LAKSON ISLAMIC TACTICAL FUND

Quarterly Report (March 31, 2020)

LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

CONTENTS

Fund's Information

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Chief Financial Officer & Company Secretary of the Management Company	Mr. Salman Shafiq Hashmi
Audit Committee	Mr. Jacques John Visser - Chairman Mr. Amin Mohammed Lakhani Mr. Iqbal Ali Lakhani Mr. Jamil Ahmed Mughal
Human Resource and Remuneration Committee	Ms. Gaite Ali - Chairman Mr. Babar Ali Lakhani Mr. Iqbal Ali Lakhani
Trustee	Central Depository Company of Pakistan Limited CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, Pakistan.
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No.2, Beaumont Road, Karachi - 75530, Pakistan
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Legal Adviser	Fazleghani Advocates F-72/I, Block 8, KDA-5, Kehkashan, Clifton, Karachi, Pakistan.

Shari'ah Adviser	Al Hilal Shariah Advisors
Registrar	Lakson Investments Limited Lakson Square Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan
Distributor	Rabia Fida BMA Capital Management Limited
Rating	1 Year ranking : 2-Star 3 Year ranking : 3-Star 5 Year ranking : 1-Star AM2+ : Asset Manager Rating by PACRA

Review Report of the Directors' of the Management Company For the period ended March 31, 2020

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Islamic Tactical Fund ('LITF') is pleased to submit the review report together with the condensed interim financial statements for the nine months ended March 31, 2020.

Fund Objective
The investment objective of the Lakson Islamic Tactical Fund is to provide long-term capital appreciation by exclusively investing in Shariah Compliant avenues including equities, fixed income instruments and emerging market securities.

Fund Profile
LITF is an open-end asset allocation fund and is listed on Pakistan Stock Exchange Limited. The Fund is managed using an active investment management style which focuses on an analysis of the macro factors such as government policies, global economic data, commodities prices and supply/demand dynamics. The Fund switches exposure between equities and fixed income based on the outlook of the investments team. Exposure of the Scheme in fixed income securities is managed through duration and yield curve management. LITF is allowed to take financing up to 10% of Net Assets to meet redemptions however LITF did not utilize this facility during the period under review.

Fund performance
The LITF provided a return of -8.36% for M9FY20 against the benchmark return of -6.49%. The LITF had underperformed the benchmark by 1.87% during the period. As of March 31, 2020, the LITF had 57% exposure in equities, 29% in cash, and 6% in Sukuk on a total asset basis.

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

Economic Review
After raising the key policy rate by 750bps (since December 2017) to 13.25% in July 2019, State Bank of Pakistan cut the interest rates by 225 bps in its mid-March Monetary Policy Committee ('MPC') meetings, signaling an end to the 20 months long monetary tightening cycle. The key considerations behind the cut were:

(x) a substantial improvement in inflation (softening food prices in particular) and expectations of greater disinflation ahead due to the downtrend in global commodity prices (particularly oil prices),

(xi) a 71% YOY reduction in the current account deficit in 8MFY20, and

(xii) perhaps most importantly, the coronavirus (COVID-19) pandemic, which threatened to reduce both domestic consumer demand and external demand for Pakistan's exports.

Ahead of the rate cut however, Pakistan witnessed USD 1.5 billion outflows from Government treasuries [Special Convertible Rupee Account ('SCRA account')]. In 9MFY20, SCRA inflows into T-Bills crossed USD 3.4 billion, while outflows of USD 1.7 billion resulted in cumulative net SCRA position of USD 1.7 billion. This drove a 7.5% slippage in the PKR vs. the USD during March 2020 to touch 166 vs. an average of 156-157 in Q2FY20. The State Bank of Pakistan ('SBP') foreign exchange reserves have climbed from a low of USD 7.3 billion in June 2019 (pre-IMF program) to USD 11.2 billion as at March 2020.

The economic slowdown continued in the real sector, during 9MFY20 with corporate profitability coming off significantly and LSM output contracting 3.64% YoY in 7MFY20. Notable decline was witnessed in automobile, food, construction and allied industries of steel and cement. There has however, been pickup in activity in electronics, engineering goods and fertilizer sectors during similar period where SBP initially set FY20 GDP growth target of 3.5%. This, however, is likely to be revised down as businesses continue to shut down amid the ongoing COVID-19 pandemic. The COVID-19 has resulted in trade disruptions, particularly for the export-oriented sectors and for companies importing from countries other than China. Extended country-wide lockdowns are expected to feed into further LSM contraction and rise in prices of essential goods.

On the balance of payment side, current account deficit ('CAD') narrowed down by 71% YoY to USD 2.8 billion in M8FY20. This was mainly led by a decline in imports (down 17.5% YoY in M8FY20) while exports also marginally improved by 3% YoY. The energy import bill remained low during this period due to a collapse in global oil prices, with West Texas Intermediate ('WTI') hitting a low of USD 20/bbl in March 2020. Going forward, this should lead to a substantial decline in the upcoming Current Account readings, further pushed by ongoing economic slowdown. However, this is likely to be offset by slow global demand and feed into lower exports in Q4FY20.

While lower oil prices may potentially help reign in fiscal slippages (via reduction in circular debt), and allow cost recovery, the government is having to temporarily waive off electricity bills for the month of March 2020 due to the ongoing lockdown situation. Most industries, other than a few essential industries, remained shut which has disrupted income for daily wage earners during the lockdown situation. Inflation readings for March 2020 came off to 10.2% vs. 12.4% in February 2020. So far, national inflation has averaged 11.53% in 8MFY20 which is in line with the Consumer Price Index ('CPI') target set by SBP for 11-12% through FY20.

Going forward, we expect that the massive decline in oil prices will feed into improvements in CAD and inflation. This will allow the SBP to reduce interest rates further in order to provide relief in the face of supply side disruptions. The situation is not dissimilar to the one which Pakistan had experienced in 2014 when the oil price crash, reduced inflation to 2-3% and interest rates to historic lows of 5.75% that consequently kick started the business cycle which peaked in 2017.

Fixed Income Market Review

GoP raised cumulative PKR 11.4 trillion in T-Bill auctions during 9MFY20 vs. PKR 13.5 trillion in 9MFY19. Flows were supported by strong foreign participation through the Special Convertible Rupee Account (SCRA) in H1FY20, however SBP's appetite was lower than last year due to expected commencement of monetary easing from early-Q3FY20 where SBP remained averse to locking itself at high interest rates for an extended period (13.25% Policy Rate in H1FY20). Participation also began to lose steam once expectations of a rate cut solidified shifting more towards the longer tenor instruments (12M T-Bills and PIBs). Consequently, with limited bids accepted by the Central Bank ahead of expected interest rate cuts, yields began to come off after inverting sharply in H1FY20. T-Bill yields for 3M, 6M and 12M tenors dropped to 12.73%/12.51% and 12.0% for 3M/6M and 12M tenor from a high of 13.75%/13.94% and 14.25% in August 2019.

With interest rates seemingly peaked in 2019, participation in PIB auctions picked up significantly, with bids accepted by SBP rising to PKR 1.6 trillion in M9FY20 vs. PKR 441 billion in M9FY19. Strong participation was witnessed in PIBs vs. 2019, while SBP's appetite remained limited. This pushed cut-off yields downwards to 11.58%, 10.99% and 10.85% for 3YR, 5YR and 10YR tenors from 13.70%, 13.80% and 13.70% at the end of June 2019 respectively.

Equity Market Review

FY20 has been a volatile year for capital markets around the world. The KSE-100 made a bottom at 28,765 points in August 2019 (due to economic disruptions and cross border tensions), followed by a 50% interim recovery (to 43,219 points in mid-January 20). This was short lived, with the KSE-100 subsequently shedding 32% (or 14,000 points off its January 2020 peak) to close at 29,232 points in March 2020 (down 28.24% in Q1CY20). Initial volatility (Q1FY20) was driven by economic challenges (rising fiscal imbalances, widening CAD), cross border tensions and poor corporate profitability, where the market found firm footing as inflation readings began to improve. The landscape significantly altered in Q3FY20 with economic challenges arising due to high inflation, global COVID-19 contagion, USD 1 billion hot money outflows from Government treasuries and oil prices hitting a low of USD 20.17/bbl.

That said, trading activity picked up in Q3FY20 with KSE-100 volumes rising from a low of 62 million in July 2019 to 156 million average volumes. The average daily turnover ('ADTO'), however, declined to a low of USD 8.2 million in July 2019 to rise to USD 39.6 million in March 2020 (down 5% YOY). Global risk-off sentiment led to net Foreign Investors Portfolio Investments ('FIPI') outflow of USD 85.3 million. Foreign selling was primarily concentrated in Cements (USD 35.3 million), E&Ps (USD 50.8 million) and Banks (USD 14.6 million). On the local side, individuals and insurance companies remained net buyers while bulk of the local selling was fueled by banks and mutual funds. Global exchanges have witnessed severe panic selling, similar to that seen in the MSCI EM and FM indices which shed 15.8% and 16.7% respectively during 9MFY20.

Emerging Markets Review

Emerging markets closes negative during the first nine months with MSCI EM Index negative return of 21% in 9MFY20. South Korea and Sri Lanka each cut interest rates in emergency moves on March 16, 2020, while China pumped liquidity into its financial system. In March 2020, MSCI Inc.'s index of developing-nation stocks crashed 12%, the most since the 2008 global financial crisis. The Mexican and Colombian pesos each depreciated by more than 8% against the dollar to record lows, battered by Brent oil's slide below $35 a barrel. Average sovereign dollar-bond spreads blew out by 122 basis points to levels not reached in more than a decade. The collapse in oil prices will ease pressure on Indonesia's current-account deficit and Philippine inflation, giving authorities room to lower rates. Sri Lanka cut its standing lending facility rate by 25 basis points to 7.25% in March. South Korea cut its key interest rate by 50 basis points, to 0.75%. China's industrial output declined 13.5% in July to March from a year ago, while retail sales fell 20.5%, the country reported. The People's Bank of China added 100 billion yuan ($14 billion) into the banking system via its one-year medium-term lending facility, keeping the rate unchanged at 3.15%.

Significant event during the period - COVID -19

A novel virus (2019-nCOV) was first reported in Wuhan, China on December 31, 2019. The virus causes respiratory illness like SARS but is less fatal. However, given the contagious nature of the virus, WHO declared COVID-19 as a pandemic on March 11, 2020, (the last pandemic was in 2009) when the global confirmed cases were almost 127,000. It has now spread to 205 countries around the world with more than 1.85 million confirmed cases.

With no vaccine and high R-naught (reproduction number) of the virus, Governments all around the world are responding in a similar manner as Wuhan, China where the communist party of China imposed a 2-months lockdown. Experts warn that the global economic fallout due to COVID-19 can be as high as USD 2,700 billion (3.2% of the GDP), with manufacturing and services taking a big hit as PMIs of major economies of the world are below 40. It is predicted that as much as 20% of the world economy is closed due to the lockout. IMF Managing Director Kristalina Georgieva now expects 2020 to be as bad as in 2009 when the global economy grew by 0.7% in 2009. Earlier in February 2020, the IMF projected global growth of 2.9% in 2020.

Almost no financial markets were immune to COVID-19. Developed, emerging and frontier equity markets destroyed wealth by ~30% since CYTD. While the flight to safety meant that Gold yielded a positive return of 5% and 10-year US Treasury yield dropped to 0.76% from 1.92%. In the commodity market, WTI slumped by 61% as nations in OPEC+ could not come to an agreement to cut production in the response to the decline in demand. In Pakistan, the benchmark KSE100 index fell by 32% in USD terms as massive foreign selling in both fixed and equity markets continued during March 2020 to date. SCRA (Special Convertible Rupee Accounts) has reported USD 1.7 billion net outflows in March 2020 after net inflows of USD over USD 3 billion from July-2019 till Feb-2020.

Central banks are responding aggressively to the crisis on the economy caused by COVID-19. The Fed, USA has already cut the policy rate by 1.5% to almost 0%. Furthermore, Fed has committed to buy USD 375 billion worth of government securities and USD 250 billion worth of Mortgage-backed securities in the first week alone. ECB announced EUR 870 billion (7.3% of EUR area GDP) worth of the Pandemic Emergency Purchase Program for the whole year with adjustments as and when needed. Furthermore, ECB will also conduct EUR 3 trillion worth of refinancing operations on the lowest rate of -0.75%. IMF also said that it will mobilize USD 1 trillion lending capacity with emphasis to aid emerging economies. On the fiscal side, Trump administration's USD 1 trillion proposed rescue plan to cater to individual Americans and small businesses. In Pakistan, SBP cut policy rate by 2.25% to 11% during March 2020. PTI lead government has announced USD 7.4 billion worth of Pandemic plans to respond to the COVID-19 economic crises.

Future Outlook

Any discernible progress in the ongoing COVID-19 contagion will likely stimulate the progress in the economy. Monetary easing cycle has commenced (slashing PR by 225bps in the month of March 2020), and the Government has announced a 1.2 trillion fiscal stimulus package, which should help to stabilize the economy to some extent, to say the least. 4QFY20 will be disturbing for the economy where we may witness negative GDP growth on a sequential basis.

Consequently, equity might remain volatile for the period, however we might see some further attraction in money market. Importantly, Yield curve is sharply inverted which we may see flattening in H2FY20.

Acknowledgment

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

For and on Behalf of the Board

Chief Executive Officer **Director**

Dated: April 09, 2020

لیکسن اسلامک ٹیکٹیکل فنڈ
31مارچ2020 کوختم ہونے والی مدت کے لیے
مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انوسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، لیکسن اسلامک ٹیکٹیکل فنڈ ("LITF") کی مینجمنٹ کمپنی، 31مارچ2020 کوختم ہونے والی نوماہ کی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

فنڈ کا مقصد

لیکسن اسلامک ٹیکٹیکل فنڈ کی سرمایہ کاری کا مقصد، خاص طور پرشریعہ سے مطابقت رکھنے والے ذرائع بشمول ایکویٹیز،فکسڈ انکم انسٹرومنٹس اور ایمرجنگ مارکیٹس سیکیورٹیز میں سرمایہ کاری کرتے ہوئے سرمائے کی قدر میں طویل مدتی اضافہ کرنا ہے۔

فنڈ کا تعارف

LITFایک اوپن اینڈ ایسیٹ ایلوکیشن اسکیم ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔اس اسکیم کا انتظام وانصرام ایک ایکٹیوانویسٹمنٹ مینجمنٹ اسٹائل استعمال کرتے ہوئے کیا جاتا ہے جواقتصادی ماحول کے تجزیے پرتوجہ مرکوز رکھتا ہے مثلاً حکومتی پالیسیز، عالمی اقتصادی ڈیٹا،کموڈیٹیز کی قیمتیں اور رسد/طلب کا تحرک شامل ہے۔اسکیم انویسٹمنٹ ٹیم کی توقعات کی بنیاد پر ایکویٹیز اورفکسڈ انکم میں سرمایہ کاری تبدیل کرتی ہے۔فکسڈ انکم سیکورٹیز میں اسکیم کی سرمایہ کاری کا انتظام وانصرام دورانیے اورمختلف میچورٹیز کے درمیان سرمایہ کاری کے تبادلے اور yield curve مینجمنٹ کومدنظر رکھ کر کیا جاتا ہے۔

فنڈ کی کارکردگی کا جائزہ

لیکسن اسلامک ٹیکٹیکل فنڈ نے بینچ مارک منافع 6.49%- کے مقابلے میں مالی سال2020 کے پہلے نوماہ کے لیے 8.36%- منافع فراہم کیا۔فنڈ نے مدت کے دوران بینچ مارک سے 1.87% کم تر کارکردگی کا مظاہرہ کیا۔ 31مارچ 2020 کے مطابق فنڈ مجموعی اثاثوں کی بنیاد پر ایکویٹی میں 57%،کیش میں 29% اورصکوک میں 6% سرمایہ کاری رکھتا ہے۔

فی یونٹ نقصان(LPU)

فی یونٹ نقصان(LPU) ظاہر نہیں کی گیا ہے کیوں کہ ہم محسوس کرتے ہیں کہ LPU شمار کرنے کے لیے موزوں اوسط یونٹس کا تعین اوپن اینڈ فنڈز کے لیے قابل عمل نہیں ہے۔

معاشی جائزہ

جولائی2019 میں کلیدی پالیسی ریٹ750 بنیادی پوائنٹس (دسمبر 2017 سے) اضافے کے ساتھ 13.25 فیصد تک بڑھانے کے بعد، مارچ کے وسط میں ہونے والے مانیٹری پالیسی کمیٹی ('MPC') کے اجلاسوں میں اسٹیٹ بینک آف پاکستان نے سود کی شرحوں میں 225 بنیادی پوائنٹس کی کردی، جو مالیاتی سختی بیس ماہ طویل دور کے خاتمے کا اشارہ ہے۔اس کٹوتی کے پس پردہ اہم وجوہات درج ذیل ہیں:

(i) افراطِ زر میں خاطر خواہ بہتری (خاص طور پر اشیائے خوردونوش کی قیمتوں میں کمی) اور عالمی اجناس کی قیمتوں (خاص طور پر تیل کی قیمتوں) میں کمی کی وجہ سے

آئندہ افراطِ زر میں زیادہ کمی کی توقع،

(ii) مالی سال 2020 کے پہلے 8 ماہ میں موجودہ اکاؤنٹ خسارے میں سال بہ سال بنیاد پر 71 فیصد کمی، اور

(iii) شاید سب سے اہم بات یہ ہے کہ کورونا وائرس (COVID-19) عالمی وبا جس سے گھریلو صارفین کی طلب اور پاکستان کی برآمدات کے لئے بیرونی طلب دونوں کم ہونے کا خطرہ ہے۔

اس شرح میں کٹوتی سے پہلے، پاکستان کے سرکاری خزانے [اسپیشل کنورٹیبل روپی اکاؤنٹ (SCRA account)] سے 1.5 ارب ڈالر کا اخراج ہوا۔ مالی سال 2020 کے پہلے 9 ماہ میں، ایس سی آر اے نے ٹی بلز میں 3.4 بلین امریکی ڈالر کی آمد کی حد عبور کی، جبکہ 1.7 بلین ڈالر کے اخراج کے نتیجے میں ایس سی آر اے کی خالص مجموعی حیثیت 1.7 ارب ڈالر رہی۔ اس کے نتیجے میں مارچ 2020 کے دوران پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں 7.5 فیصد کی کمی ہوئی جس نے 166 روپے کی حد کو چھو لیا اور مالی سال 2020 کی دوسری سہ ماہی میں اوسط قدر 157-156 روپے رہی۔ اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر جون 2019 میں (آئی ایم ایف سے قبل پروگرام) 7.3 ارب ڈالر کی نچلی سطح سے بڑھ کر مارچ 2020 تک 11.2 ارب ڈالر ہوگئے ہیں۔ ہیں۔

مالی سال 2020 کے پہلے 9 ماہ میں کے دوران، حقیقی شعبے میں معاشی سست روی کا سلسلہ جاری رہا، کارپوریٹ منافع میں نمایاں کمی آئی اور مالی سال 2020 کے پہلے 7 ماہ میں بڑی صنعتوں (LSM) کی پیداوار میں سال بہ سال بنیاد پر 3.64 فیصد کی کمی ہوئی۔ آٹوموبائل، خوراک، تعمیرات اور اسٹیل اور سیمنٹ سے وابستہ صنعتوں میں نمایاں گراوٹ دیکھنے میں آئی۔ تاہم، اسی عرصے کے دوران الیکٹرانکس، انجینئرنگ کے سامان اور کھاد کے شعبوں میں سرگرمی میں اضافہ ہوا جہاں ایس بی پی نے ابتدائی طور پر مالی سال 2020 کے لیے جی ڈی پی کی شرح نمو 3.5 فیصد طے کی تھی۔ تاہم، اس میں نظرثانی کا امکان ہے کیونکہ جاری COVID-19 عالمی وبا کے دوران کاروبار کی بندش کا سلسلہ جاری ہے۔ COVID-19 کے نتیجے میں تجارت میں خلل پڑا ہے، خاص طور پر برآمدی شعبے اور چین کے علاوہ دیگر ممالک سے درآمدات کرنے والی کمپنیوں کے لئے۔ ملک بھر میں طویل لاک ڈاؤن بڑی صنعتوں (LSM) کی پیداوار میں مزید کمی کا باعث بنے گا اور اشیائے ضرورت کی قیمتوں میں اضافہ ہوگا۔

ادائیگی کے توازن کے معاملے میں، کرنٹ اکاؤنٹ کا خسارہ (CAD) سال بہ سال بنیاد پر 71 فیصد کم ہو کر مالی سال 2020 کے پہلے 8 ماہ میں 2.8 بلین امریکی ڈالر ہوگیا۔ اس کی بنیادی وجہ درآمدات میں کمی (مالی سال 2020 کے پہلے 8 ماہ میں سال بہ سال بنیاد پر 17.5 فیصد کمی) تھی جبکہ برآمدات میں بھی سال بہ سال بنیاد پر 3 فیصد کا معمولی اضافہ ہوا۔ مارچ 2020 میں ویسٹ ٹیکساس انٹرمیڈیٹ (WTI) کی قیمت 20/bbl امریکی ڈالر کی سطح تک گرنے کے ساتھ، تیل کی عالمی قیمتوں میں کمی کی وجہ سے اس عرصے کے دوران توانائی کا درآمدی بل کم رہا۔ آگے بڑھتے ہوئے، اس کے نتیجے میں آئندہ کرنٹ اکاؤنٹ کے اعداد و شمار نمایاں کمی ہونی چاہیے، جسے جاری معاشی سست روی مزید دھکیلے گی۔ تاہم، یہ ممکن ہے کہ سست عالمی طلب کے نتیجے میں اس کے اثرات زائل ہو جائیں اور مالی سال 2020 کی چوتھی سہ ماہی میں کم برآمدات کو اس سے بڑھاوا مل جائے۔

اگرچہ تیل کی کم قیمتیں ممکنہ طور پر مالی خسارے پر قابو پانے (گردشی قرضوں میں کمی کے ذریعے) میں معاون ثابت ہوسکتی ہیں اور لاگت کی وصولی کا موقع فراہم کرسکتی ہیں، حکومت کو لاک ڈاؤن کی موجودہ صورتحال کے سبب مارچ 2020 کے مہینے کے لئے بجلی کے بلوں کو عارضی طور پر معاف کرنا پڑ رہا ہے۔ کچھ ضروری صنعتوں کے علاوہ زیادہ تر صنعتیں بند رہیں جس نے لاک ڈاؤن کی صورتحال کے دوران روزانہ اجرت کمانے والوں کی آمدنی میں خلل ڈالا ہے۔ افراط زر کی شرحیں فروری 2020 میں 12.4 فیصد کے مقابلے میں مارچ 2020 میں 10.2 فیصد پر آ گئیں۔ اب تک 2020 کے پہلے 8 ماہ میں قومی افراط زر کی اوسط شرح 11.53 فیصد ہے جو اسٹیٹ بینک کی طرف سے مالی سال 2020 کے لئے متعین کردہ کنزیومر پرائس انڈیکس (CPI) کے ہدف 12-11 فیصد کے مطابق ہیں۔

آگے بڑھتے ہوئے، ہم توقع کرتے ہیں کہ تیل کی قیمتوں میں بڑے پیمانے پر کمی کرنٹ اکاؤنٹ خسارے اور مہنگائی میں بہتری لائے گی۔ اس سے اسٹیٹ بینک کو سپلائی میں درپیش خلل کے حوالے سے ریلیف فراہم کے لیے سود کی شرحوں کو مزید کم کرنے کا موقع ملے گا صورتِ حال اس سے کچھ زیادہ مختلف نہیں ہے جس کا تجربہ پاکستان نے 2014 میں کیا تھا جب تیل کی قیمتوں میں اچانک گراوٹ، افراط زر میں 2 سے 3 فیصد تک کمی اور 5.75 فیصد کی تاریخی سطح تک کم سود کی شرحوں نے

بالآخر اس کاروباری سلسلے کا آغاز کیا تھا جو 2017 میں عروج پر پہنچ گیا تھا۔

فکسڈ انکم مارکیٹ کا جائزہ

حکومت نے ٹی بلز کی نیلامیوں میں مالی سال 2019 کے پہلے 9 ماہ میں 13.5 ٹریلین روپے کے مقابلے میں 2020 کے پہلے 9 ماہ میں مجموعی طور پر 11.4 ٹریلین روپے جمع کیے۔ مالی سال 2020 کے پہلے نصف میں اسپیشل کنورٹیبل روپی اکاؤنٹ (SCRA account)] کے ذریعے اخراج کو مضبوط غیر ملکی مالیاتی شراکت سے زبردست سہارا ملا، تاہم مالی سال 2020 کی تیسری سہ ماہی کے آغاز سے مالیاتی نرمی کے آغاز کی توقع کے نتیجے میں ایس بی پی کی طلب پچھلے سال کے مقابلے میں کم تھی جب ایس بی پی ایک طویل عرصے کے لیے سود کی بلند شرح پر خود کو جامد کرنے سے گریزاں رہا۔ توسیعی مدت (مالی سال 2020 کے پہلے نصف میں پالیسی ریٹ 13.25 فیصد)۔ جب ایک بار شرح سود میں کمی کی توقعات مستحکم ہوئیں تو مالیاتی شراکت کا زور بھی ٹوٹنے لگا اور وہ نسبتاً طویل میعاد والے تمسکات کی طرف زیادہ منتقل ہونے لگی (12 ماہ کی میعاد والے ٹی بلز اور PIBs)۔ اس کے نتیجے میں شرح سود میں متوقع کٹوتی سے پہلے مرکزی بینک کی طرف محدود پیشکشیں قبول کی گئیں اور مالی سال 2020 کے پہلے نصف میں تیز رفتار عروج کے بعد منافع جات کم ہونے لگے۔ سہ ماہی، ششماہی اور بارہ ماہی میعاد کے ٹی بلز کے منافع جات اگست 2019 میں 13.75 فیصد، 13.94 فیصد اور 14.25 فیصد کی بلند سطحوں سے بالترتیب تین ماہ/ چھ ماہ اور بارہ ماہ کی میعاد کے لیے بالترتیب 12.73 فیصد/ 12.51 فیصد اور 12 فیصد تک گر گئے۔

2019 میں شرح سود کے بظاہر بلند ترین سطح چھو لینے کے ساتھ، پی آئی بی کی نیلامی میں مالیاتی شراکت میں نمایاں اضافہ ہوا، اسٹیٹ بینک آف پاکستان کی طرف سے مالیاتی سال 2019 کی پہلے نو ماہ میں 441 ارب روپے کے مقابلے میں مالیاتی سال 2020 کی پہلے نو ماہ میں 1.6 ٹریلین روپے کی پیشکشیں قبول کی گئیں۔ 2019 کے مقابلے میں PIBs میں زبردست مالیاتی شراکت دیکھنے میں آئی جب کہ اسٹیٹ بینک آف پاکستان کی طلب محدود رہی۔ جس نے تین سال، پانچ سال اور دس سال میعادوں کے حتمی منافع جات کو جون 2019 کے اختتام پر بالترتیب 13.70 فیصد، 13.80 فیصد اور 13.70 فیصد سے 11.58 فیصد، 10.99 فیصد اور 10.85 فیصد تک نیچے کی طرف دھکیل دیا۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 2020 دنیا بھر کی کیپیٹل مارکیٹس کے لئے ایک غیر مستحکم سال رہا ہے۔ کے ایس ای 100 نے اگست 2019 میں (معاشی رکاوٹوں اور سرحد پار تناؤ کی وجہ سے) 28,765 کی نچلی سطح کو چھولیا، جس کے بعد 50 فیصد کی عبوری بحالی (جنوری 2020 کے وسط میں 43,219 پوائنٹس) ہوئی۔ یہ صورت حال مختصر عرصہ تک رہی، جیسا کہ کے ایس ای 100، 32 فیصد کمی (یا اپنی جنوری 2020 کی بلند ترین سطح سے 14,000 پوائنٹس کی کمی) کے ساتھ مارچ 2020 میں 29,232 پوائنٹس (موجودہ سال 2020 کی پہلی سہ ماہی میں 28.24 فیصد کمی) کی سطح پر بند ہوا۔ ابتدائی اتار چڑھاؤ (مالی سال 2020 کی پہلی سہ ماہی) معاشی چیلنجوں (بڑھتا ہوا مالی عدم توازن، کرنٹ اکاؤنٹ خسارے میں کمی)، سرحد پار کشیدگی اور خراب کاروباری منافع کا نتیجہ تھا، جیسے جیسے افراط زر کی شرح میں بہتری آنے لگی جب مارکیٹ کو مضبوط بنیادیں مل گئیں۔ مالی سال 2020 کی تیسری سہ ماہی میں بلند افراط زر کی وجہ سے سامنے آنے والے معاشی چیلنجوں، کووڈ۔19 کے عالمی پھیلاؤ، سرکاری خزانے سے ایک ارب ڈالر کی ہاٹ منی کے اخراج اور تیل کی قیمتوں میں 20.17 امریکی ڈالر/ بی بی ایل کی سطح تک کمی سے منظر نامے میں نمایاں تبدیلی آئی۔ ان سب کے ساتھ، مالی سال 2020 کی تیسری سہ ماہی میں خرید و فروخت کی سرگرمیوں میں تیزی آئی جس میں کے ایس ای 100 کا حجم جولائی 2019 کی کم ترین سطح 62 ملین سے بڑھ کر 156 ملین کے اوسط حجم تک پہنچ گیا۔ تاہم یومیہ اوسط کاروبار (ADTO)، جو جولائی 2019 میں 8.2 ملین امریکی ڈالر کی کم ترین سطح پر رہ گیا تھا، مارچ 2020 میں بڑھ کر 39.6 ملین امریکی ڈالر تک جا پہنچا (سال بہ سال بنیاد پر 5% کمی)۔ عالمی سطح پر خطرے سے پیچھا چھڑانے کے جذبات کی وجہ سے خالص غیر ملکی انویسٹرز پورٹ فولیو انویسٹمنٹ (FIPI) سے اخراج 85.3 ملین امریکی ڈالر تک جا پہنچا۔ غیر ملکی فروخت بنیادی طور پر سیمنٹ (35.3 ملین امریکی ڈالر)، E&Ps (50.8 ملین امریکی ڈالر) اور بینکوں (14.6 ملین امریکی ڈالر) پر مرکوز تھی۔ مقامی رخ پر، افراد اور انشورنس کمپنیاں خالص خریدار بنی رہیں

جبکہ مقامی فروخت کا بیشتر حصہ بینکوں اور میوچل فنڈز کے ذریعے ہوا۔ عالمی ایکسچینجز میں شدید خوف و ہراس کے عالم والی فروخت دیکھنے میں آئی ہے، اسی طرح کی صورتِ حال MSCI EM اور ایف ایم انڈیکسز میں دیکھنے میں آئی جن میں مالی سال 2020 کے پہلے نو ماہ کے دوران بالترتیب 15.8 فیصد اور 16.7 فیصد کی کمی ہوئی۔

ایمرجنگ مارکیٹ کا جائزہ

مالی سال 2020 کے پہلے نو ماہ کے دوران میں MSCI EM انڈیکس میں 21 فیصد کے منفی منافع کے ساتھ ایمرجنگ مارکیٹس پہلے نو مہینوں کے دوران منفی طور پر بند ہوئیں۔ جنوبی کوریا اور سری لنکا نے 16 مارچ 2020 کو ہنگامی اقدامات کے تحت سود کی شرحوں میں کمی کی جبکہ چین نے اپنے مالیاتی نظام میں لیکویڈیٹی شامل کی۔ مارچ 2020 میں MSCI Inc.'s انڈیکس کے ترقی پذیر ممالک کے اسٹاکس 12 فیصد گر گئے، جو 2008 کے عالمی مالیاتی بحران کے بعد سب سے زیادہ ہے۔ میکسیکو اور کولمبیا کے پیسو کی قدر میں ڈالر کے مقابلے میں 8 فیصد سے زیادہ کی کمی ریکارڈ کی گئی، جو برینٹ آئل کی قیمت 35 ڈالر فی بیرل سے نیچے گرنے کا نتیجہ ہے۔ ساورن ڈالر بانڈ کی قیمت خرید اور قیمت کا اوسط فرق 122 بنیادی پوائنٹس تک پھیل گیا جو کئی عشروں میں اس سطح تک نہیں پہنچا تھا۔ جو ایک دہائی سے زیادہ عرصے میں نہیں پہنچی۔ تیل کی قیمتوں میں کمی سے انڈونیشیا کے کرنٹ اکاؤنٹ خسارے اور فلپائنی افراطِ زر پر دباؤ کم ہو جائے گا، جس سے حکام کو شرح سود میں کمی کی گنجائش حاصل ہو جائے گی۔ سری لنکا نے مارچ 2020 میں اپنی اسٹینڈنگ لینڈنگ فیسلیٹی کی شرح سود 25 بنیادی پوائنٹس کم کر کے 7.25 فیصد کر دی۔ جنوبی کوریا نے اپنی سود کی کلیدی شرح 50 بنیادی پوائنٹس کم کر کے 0.75 فیصد کر دی۔ چین کی صنعتی پیداوار میں ایک سال پہلے کے مقابلے میں جولائی سے مارچ میں 13.5 فیصد کی کمی واقع ہوئی ہے، جبکہ خوردہ فروخت میں 20.5 فیصد کمی واقع ہوئی ہے۔ پیپلز بینک آف چائنا نے اپنی ایک سالہ درمیانی مدتی قرضے کی سہولت کے ذریعے بینکاری نظام میں 100 ارب یوآن (14 بلین ڈالر) کا اضافہ کیا، جس کی شرح سود 3.15 فیصد پر برقرار رکھی ہے۔

مدت کے دوران اہم واقعہ۔ کووڈ-19

نوویل وائرس (2019-nCOV) سب سے پہلے 31 دسمبر، 2019 کو ووہان، چین میں رپورٹ ہوا۔ وائرس سارس جیسی سانس کی بیماری کا سبب بنتا ہے لیکن اس سے کم مہلک ہوتا ہے۔ تاہم، وائرس کی متعدی نوعیت کے پیشِ نظر، ڈبلیو ایچ او نے 11 مارچ 2020 کو، کوویڈ 19 کو عالمی وبا قرار دے دیا، (آخری عالمی وبا 2009 میں تھی) جب عالمی سطح پر تصدیق شدہ واقعات قریب 127,000 تھے۔ اب یہ دنیا بھر کے 205 ممالک میں پھیل چکا ہے، جس میں 1.85 ملین سے زیادہ تصدیق شدہ کیس ہیں۔

وائرس کی کسی ویکسین کی غیر موجودگی اور بلند R-naught (تولیدی تعداد) کے ساتھ، پوری دنیا کی حکومتیں ووہان، چین ہی کی طرح جواب دے رہی ہیں جہاں چین کی کمیونسٹ پارٹی نے 2 ماہ کا لاک ڈاؤن لگا دیا تھا۔ ماہرین نے خبردار کیا ہے کہ کووڈ۔19 کی وجہ سے ہونے والا عالمی معاشی خسارہ 2,700 بلین امریکی ڈالر (جی ڈی پی کا 3.2 فیصد) تک ہو سکتا ہے اور صنعتوں اور خدمات کو زبردست نقصان پہنچے گا جیسا کہ دنیا کی بڑی معیشتوں کی PMIs

چالیس سے کم ہیں۔ پیش گوئی کی گئی ہے کہ دنیا کی 20 فیصد معیشت لاک آؤٹ کی وجہ سے بند ہے۔ آئی ایم ایف کی مینیجنگ ڈائریکٹر کرسٹالینا جورجیوا اب توقع رکھتی ہیں کہ 2020 بھی 2009 جیسا خراب ہو گا جب عالمی معیشت میں 0.7 فیصد اضافہ ہوا تھا۔ اس سے قبل فروری 2020 میں، آئی ایم ایف نے 2020 میں 2.9 فیصد کی عالمی نمو کی پیش گوئی کی تھی۔

لگ بھگ کوئی مالیاتی منڈی کووڈ۔19 سے محفوظ نہیں رہی۔ ڈیویلپڈ، ایمرجنگ اور فرنٹیئر ایکویٹی مارکیٹس موجودہ سال تا حال 30 فیصد تک سرمایے کی تباہی سے دوچار ہو چکی ہیں۔ سرمایہ کاروں کے تحفظ کی طرف فرار کا نتیجہ یہ رہا کہ سونے نے 5 فیصد کا مثبت منافع فراہم کیا ہے اور 10 سالہ امریکی ٹریژری کا منافع 1.92 فیصد سے 0.76 فیصد تک گر گیا۔ اجناس کی منڈی میں، ڈبلیو ٹی آئی میں 61 فیصد کی کمی واقع ہو گئی کیونکہ او پیک + میں شامل ممالک طلب میں کمی کے جواب میں پیداوار میں کمی پر اتفاق نہ ہو سکا۔ پاکستان میں، بینچ مارک کے ایس ای 100 انڈیکس میں امریکی ڈالر کے لحاظ سے 32 فیصد کمی واقع ہوئی ہے کیونکہ آج تک مارچ 2020

کے دوران تا حال فکسڈ اور ایکویٹی مارکیٹس دونوں میں بڑے پیمانے پر غیر ملکی فروخت جاری رہی۔ جولائی 2019 سے فروری 2020 تک 3 ارب امریکی ڈالر سے زائد کی خالص آمد کے بعد مارچ 2020 میں ایس سی آر اے (اسپیشل کنورٹ ایبل روپی اکاؤنٹس) سے 1.7 ارب ڈالر کا خالص اخراج رپورٹ کیا گیا ہے۔
کووڈ-19 کے نتیجے میں پیدا ہونے والے معاشی بحران پر مرکزی بینکس جارحانہ ردعمل کا اظہار کر رہے ہیں۔ FED، امریکا نے پہلے ہی پالیسی ریٹ 1.5 فیصد کم کر کے تقریباً صفر فیصد کر دیا ہے۔ مزید یہ کہ، FED نے پہلے ہی ہفتے میں 375 ارب امریکی ڈالر کی سرکاری سیکیورٹیز اور 250 ارب ڈالر مالیت کی مورگیج بیکڈ سیکیورٹیز خریدنے کا عہد کیا ہے۔ ای سی بی نے پورے سال کے لئے حسب ضرورت ردو بدل کی گنجائش کے ساتھ 870 بلین یورو (یورو ایریا کے جی ڈی پی کا 7.3 فیصد) مالیت کے پینڈیمک ایمرجنسی پرچیز پروگرام کا اعلان کیا ہے۔ مزید برآں، ای سی بی کی طرف سے 0.75- فیصد کی کم ترین شرح کے ساتھ 3 ٹریلین یورو کی ری فنانسنگ کی کاروائیاں بھی عمل میں لائی جائیں گی۔ آئی ایم ایف نے یہ بھی کہا کہ وہ ابھرتی ہوئی معیشتوں کی امداد پر زور دینے کے ساتھ ایک ٹریلین ڈالر کی قرض دینے کی صلاحیت کو متحرک کرے گا۔
مالیاتی رخ پر، ٹرمپ انتظامیہ کی طرف سے امریکی شہریوں اور چھوٹے کاروباروں کے لیے ایک ٹریلین امریکی ڈالر کا ریسکیو پلان تجویز کیا گیا ہے۔ پاکستان میں، اسٹیٹ بینک نے مارچ 2020 کے دوران پالیسی ریٹ میں 2.25 فیصد کٹوتی کر کے اسے 11 فیصد تک کم کر دیا۔ پی ٹی آئی کی زیر قیادت حکومت نے کووڈ-19 کے اقتصادی بحرانوں سے نمٹنے کے لئے 7.4 ارب ڈالر مالیت کے عالمی وبا سے متعلق منصوبوں کا اعلان کیا ہے۔

مستقبل کی توقعات

کووڈ-19 سے جاری جنگ میں کسی بھی قابل ذکر پیشرفت سے معاشی ترقی کو تحریک ملنے کا امکان بڑھ جائے گا۔ مالیاتی نرمی کا سلسلہ شروع ہو چکا ہے (مارچ 2020 کے مہینے میں پالیسی ریٹ میں 225 بنیادی پوائنٹس کی کمی)، اور حکومت نے 1.2 ٹریلین ڈالر کے مالیاتی محرک پیکیج کا اعلان کیا ہے، جس سے کم از کم معیشت کو استحکام حاصل کرنے میں کسی حد تک مدد ملنی چاہئے۔ مالی سال 2020 کی چوتھی سہ ماہی معیشت کے لئے پریشان کن ہوگی جہاں ہم مرحلہ وار بنیادوں پر جی ڈی پی کی منفی نمو دیکھ سکتے ہیں۔
نتیجتاً اس مدت کے لیے ایکویٹی اتار چڑھاؤ کا شکار رہ سکتی ہے۔ تاہم ہم منی مارکیٹ میں کچھ مزید کشش دیکھ سکتے ہیں۔ اہم بات یہ ہے کہ، Yield curve میں تیزی سے الٹ ہوا ہے جسے ہم مالی سال 2020 کے دوسرے نصف میں سپاٹ ہوتا دیکھ سکتے ہیں۔

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

برائے و منجانب بورڈ

چیف ایگزیکٹیو آفیسر   ڈائریکٹر

تاریخ: 09 اپریل 2020

Condensed Interim Statement of Assets and Liabilities
As at March 31, 2020

	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
		(Rupees)	
ASSETS			
Bank balances	6	**37,582,275**	40,838,183
Investments	7	**92,143,304**	95,312,489
Dividend receivable		**48,523**	240,543
Markup accrued		**1,202,420**	491,227
Deposits, prepayments and other receivables		**2,614,121**	2,646,087
Receivable against purchase of investments		**1,096,075**	-
TOTAL ASSETS		**134,686,718**	139,528,529
LIABILITIES			
Payable to the Management Company	8	**1,471,856**	1,466,604
Payable to the Trustee	9	**62,731**	72,754
Annual fee payable to Securities and Exchange Commission of Pakistan	10	**21,875**	156,274
Payable against purchase of investments		**3,138,765**	-
Accrued expenses and other liabilities	11	**1,208,083**	593,978
TOTAL LIABILITIES		**5,903,310**	2,289,610
NET ASSETS		**128,783,408**	137,238,919
UNIT HOLDERS' FUND (as per statement of movement in Unit holders' Fund)		**128,783,408**	137,238,919
CONTINGENCIES AND COMMITMENTS	13		
		(Number of units)	
Number of units in issue		**1,707,256**	1,667,282
		(Rupees)	
Net assets value per unit		**75.4329**	82.3129

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

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

Condensed Interim Income Statement (Unaudited)
For the nine months and quarter ended March 31, 2020

	Note	Nine months ended March 31, 2020	Nine months ended March 31, 2019	Quarter ended March 31, 2020	Quarter ended March 31, 2019
		----------------------------(Rupees)		----------------------------	
INCOME					
Gain / (loss) on sale of held for trading investments - net		**4,567,243**	198,294	**2,474,517**	(554,542)
Unrealized (loss) / gain on revaluation of held for trading investments - net	7.1	**(20,960,984)**	(7,279,710)	**(34,661,174)**	2,738,930
		(16,393,741)	(7,081,416)	**(32,186,657)**	2,184,388
Dividend income on held for trading investment		**3,358,958**	2,932,267	**264,021**	605,592
Return / mark up on:					
- bank balances		**4,026,732**	4,514,772	**1,595,138**	1,734,665
- debt securities (held for trading)		**1,046,416**	723,701	**382,828**	271,406
		5,073,148	5,238,473	**1,977,966**	2,006,071
Exchange gain / (loss) on foreign currency deposits		**2,460**	14,585	**4,333**	1,224
		(7,959,175)	1,103,909	**(29,940,337)**	4,797,275
EXPENSES					
Remuneration to the Management Company		**1,455,152**	1,626,980	**462,823**	548,006
Sales tax on remuneration to the Management Company		**189,170**	211,507	**60,167**	71,240
Remuneration to the Trustee		**247,184**	593,794	**86,297**	195,042
Annual fee to Securities and Exchange Commission of Pakistan		**21,875**	120,397	**7,637**	40,036
SECP Supervisory fee		**1,533**	1,877	**496**	617
Brokerage, custody, settlement and bank charges		**650,782**	470,260	**271,173**	125,219
Auditors' remuneration		**180,230**	210,364	**42,144**	46,309
Fund Rating fee		**142,761**	162,399	**47,241**	46,850
Fees and subscription		**508,666**	812,330	**173,069**	248,690
Printing charges		**3,390**	25,425	**3,390**	6,780
Charity expense		**234,565**	103,277	-	0
		3,635,308	4,338,610	**1,154,437**	1,328,789
Net income / (loss) from the operating activities		**(11,594,483)**	(3,234,701)	**(31,094,774)**	3,468,486
Sindh Workers' Welfare Fund (SWWF)		-	-	390,006	-
Net income from operating activities		**(11,594,483)**	(3,234,701)	**(30,704,768)**	3,468,486
Taxation	14	-	-	-	-
Net (loss) / income for the period after taxation		**(11,594,483)**	(3,234,701)	**(30,704,768)**	3,468,486
Allocation of net (loss) / income for the period					
Net (loss) / income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
		-	-	-	-
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		-	-	-	-

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Statement of Comprehensive Income (Unaudited)
For the nine months and quarter ended March 31, 2020

	Nine months ended March 31,		Quarter ended March 31,	
	2020	2019	**2020**	2019
	----------(Rupees)----------			
Net (loss) / income for the period after taxation	**(11,594,483)**	(3,234,701)	**(30,704,768)**	3,468,486
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**(11,594,483)**	(3,234,701)	**(30,704,768)**	3,468,486

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Statement Of Movement In Reserve Or Unit Holders' Fund (Unaudited)
For the nine months ended March 31, 2020

	Nine months ended 31 March 2020			Nine months ended 31 March 2019		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
			----(Rupees)----			
Net assets at beginning of the period	**168,874,818**	**(31,635,899)**	**137,238,919**	175,853,616	(10,982,277)	164,871,339
Issuance of 47,502 units (2019: 77,813 units)						
- Capital value	**3,909,996**	**-**	**3,909,996**	7,296,237	-	7,296,237
- Element of income / (loss)	**(157,496)**	**-**	**(157,496)**	197,108	-	197,108
Total proceeds on issuance of units	**3,752,500**	**-**	**3,752,500**	7,493,345	-	7,493,345
Redemption of 7,527 units (2019: 11,568 units)						
- Capital value	**(619,558)**	**-**	**(619,558)**	(1,084,689)	-	(1,084,689)
- Element of (income) / loss	**6,030**	**-**	**6,030**	2,749	-	2,749
Total payments on redemption of units	**(613,528)**	**-**	**(613,528)**	(1,081,940)	-	(1,081,940)
Accounting (loss) / income for the period	**-**	**(11,596,943)**	**(11,596,943)**	-	(3,249,286)	(3,249,286)
Exchange gain / (loss) on foreign currency deposits	**-**	**2,460**	**2,460**	-	14,585	14,585
	-	**(11,594,483)**	**(11,594,483)**	-	(3,234,701)	(3,234,701)
Distribution during the period		**-**	**-**		-	-
Net assets as at end of the period	**172,013,790**	**(43,230,382)**	**128,783,408**	182,265,021	(14,216,978)	168,048,043
Undistributed income brought forward:						
- Realized income at beginning of the period		**(12,303,548)**			(2,657,572)	
- Unrealized income at beginning of the period		**(19,332,351)**			(8,324,705)	
		(31,635,899)			(10,982,277)	
Accounting income available for distribution:						
Relating to capital gains		**-**			-	
Excluding capital gains		**-**			-	
		-				
Net (loss) / gain for the period after taxation		**(11,594,483)**			(3,234,701)	
Undistributed (loss) / income at end of the period		**(43,230,382)**			(14,216,978)	
Represented by:						
- Realized income at end of the period		**(22,269,398)**			(6,937,268)	
- Unrealized income at end of the period		**(20,960,984)**			(7,279,710)	
Undistributed (loss) / income at end of the period		**(43,230,382)**			(14,216,978)	
Net assets value per unit at beginning of the period			**82.3129**			93.7663
Net assets value per unit at end of the period			**75.4329**			92.1030

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Cash Flow Statement (Unaudited)
For the nine months ended March 31, 2020

	Nine months ended March 31, 2020	2019
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**(11,594,483)**	(3,234,701)
Adjustments for non-cash charges and other items:		
Unrealised (appreciation) in the fair value of investments classified as 'held for trading' - net	**20,960,984**	7,279,710
	9,366,501	4,045,009
(Increase) / decrease in assets		
Investments - net	**(17,791,799)**	(27,149,622)
Receivable against sale of investments	**(1,096,075)**	(357,070)
Dividend and Profit receivable	**(519,173)**	(497,195)
Deposits, prepayments and other receivables	**31,966**	(278,081)
	(19,375,081)	(28,281,968)
(Decrease) / increase in liabilities		
Payable to the Management Company	**5,252**	5,551
Payable to the Trustee	**(10,023)**	2,169
Annual fee payable to Securities and Exchange Commission of Pakistan	**(134,399)**	(38,185)
Payable against sale of investments	**3,138,765**	(1,208,475)
Accrued expenses and other liabilities	**614,105**	116,273
	3,613,700	(1,122,667)
Net cash (used in) / generated from operating activities	**(6,394,880)**	(25,359,626)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	**3,752,500**	7,493,345
Cash paid on redemption of units	**(613,528)**	(1,081,940)
Net cash inflows / (outflows) from financing activities	**3,138,972**	6,411,405
Net increase / (decrease) in cash and cash equivalents	**(3,255,908)**	(18,948,221)
Cash and cash equivalents at the beginning of the period	**40,838,183**	82,851,982
Cash and cash equivalents at the end of the period	**37,582,275**	63,903,761

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Notes to and forming part of the Condensed Interim Financial Information (Unaudited) For the nine months and quarter ended March 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Lakson Islamic Tactical 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).

1.2 The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore.

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

The Fund is categorised as "Shariah Compliant/Islamic Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and is authorised to invest in Shariah compliant investments within the limits prescribed in the offering document so as to ensure a riba-free return on investments. All investments of the Fund are as per the guidelines of the Shariah principles provided by the Shariah Advisor of the Fund and comprise of the investments permissible as 'Authorised Investments' under the Trust Deed.

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 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 29 August 2019 (2019: AM2+ as on 27 February 2019)

On March 31, 2020, VIS credit rating company limited assigned following rankings to the Fund based on the performance review for the period ended 31 Dec 2019:

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 'Interim Financial Reporting issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

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

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

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

2.2 The comparative balance sheet presented in these condensed interim financial information as at 31 March 2020 has been extracted from the audited financial statements of the Company for the year ended 30 June 2019, whereas the comparative income statement, statement of comprehensive income, the cash flow statement and statement of movement in unitholders' fund for the nine months period ended 31 March 2019 have been extracted from the unaudited condensed interim financial information for the period then ended.

2.3 These condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant.

2.4 These condensed interim financial information are being submitted to the unit holders as required under Regulation 38(2)(f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited. However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause 5.19.13 of the Pakistan Stock Exchange Limited (PSX) Rule Book.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial information give a true and fair view of the state of the Fund's affairs as at 31 March 2020.

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

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

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore these are not stated in this condensed interim financial information.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019. differ from these estimates.

The significant judgements made by the Management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2018.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2019.

	Note	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
6. BANK BALANCES		**(Rupees)**	
Local Currency			
In profit and loss sharing accounts	6.1	**37,506,760**	40,746,524
Foreign Currency			
In current account	6.2	**75,515**	91,659
		37,582,275	40,838,183

6.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 6.50% to 12.50% (30 June 2019: 6.50% to 13.00%) per annum.

6.2 This represents USD denominated current account maintained in a foreign country amounting to USD 453 (30 June 2019: USD 643).

7. INVESTMENTS

At fair value through profit or loss			
Equity Securities	7.1	**74,672,325**	85,685,849
Sukuk certificates	7.2	**8,037,434**	9,626,640
Commercial Paper	7.3	**9,433,545**	-
		92,143,304	95,312,489

7.1 Shares of listed company

At fair value through profit or loss

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

Name of investee company	Holding as at July 01, 2019	Purchased during the period	*Bonus / right shares received during the period	Disposed during the period	Holding as at March 31, 2020	Carrying value before revaluation as of 31 March 2020	Market value as of 31 March 2020	Unrealised gain / (loss) - net	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	------ Number of shares ------					------ Rupees ------			------ Percentage (%) ------		
Chemicals											
Engro Polymer & Chemical	130,083	137,632	-	70,000	197,715	5,612,019	4,847,972	(764,047)	5.26	3.76	0.2175%
Lotte Chemical Pakistan Limited	267,000	2,000	-	269,000	-	-	-	-	-	-	0.0000%
ICI Pakistan Limited	1,707	3,850	-	3,807	1,750	868,699	886,060	17,361	0.96	0.69	0.0189%
						6,480,718	**5,734,032**	**(746,686)**	**6.22**	**4.45**	
Fertilizers											
Engro Fertilizers Limited	35,784	30,050	-	74,160	(8,326)	-	-	-	-	-	-0.0624%
Fauju Fertilizers Limited	-	61,700	-	3,400	58,300	5,854,413	5,422,483	(431,930)	5.88	4.21	0.4582%
Engro Corporation Limited (7.1.1)	44,110	47,904	-	34,360	57,654	13,821,860	13,165,643	(656,217)	14.29	10.22	0.1001%
						19,676,273	**18,588,126**	**(1,088,147)**	**20.17**	**14.43**	
Commercal Banks											
Meezan Bank Limited	-	8,000	-	-	8,000	498,500	520,720	22,220	0.57	0.40	0.0088%
						498,500	**520,720**	**22,220**	**0.57**	**0.40**	
Pharma & Bio Tech											
The Searl Company Limited (7.1.3)	6	2,900	-	-	2,906	421,779	455,806	34,027	0.49	0.35	0.0014%
						421,779	**455,806**	**34,027**	**0.49**	**0.35**	
Textile Composite											
Nishat Mills Limited (7.1.1)	34,599	21,400	-	14,300	41,699	4,184,274	2,448,982	(1,735,292)	2.66	1.90	0.0119%
						4,184,274	**2,448,982**	**(1,735,292)**	**2.66**	**1.90**	
Cement											
Lucky Cement Company Limited (7.1.1)	15,256	17,850	-	18,556	14,550	6,358,268	5,393,685	(964,583)	5.85	4.19	0.0045%
Kohat cement Limited	-	28,000	-	7,500	20,500	1,802,982	1,788,625	(14,357)	1.94	1.39	0.1021%
Pioneer Cement Limited	-	86,000	-	6,000	80,000	2,913,860	2,216,000	(697,860)	2.40	1.72	0.3983%
Fauji Cement Company Limited	-	179,000	-	118,000	61,000	1,075,897	903,410	(172,487)	0.98	0.70	0.3037%
Cherat Cement Company Limited	-	37,000	-	-	37,000	2,500,315	2,049,430	(450,885)	2.22	1.59	0.1842%
D.K. Khan Cement	-	102,500	-	32,500	70,000	5,114,076	4,147,500	(966,576)	4.50	3.22	0.0000%
Maple Leaf Cement Limited	75,133	231,000	-	199,633	106,500	2,588,559	2,206,680	(381,879)	2.39	1.71	0.0000%
						22,353,957	**18,705,330**	**(3,648,627)**	**20.30**	**14.52**	
Glass & Ceramics											
Tariq Glass Industries Limited	-	2,500	-	-	2,500	112,500	126,350	13,850	0.14	0.10	0.0000%
						112,500	**126,350**	**13,850**	**0.14**	**0.10**	
Power Generation & Distribution											
Hub Power Company Limited	36,632	34,500	-	63,132	8,000	513,850	546,160	32,310	0.59	0.42	0.0000%
						513,850	**546,160**	**32,310**	**0.59**	**0.42**	
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	5,151	3,300	*715	3,620	5,546	5,343,729	4,942,041	(401,688)	5.36	3.84	0.0416%
Pakistan Oilfield Limited (7.1.1)	12,267	14,500	-	26,767	-	-	-	-	-	-	0.0000%
Pakistan Petroleum Limited (7.1.1)	77,578	40,950	*15,795	66,700	67,623	8,280,804	4,856,008	(3,424,796)	5.27	3.77	0.2982%
Oil and Gas Development Company Limited (7.1.1)	108,965	37,000	-	69,100	76,865	9,551,424	5,917,836	(3,633,588)	6.42	4.60	0.1787%
						23,175,957	**15,715,885**	**(7,460,072)**	**17.06**	**12.20**	

Name of investee company	Holding as at July 01, 2019	Purchased during the period	*Bonus / right shares received during the period	Disposed during the period	Holding as at March 31, 2020	Carrying value before revaluation as of 31 March 2020	Market value as of 31 March 2020	Unrealised gain / (loss) - net	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	---------- Number of shares ----------					---------- Rupees ----------			---------- Percentage (%) ----------		
Oil and Gas Marketing Companies											
Attock Petroleum Limited	5,846	-	-	5,846	-	-	-	-	-	-	
Hi-Tech Lubricants	-	43,000	-	43,000	-	-	-	-	-	-	
Pakistan State Oil Company Limited (7.1.3)	4,501	25,300	*24	11,878	17,947	3,674,629	2,180,561	(1,494,068)	2.37	1.69	0.0046%
Sui Northen Gas Pipline Limited	68,342	54,350	-	24,500	98,192	6,856,844	3,623,285	(3,233,559)	3.93	2.81	0.0155%
						10,531,473	**5,803,846**	**(4,727,627)**	**6.30**	**4.51**	
Automobile and Parts											
Agriauto Industries Limited (face value - 5 Rs.)	7,900	-	-	3,000	4,900	979,804	785,225	(194,579)	0.85	0.61	0.0170%
						979,804	**785,225**	**(194,579)**	**0.85**	**0.61**	
Engineering											
International Industries Limited	19,492	-	*1,649	21,141	-	-	-	-	-	-	0.0000%
Mughal Iron and Steel division	-	126,450	-	6,500	119,950	4,937,672	3,758,034	(1,179,638)	4.08	2.92	0.4767%
International Steels Limited	42,012	41,000	-	42,012	41,000	1,827,340	1,483,829	(343,511)	1.61	1.15	0.0094%
						6,765,012	**5,241,863**	**(1,523,149)**	**5.69**	**4.07**	
Technology & Communication											
Systems Limited	17,023	-	-	17,023	-	-	-	-	-	-	0.0000%
Paper and Boards											
Cheerat Packaging Limited	23,115	-	*105	23,220	-	-	-	-	-	-	0.0000%
Total as at 31 December 2019						**95,694,098**	**74,672,325**	**(21,021,773)**	**81.04**	**58**	
Total cost as at 31 December 2019						**101,191,424**					
Total as at 30 June 2019						104,983,600	85,685,849	(19,297,751)	90	62	
Total cost as at 30 June 2019						106,975,657					

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

	31 March 2020	30 June 2019	**31 March 2020**	30 June 2019
	------(Number of shares)------		--------(Rupees)--------	
Oil and Gas Development Company Limited	**5,000**	5,000	**384,950**	657,450
Engro Corporation Limited	**7,300**	2,000	**1,948,370**	627,720
Lucky Cement Company Limited	-	2,500	-	951,175
Nishat Mills Limited	**10,000**	10,000	**587,300**	933,400
Pakistan Oilfield Limited	-	1,500	-	608,835
Pakistan Petroleum Limited	**300**	300	**21,543**	43,329
	22,600	21,300	**2,942,163**	3,821,909

7.1.2 Above investment track PSX KMI all shares Islamic Index.

7.1.3 Finance act, 2014 had introduced tax on bonus shares issued by the companies. Most of the equity funds including the Fund have challenged the applicability of withholding tax provision on bonus shares before Honourable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. In the Fund's case, tax in the shape of 123 shares of Pakistan State Oils Limited (30 June 2019: 123 shares) and 6 shares of The Searle Company Limited (30 June 2019: 6 shares) ave been withheld by CDC. Market value of these shares as at 31 March 2020 amounted to Rs. 18,802 (30 June 2019: Rs. 21,642) and are included in the Fund's investments in these financial statements.

7.2 Sukuk certificates
At fair value through income statement - held for trading

Name of Security	Note	Date of Maturity	Mark-up rate	Holding as at 01 July 2019	Purchases during the period	Disposed / matured during the period	Holding as at 31 March 2020	Carrying value as of the year ended 31 Mar 2020	Market value as of the year ended 31 Mar 2020	Unrealised appreciation /(diminishing)	Credit rating (Long term)	Market value as % of total investments	Market value as % of net assets	Face value as % of size of the issue
				------------Number of certificates------------				---------------(Rupees)---------------						
Dawood Herculus Corporation Limited (Face value of Rs. 100,000 each) - 7.2.1		15 Nov 2022	3 months KIBOR + base rate of 1%	-	35	-	35	2,789,640	2,820,278	30,638	AA (dated 28 Dec 18)	3.06%	2.19%	0.05
Dawood Herculus Corporation Limited (Face value of Rs. 100,000 each) - 7.2.2		28 Feb 2023	3 months KIBOR + base rate of 1%	-	65	-	65	5,187,000	5,217,156	30,156	AA (dated 28 Dec 18)	5.66%	4.05%	0.09
				Total as at 31 March 2020				**7,976,640**	**8,037,434**	**60,794**		**8.72%**	**6.24%**	**0.13**
				Total as at 31 March 2020				**10,000,000**						
				Total as at 30 June 2019				10,000,000	10,011,199	11,199				
				Total as at 30 June 2019				10,000,000						

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

7.2.2 This represents investment in sukuk certificates of Dawood Herculas Corporation Limited carrying an effective profit rate of 3 months Karachi Inter-bank Offer Rate (KIBOR) per annum plus margin of 1.0% per annum receivable quarterly in arrears. The principal is redeemable in eight semi-annual instalments starting from the eighteenth (18th) month from the date of issue, i.e. from September 2019 to March 2023 in the six semi-annual instalments of Rs 3.9 million each and the last two semi-annual instalments on September 2022 and March 2023 at

Rs. 7.8 million each. These sukuk certificates are secured by way of first pari passu charge against ordinary shares of Engro Corporation Limited with 50% margin and charge over all of the assets of investee company with a 25% margin.

7.3 Commercial Paper

	Note	------------ (Number of Commercial Papers) ------------				Balance as at March 31, 2020				
		Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealized appreciation	Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
						------------------- Rupees -------------------			---------- Percentage (%) ----------	
K-Electric CP-7 (6 Months)		-	100,000	-	100,000	9,433,545	9,433,545	-	10.24%	10.24%
Total as at 31 March 2020						**9,433,545**	**9,433,545**	**-**	**10.24%**	**10.24%**

7.3.1 This represents investment in commercial paper of k-Electric (6 months) having coupon rate 13.64% and will be matured after 6 months i.e 10 September 2020. The paper is unsecured.

8. PAYABLE TO THE MANAGEMENT COMPANY

	Note	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
		(Rupees)	
Payable to the Management Company	8.1	**148,728**	144,082
Sindh Sales Tax payable on Management remuneration		**186,195**	185,589
Federal Excise Duty payable on remuneration to the Management Company	8.2	**1,132,564**	1,132,564
Sales load payable		**4,369**	4,369
		1,471,856	1,466,604

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 a fee at the rate of 10% of the gross earnings of the scheme for the period ended 31 March 2020. The fee is subject to a minimum of 1% and a maximum of 2% of the average annual net assets of the Fund. (30 June 2019: minimum of 1% and a maximum of 2% of the average annual net assets of the Fund). Currently the effective rate of Management Company remuneration for the period ended 31 March 2020 is 1.28% (30 June 2019 1.28%) of the average annual net assets. Remuneration is paid to the Management company in arrears on a monthly basis.
The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (till 30 June 2019: 13%) on Management Company's remuneration. Above liability includes Rs. 166,859 (30 June 2019: Rs. 166,859) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 10.3 below. Had the provision relating to FED not been made, Net Asset Value per unit of the Fund as at 31 March 2019 would have been higher by 0.10 (30 June 2019: 0.10 per unit. This amount is payable to management company for onward payment to the Government.

8.2 There is no change in the status of the appeal pending in the Supreme Court of Pakistan against of the decision of Sindh High Court as more fully disclosed in the annual financial statements for the year ended 30 June 2018 regarding the FED on management's remuneration. The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs.1.686 million. Had the provision not been made, Net asset Value per unit of the Fund as at 31 March 2020 would have been higher by Re. 0.62 (30 June 2018: Re. 0.68) per unit.

However, above mentioned expenses were not charged by the Management Company to the Fund during the period under audit. Had the above expenses for the period, been charged to the Fund, these would not have been material.

9. REMUNERATION PAYABLE TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of Trust Deed. Effective from 01 July 2019 the Trustee has revised the trustee fee as under:

Net assets up to 1 billion	0.20% per annum of the daily average net assets of the Fund, which ever is higher.
Net assets exceeding Rs. 1 billion	0.10% per annum of the daily average net assets of the Fund exceeding Rs 1 billion.

Upto 30 June 2019 the Trustee was entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the following rates:

Net assets up to 1 billion	Rs. 0.7 million or 0.20% per annum of the daily average net assets of the Fund, which ever is higher.
Net assets exceeding Rs. 1 billion	Rs 2 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs 1 billion.

The remuneration is paid to the trustee in arrears on monthly basis.

10. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the NBFC Regulations. Effective from 01 July 2019 the SECP has revised the Annual SECP fee. Currently the Company is required to pay SECP an amount at the rate of 0.02% per annum of the average daily net assets of the fund.

Upto 30 June 2019 the SECP was entitled for annual fee payable in accordance with the regulation 62 of the NBFC Regulation 2008, at the rate of 0.095% per annum of the average daily net assets of the fund.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
		(Rupees)	
Provision for Sindh workers' welfare fund	11.1	**158,219**	158,219
Auditors' remuneration		**98,809**	180,479
Brokerage charges payable		**263,792**	27,660
Shariah advisor fee payable		**34,806**	15,639
Fee payable to National Clearing Company of Pakistan Limited		**145,326**	22,864
Charity payable		**369,283**	134,718
Fee payable to Central Depository Company Limited		**6,584**	14,721
Payable for Professional tax		**14,590**	-
Payable for Rating fee		**96,674**	-
Withholding Tax Payable		-	19,678
Other liabilities		**20,000**	20,000
		1,208,083	593,978

11.1 Workers' Welfare Fund

The status of initial chargeability of SWWF is the same as disclosed in the annual financial statements for the year ended 30 June 2019. Total provision for SWWF till 31 March 2019 is Rs. 0.158 million. Had the provision not been made, Net Asset Value per unit of the Fund as at 31 March 2020 would have been higher by Re. 0.09 per unit (30 June 2019: Re. 0.09 per unit).

Furthermore on 10 November 2016, Honourable Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition with the SCP against the said judgment, which is pending hearing. While the petitions filed by the Collective Investment Schemes (CISs) on the matter are still pending before the Sindh High Court (SHC), the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) have taken legal and tax opinions on the impact of the SCP's judgement on the CISs petition before the SHC. Both the legal and tax advisors consulted were of the view that the SCP's judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

12. 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 period ended March 31, 2019 is 3.32% which includes 0.04% representing government levies (comprising of Workers Welfare Fund and SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be caped up to 4.5% (March 31, 2019: 4%).

13. CONTINGENCIES AND COMMITMENTS

The Fund had no contingency or commitment at the period end except as those mentioned elsewhere in these condensed interim financial information.

14. TAXATION

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

15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

The related parties comprise of 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 and other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at March 31, 2020.

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

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

	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
	(Rupees)	
15.1 Details of balances with related parties / connected persons at the period end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration and other payables (including the Sindh sales tax and federal excise duty amounting to Rs. 1.318 million (30 June 2019: Rs. 1.319 million)*	**1,467,487**	1,495,642
Sales load payable	**4,369**	4,369
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable (Including Sindh sales tax amounting to Rs. 14,058 (30 June 2019: 15,211)	**62,731**	72,751
Security deposit	**100,000**	100,000
Settlement charges payable	**6,584**	14,721

	March 31, 2020	March 31, 2019
	(Unaudited) (Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration for the period	**1,455,152**	1,626,980
Sindh sales tax on remuneration of Management Company *	**189,170**	211,507
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the period	**247,184**	593,794
Settlement charges	**26,470**	26,470

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

	Period ended March 31, 2020							
	Number of Units				Rupees			
	Number of Units as at July 01, 2019	Units issued during the period	Units redeemed during the period	Number of units as at March 31, 2020	Balance as at July 01, 2019	Units issued during the period	Units redeemed during the period	Balance as at March 31, 2020
Lakson Investments Limited	517,823	-	-	517,823	48,372,942	-	-	39,060,881
Directors, Chief Executive, their spouse and minors	101,481	-	-	101,481	9,479,913	-	-	7,654,977
Associated companies / undertakings of the Management Company								
Accuracy Surgicals Limited Employees Contributory Provident Fund Trust	19,842	-	-	19,842	1,853,598	-	-	1,496,770
Century Insurance Company Limited Employees Gratuity Fund	14,167	-	-	14,167	1,323,457	-	-	1,068,684
Century Insurance Company Limited Employees Contributory Provident Fund Trust	17,142	-	-	17,142	1,601,319	-	-	1,293,056
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	210,986	-	-	210,986	19,709,489	-	-	15,915,302
Century Paper & Board Mills Limited Employees Gratuity Fund	174,469	-	-	174,469	16,298,166	-	-	13,160,679
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	209,949	-	-	209,949	19,612,606	-	-	15,837,070
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	177,690	-	-	177,690	16,599,049	-	-	13,403,640
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	82,902	-	-	82,902	7,744,332	-	-	6,253,505
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	49,840	-	-	49,840	4,655,875	-	-	3,759,593
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust	6,536	-	-	6,536	610,592	-	-	493,050
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,349	-	-	5,349	499,640	-		403,457
Lakson Investments Limited Employees Contributory Provident Fund Trust	2,790	-	-	2,790	260,664	-	-	210,484
Merit Packaging Limited Employees Contributory Provident Fund Trust	32,358	-	-	32,358	3,022,709	-	-	2,440,821
Merit Packaging Limited Employees Gratuity Fund	13,683	-	-	13,683	1,278,231	-	-	1,032,164
Princeton Traveles Limited Employees Contributory Provident Fund Trust	2,104	-	2,104	-	196,575	-	193,516	-
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	35,768	-	-	35,768	3,341,332	-	-	2,698,107
Siza Services Pvt Liimited Employees Contributory Provident Fund Trust	9,296	-	-	9,296	868,359	-	-	701,195
Sybrid Private Limited Employees Contributory Provident Fund Trust	19,020	-	-	19,020	1,776,803	-	-	1,434,758

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

	Period ended March 31, 2019							
	Number of Units				Rupees			
	Number of Units as at July 01, 2018	Units issued during the period	Units redeemed during the period	Number of units as at March 31, 2019	Balance as at July 01, 2018	Units issued during the period	Units redeemed during the period	Balance as at March 31, 2019
Lakson Investments Limited	517,823	-	-	517,823	52,594,545	-	-	36,549,492
Directors, Chief Executive, their spouse and minors	99,573	-	-	99,573	10,113,490	-	-	7,028,161
Associated companies / undertakings of the Management Company								
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,349	-	-	5,349	543,245	-	-	377,517
Lakson Investments Limited Employees Contributory Provident Fund Trust	2,791	-	-	2,791	283,478	-	-	196,997
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	43,966	-	-	43,966	4,465,575	-	-	3,103,259
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	25,403	-	-	25,403	2,580,147	-	-	1,793,020
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	302,877	-	-	302,877	30,762,793	-	-	21,377,967
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	168,373	-	-	168,373	17,101,410	-	-	11,884,271
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	53,802	790	-	54,592	5,464,594	76,446	-	3,853,274
Accuray Surgicals Limited Employees Contributory Provident Fund Trust	48,851	-	-	48,851	4,961,728	-	-	3,448,050
Merit Packaging Limited Employees Contributory Provident Fund Trust	63,507	-	-	63,507	6,450,317	-	-	4,482,515
Merit Packaging Limited Employees Gratuity Fund	33,219	-	-	33,219	3,374,007	-	-	2,344,697
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	138,342	21,406	-	159,748	14,051,203	2,071,155	-	11,275,506
Century Paper & Board Mills Limited Employees Gratuity Fund	218,637	-	-	218,637	24,568,733	-	-	15,432,055
Century Insurance Company Limited-ECPFT	-	13,807	-	13,807	-	1,335,887	-	974,532
Sybrid Private Limited-ECPFT	-	13,347	-	13,347	-	1,291,428	-	942,100
Princeton Traveles Limited-ECPFT	-	2,161	-	2,161	-	206,408	-	152,560
Siza Services Pvt Liimited-ECPFT	-	7,860	-	7,860	-	750,556	-	554,751
Hasanali Karabhai Foundation-ECPFT	-	5,943	-	5,943	-	567,519	-	419,465

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Unobservable inputs for the asset or liability (level 3).

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

		As at 31 March 2020 (un-audited)						
		Carrying amount				Fair Value		
On-balance sheet financial instruments		Mandatory at fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Total
		------ (Rupees) ------						
Financial assets measured at fair value								
Listed equity securities		74,672,325	-	-	74,672,325	74,672,325	-	74,672,325
Sukuk certificates		17,470,979	-	-	17,470,979	-	17,470,979	17,470,979
		92,143,304	-	-	92,143,304	74,672,325	17,470,979	92,143,304
Financial assets not measured at fair value	16.1							
Bank balances - Held at amortized cost		-	63,903,761	-	63,903,761	-	-	-
Markup accrued		-	1,202,420	-	1,202,420	-	-	-
Security deposit		-	2,600,000	-	2,600,000	-	-	-
Dividend receivables		-	48,523	-	48,523	-	-	-
Receivable against purchase of investments		-	1,096,075	-	1,096,075	-	-	-
		-	68,850,779	-	68,850,779	-	-	-
Financial liabilities not measured at fair value	16.1							
Payable to the Management Company		-	-	153,097	153,097	-	-	-
Remuneration payable to the Trustee		-	-	62,731	62,731	-	-	-
Payable against purchase of investments		-	-	3,138,765	3,138,765	-	-	-
Accrued expenses and other liabilities		-	-	1,049,864	1,049,864	-	-	-
		-	-	4,404,457	4,404,457	-	-	-

On-balance sheet financial instruments		As at 30 June 2019 (audited)						
		Carrying amount				Fair Value		
		Mandatory at fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Total
		(Rupees)						
Financial assets measured at fair value								
Listed equity securities		85,685,849	-	-	85,685,849	85,685,849	-	85,685,849
Sukuk certificates		9,626,640	-	-	9,626,640	-	9,626,640	9,626,640
		95,312,489	-	-	95,312,489	85,685,849	9,626,640	95,312,489
Financial assets not measured at fair value	16.1							
Bank balances - Held at amortized cost		-	40,838,183	-	40,838,183	-	-	-
Markup accrued		-	491,227	-	491,227	-	-	-
Dividend receivables		-	240,543	-	240,543	-	-	-
Security deposit		-	2,600,000	-	2,600,000	-	-	-
Receivable against sale of securities		-	-	-	-	-	-	-
		-	44,169,953	-	44,169,953	-	-	-
Financial liabilities not measured at fair value	16.1							
Payable to the Management Company		-	-	148,451	148,451	-	-	-
Remuneration payable to the Trustee		-	-	72,754	72,754	-	-	-
Accrued expenses and other liabilities		-	-	416,081	416,081	-	-	-
Payable against purchase of investments		-	-	-	-	-	-	-
		-	-	637,286	637,286	-	-	-

16.1 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.

17. GENERAL

Figures have been rounded off to the nearest rupee.

18. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial information were authorised for issue on April 09, 2020 by the Board of Directors of the Management Company.

A Lakson Group Company

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