			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	-------------------- Rupees --------------------			
Government Securities	-	653,443,252	-	653,443,252
Exchange Traded Funds (Foreign Investments)	365,777,092	-	-	365,777,092
	365,777,092	653,443,252	-	1,019,220,344

	As at June 30, 2022			
	------------------- Audited -------------------			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value	------------------- Rupees -------------------			
Government Securities	-	675,761,354	-	675,761,354
Exchange Traded Funds (Foreign Investments)	206,248,020	-	-	206,248,020
	206,248,020	675,761,354	-	882,009,374

15. GENERAL

15.1 The corresponding figures have been re-arranged wherever necesarry

15.2 Figures have been rounded off to the nearest ruppee

16. Date of Authorization for Issue

This condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on October 31, 2022

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

A Lakson Group Company

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