LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND

Quarterly Report (March 31, 2020)

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

Bankers to the Fund	Allied Bank Limited Bank Alfalah Limited Habib 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 period ended March 31, 2020

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Asset Allocation Developed Markets Fund ('LAADMF') 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 Fund is to provide long-term capital appreciation by investing in a mix of domestic debt and Developed Markets Securities.

Fund Profile
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. LAADMF is allowed to borrow up to 10% of Net Assets to meet redemptions however LAADMF did not utilize this facility during the period under review.

Fund performance
The LAADMF generated an absolute return of -0.43% in the M9FY20 compared to the benchmark return of 2.54%. The LAADMF has underperformed the benchmark by 2.97%. As of March 31, 2020, 50% of the fund was invested in T-Bills and remaining 50% in cash.

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
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.

Developed Markets Review
The S&P 500 sank 12%, extending losses. Equities opened sharply lower after central bank stimulus around the world failed to mollify investors worried about the damage the coronavirus is inflicting on economies. The S&P wiped out its gain in 2019 and is now down almost 30% from its all-time high. The Dow Jones Industrial Average lost almost 13%, falling 3,000 points to close at a two-year low. The

Russell 2000 had its worst on record, losing more than 14%. While the Fed cut rates toward zero and stepped up bond buying, investors continued to clamor for a massive spending package to offset the pain from closures of schools, restaurants, cinemas and sporting events. Companies around the world have scaled back activity to accommodate government demands to limit social interaction. All 11 groups in the S&P 500 fell, with eight of them down at least 10%. The Dow Jones Industrial Average's tumble from its record reached 30%.

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 ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ
31 مارچ 2020 کوختم ہونے والے نصف سال کے لیے
مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز ،لیکسن ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ ("LAADMF")، 31 مارچ 2020 کوختم ہونے والی نو ماہ کی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا 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۔

فنڈ کا تعارف

LAADMF ایک اوپن اینڈ ایسیٹ ایلوکیشن اسکیم ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ اسکیم کوانویسٹمنٹ 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 انویسٹمنٹس ٹیم کی پیشنگوئیوں پر انحصار ہوتا ہے۔ یہ اسکیم ڈیویلپڈ مارکیٹس کی سرمایہ کاری سے متعلق بینچ مارک MSCI World Index کے حوالے سے متعلق ممالک کو اوور ویٹ یا انڈر ویٹ کرسکتی ہے۔ اسکیم کی سرمایہ کاری کو فکسڈ انکم سیکیوریٹیز میں اس کی مدت اور yield curve مینجمنٹ کے ذریعے مختلف میچورٹیز اور حکومتی سیکیوریٹیز کے درمیان منتقل کرتے ہوئے منظم کیا جائے گا۔

فنڈ کی کارکردگی کا جائزہ

لیکسن ایسیٹ ایلوکیشن ڈیویلپڈ مارکیٹس فنڈ نے مالی سال 2020ء کے پہلے نو ماہ کے دوران بینچ مارک منافع 2.54% کے مقابلے میں 0.43%- کا مطلق منافع حاصل کیا۔ LAADMF نے بینچ مارک کے مقابلے میں 2.97% کم تر کارکردگی کا مظاہرہ کیا ہے۔ 31 مارچ 2020 کے مطابق فنڈ کا 50% ٹی بلز میں جبکہ بقیہ 50% کیش میں تفویض کیا گیا۔

فی یونٹ آمدنی (EPU)

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

جولائی 2019 میں کلیدی پالیسی ریٹ 750 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 کمی 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 خورد ونوش 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 ہو گئے 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 نظر ثانی 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 ہو گیا۔ 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 ہو سکتی ہیں اور لاگت کی وصولی کا موقع فراہم کر سکتی 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، افراطِ 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

حکومتِ 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۔

ڈیویلپڈ مارکیٹس کا جائزہ

S&P 500 نقصانات میں توسیع کے ساتھ مزید 12 فیصد گراوٹ کا شکار ہوگئی۔ دنیا بھر میں مرکزی بینک کی طرف سے کیے جانے والے محرک اقدامات کے معیشتوں کو کورونا وائرس کے نتیجے میں پہنچنے والے نقصانات کے حوالے سے متفکر سرمایہ کاروں کو پُرسکون کرنے میں ناکام رہنے کے بعد ایکویٹیز نے تیزی سے کمی کے ساتھ آغاز کیا۔ S&P نے 2019 اپنا میں حاصل شدہ منافع کھو دیا اور تاریخ کی بلند ترین سطح سے اب لگ بھگ 30 فیصد گر چکی ہے۔ ڈاؤ جونز انڈسٹریل ایوریج کو تقریباً 13 فیصد خسارہ برداشت کرنا پڑا اور 3000 پوائنٹس کی کمی سے وہ دو سال کی کم ترین سطح پر بند ہوئی۔ رسل 2000 کو بدترین کارکردگی ریکارڈ کرانی پڑی اور اس نے 14 فیصد سے زیادہ خسارہ برداشت کیا۔ جہاں FED کی شرح صفر کی طرف بڑھ رہی ہے اور بانڈز کی خریداری میں تیزی آئی ہے، سرمایہ کاروں نے اسکولوں، ریستورانوں، سینما گھروں اور کھیلوں کی بندش کی اذیت کو دور کرنے کے لئے بڑے پیمانے پر اخراجات کے پیکیج کے لیے آواز بلند کی

ہے۔ دنیا بھر کی کمپنیوں نے معاشرتی میل جول کو محدود کرنے کے حکومتی مطالبات کو پورا کرنے کے لئے سرگرمی کو کم کیا ہے۔ S&P 500 میں تمام 11 گروپ زوال کی زد میں آ گئے، اور ان میں سے آٹھ کم از کم 10 فیصد نیچے آ گئے۔ ڈاؤ جونز انڈسٹریل ایوریج اپنے ریکارڈ سے 30 فیصد تک نیچے گر گیا۔

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 پیش 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 منیجنگ ڈائریکٹر کرسٹالینا جورجیوا اب توقع رکھتی ہیں کہ 2020 بھی 2009 جیسا خراب ہوگا 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 ہوگئی کیونکہ اوپیک+ 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 ردوبدل کی گنجائش کے ساتھ 870 بلین یورو (یوروایریا 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 نمود یکھ 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۔ منیجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مند انتظام وانصرام کے لیے منیجمنٹ کمپنی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے ومنجانب بورڈ

چیف ایگزیکٹیو آفیسر ڈائریکٹر

تاریخ: 09اپریل 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	5	**688,904,995**	345,797,093
Investments	6	**696,258,375**	224,526,020
Dividend receivable		-	631,812
Accrued Mark-up and other receivable		**5,292,511**	495,291
Advances and Prepayments		**301,581**	-
Total assets		**1,390,757,462**	571,450,216
LIABILITIES			
Payable to the Management Company	7	**6,695,114**	5,658,676
Payable to the Trustee		**365,346**	197,535
Annual fee payable to the Securities and Exchange Commission of Pakistan		**94,111**	320,403
Accrued expenses and other liabilities	8	**4,329,618**	2,975,288
Total liabilities		**11,484,189**	9,151,902
NET ASSETS		**1,379,273,273**	562,298,314
UNITHOLDERS' FUND (as per statement of movement in Unit holders' Fund)		**1,379,273,273**	562,298,314
CONTINGENCIES AND COMMITMENTS	9	-	-
		--------(Number of units)--------	
Number of units in issue		**9,178,546**	3,725,923
		----------(Rupees)----------	
Net assets value per unit		**150.2714**	150.9151

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

For Lakson Investments Limited
(Management Company)

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

Condensed Interim Income Statement (Unaudited)
For the nine months and quarter ended March 31, 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					
Income from Government securities		**23,152,858**	9,997,548	**9,243,416**	3,353,230
Mark-up income		**16,480,896**	1,726,865	**4,646,725**	1,132,849
Capital (loss) on sale of investments - net		**(23,513,574)**	(95,160)	**(23,435,487)**	3,375
Dividend income-net		**1,186,661**	977,414	-	356,774
Exchange (loss) / gain on foreign currency deposits and Investments		**9,867,057**	948,549	**9,912,515**	98,644
Unrealised appreciation in the fair value of investments classified as 'held for trading' - net		**894,921**	20,534,730	**(17,594,045)**	16,881,231
		28,068,819	34,089,946	**(17,226,876)**	21,826,103
EXPENSES					
Remuneration of the Management Company	7.1	**7,283,322**	3,377,887	**2,560,006**	1,163,006
Sales tax on remuneration to the Management Company		**946,832**	439,125	**332,801**	151,190
Remuneration of the Trustee		**1,055,599**	594,058	**365,340**	195,306
Annual fee to the Securities and Exchange Commission of Pakistan		**94,136**	208,498	**33,050**	69,651
Annual SECP Supervisory fee on PSX Listing Fee		**1,878**	1,877	**621**	617
Auditors' remuneration		**229,784**	229,237	**72,177**	51,315
Fees and subscription		**792,562**	508,972	**521,870**	137,871
Rating Fee		**142,712**	164,310	**47,241**	45,845
Printing charges		**6,780**	-	-	(16,950)
Brokerage, custody, settlement and bank charges		**542,205**	277,410	**236,923**	153,744
		11,095,810	5,801,373	**4,170,029**	1,951,594
Net income from operating activities		**16,973,009**	28,288,574	**(21,396,905)**	19,874,510
Sindh Workers' Welfare Fund	8.1	**(339,460)**	(565,771)	**427,938**	(397,490)
Net income for the period before taxation		**16,633,549**	27,722,802	**(20,968,967)**	19,477,020
Taxation	10	-	-	-	-
Net income for the period after taxation		**16,633,549**	27,722,802	**(20,968,967)**	19,477,020
Allocation of net income for the period					
Net income for the period after taxation		**16,633,549**	27,722,802	**(20,968,967)**	19,477,020
Less: Income already paid on units redeemed		**(10,147,767)**	(1,411,464)	**(10,146,953)**	(1,379,070)
		6,485,782	26,311,338	**(31,115,920)**	18,097,950
Accounting income available for distribution					
Relating to capital gains		-	19,332,985	**(18,410,879)**	15,796,439
Excluding capital gains		**6,485,782**	6,978,353	**(12,705,041)**	2,301,511
Accounting income available for distribution		**6,485,782**	26,311,338	**(31,115,920)**	18,097,950

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

For Lakson Investments Limited
(Management Company)

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

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

	Nine months ended March 31,		Quarter ended March 31,	
	2020	2019	**2020**	2019
	----------(Rupees)----------			
Net income / (loss) for the period after taxation	**16,633,549**	27,722,802	**(20,968,967)**	19,477,020
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	**16,633,549**	27,722,802	**(20,968,967)**	19,477,020

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

For Lakson Investments Limited
(Management Company)

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

Condensed Interim Statement Of Movement In Reserve Or Unit Holders' Fund (Unaudited)
For the nine months ended March 31, 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	**486,339,263**	**75,959,051**	**562,298,314**	229,044,146	48,970,364	278,014,510
Issuance of 7,221,546 units (2019: 674,801 units)						
- Capital value	**1,089,840,337**	**-**	**1,089,840,337**	89,154,430	-	89,154,430
- Element of loss	**(10,703,330)**	**-**	**(10,703,330)**	2,984,849	-	2,984,849
Total proceeds on issuance of units	**1,079,137,007**	**-**	**1,079,137,007**	92,139,279	-	92,139,279
Redemption of 1,768,924 units (2019: 227,800 units)						
- Capital value	**(266,957,342)**	**-**	**(266,957,342)**	(30,096,871)	-	(30,096,871)
- Element of income	**(1,690,488)**	**(10,147,767)**	**(11,838,255)**	(137,895)	(1,411,464)	(1,549,359)
Total payments on redemption of units	**(278,795,597)**	**(10,147,767)**	**(278,795,597)**	(31,646,230)	(1,411,464)	(31,646,230)
Final Distribution during the period is Rs. 2.3801 per unit on July 03, 2018	**-**	**-**	**-**	-	(1,962,053)	(1,962,053)
Total comprehensive income for the period	**-**	**16,633,549**	**16,633,549**	-	27,722,802	27,722,802
Net assets as at end of the period	**1,286,680,673**	**82,444,833**	**1,379,273,273**	289,537,195	73,319,649	364,268,308
Undistributed income brought forward:						
- Realized income at beginning of the period		**43,867,223**			38,428,117	
- Unrealized income at beginning of the period		**32,091,828**			10,542,247	
		75,959,051			48,970,364	
Accounting income available for distribution:						
Relating to capital gains		**-**			19,332,985	
Excluding capital gains		**6,485,782**			6,978,353	
		6,485,782			26,311,338	
Final Distribution during the period is Rs. 2.3801 on July 03, 2018		**-**			(1,962,053)	
Undistributed income at end of the period		**82,444,833**			73,319,649	
Represented by:						
- Realized income at end of the period		**81,549,912**			52,784,919	
- Unrealized income at end of the period		**894,921**			20,534,730	
Undistributed income at end of the period		**82,444,833**			73,319,649	
Net assets value per unit at beginning of the period			**150.9151**			134.4997
Net assets value per unit at end of the period			**150.2714**			145.0920

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

For Lakson Investments Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Nine months ended March 31,	
	2020	2019
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	**16,633,549**	27,722,802
Adjustments for non-cash charges and other items:		
Unrealised diminution / (appreciation) in the fair value of investments classified as held for trading' - net	**(894,921)**	(20,534,730)
	15,738,628	7,188,072
(Increase) / Decrease in assets		
Investments - net	**(470,837,434)**	(8,669,241)
Dividend receivable	**631,812**	(42,834)
Mark-up receivable	**(4,797,220)**	(376,002)
Advances and Prepayments	**(301,581)**	(236,061)
	(475,304,423)	(9,324,138)
(Decrease) / Increase in liabilities		
Payable to the Management Company	**1,036,438**	112,348
Payable to the Trustee	**167,811**	2,435
Annual fee payable to the Securities and Exchange Commission of Pakistan	**(226,292)**	(33,640)
Accrued expenses and other liabilities	**1,354,330**	681,355
	2,332,287	762,499
Net cash (used in) /generated from operating activities	**(457,233,509)**	(1,373,567)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issue of units	**1,079,137,007**	92,139,279
Cash paid on redemption of units	**(278,795,597)**	(31,646,230)
Cash dividend paid	-	(1,962,053)
Net cash (used in) from financing activities	**800,341,410**	58,530,996
Net (decrease) / increase in cash and cash equivalent during the period	3**43,107,902**	57,157,429
Cash and cash equivalent at the beginning of the period	**345,797,093**	184,316,259
Cash and cash equivalent at the end of the period	**688,904,995**	241,473,688

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

For Lakson Investments Limited
(Management Company)

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

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

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 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).

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 "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 Trustee of the Fund.

1.4 The Pakistan Credit Rating Company Limited (PACRA) has maintained asset manager rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) dated 29 August 2019 (2019: AM2+ as on 27 February 2019).

On March 31, 2020, VIS Credit Rating Company assigned following rankings to the Fund based on the performance review for the period ended 31 December 2019:

1 Year ranking : MFR 5-Star
3 Year ranking : MFR 5-Star
5 Year ranking : MFR 5-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.

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 thatare 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 preparation of condensed interim financial information requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may 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 2019.

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 30 June 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.

6. BANK BALANCES	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
		(Rupees)	
In local currency			
In profit and loss sharing accounts	6.1	**503,281,652**	344,816,405
In current account		**7,874**	7,874
In foreign currency			
In current account	6.2	**185,615,469**	972,814
		688,904,995	345,797,093

6.1 These carry mark-up rates ranging from 9.00% to 12.75% (30 June 2019: 9.25% to 13.25%) per annum.

6.2 This represents USD denominated current account.

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

	Note	March 31, 2020	June 30, 2019
Government Securities			
- Market Treasury Bills	7.1	**696,258,375**	-
- Exchange traded fund (foreign investment)	7.2	-	224,526,020
		696,258,375	224,526,020

7.1. Government securities - Market Treasury Bills

	------ Number of units ------				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 ------------------				
Treasury Bills - 3 months (face value of Rs. 100,000 each)	-	36,010	36,010	-	-	-	-	0.00%	0.00%
Treasury Bills - 6 months (face value of Rs. 100,000 each)	-	7,960	4,210	3,750	355,836,066	356,242,125	406,059	25.83%	51.17%
Treasury Bills - 1 year (face value of Rs. 100,000 each)	-	5,420	1,670	3,750	339,527,388	340,016,250	488,862	24.65%	48.83%
Total - March 31, 2020					695,363,454	696,258,375	894,921	50.48%	100.00%
Total - June 30, 2019					-	-	-	0.00%	0.00%

7.2. Exchange traded fund: Foreign investment

	------ Number of units ------				Balance as at March 31, 2020			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying Value	Market value	Unrealized appreciation		
					------------------ Rupees ------------------				
Powershares QQQ Trust Series 1	3,780	-	-	3,780	-	-	-	0.00%	0.00%
Vanguard S&P 500 UCITS ETF	12,525	-	-	12,525	-	-	-	0.00%	0.00%
Total - March 31, 2020					-	-	-	0.00%	0.00%
Cost as at 31 March 2020					-				
Total - June 30, 2019					175,202,939	224,526,020	49,323,081		
Cost as at 30 June 2019					136,537,868				

	Note	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
		(Rupees)	
8. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration to the Management Company	8.1	**1,653,854**	736,652
Sales tax payable on remuneration to the Management Company	8.2	**853,891**	734,655
Federal excise duty payable on remuneration to the Management Company	8.3	**4,184,410**	4,184,410
Sales load payable		**2,959**	2,959
		6,695,114	5,658,676

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 at 15% of the gross earnings of the scheme for the period ended 31 March 2020. The fee is subject to a minimum of 1.25% and maximum of 2% of the average annual net assets of the Fund. The effective management fee rate for the period ended 31 March 2020 is 1.56% of the average annual net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (till 30 June 2019: 13%) on Management Company's remuneration. Above liability includes Rs. 638,891 (30 June 2019: Rs. 638,891) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 7.3 below. Had the provision relating to FED not been made, Net Asset Value per unit of the Fund as at 31 March 2020 would have been higher by Re. 0.07 (30 June 2019: Re. 0.17) per unit.

8.3 There is no change in the status of the appeal pending in the Supreme Court of Pakistan against of the decision of Sindh High Court as more fully disclosed in the annual financial statements for the year ended 30 June 2018 regarding the FED on management's remuneration. The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs.4.184 million. Had the provision not been made, Net asset Value per unit of the Fund as at 31 March 2019 would have been higher by Re. 0.46 (30 June 2019: Re. 1.12) per unit.

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 AND OTHER LIABILITIES

	Note	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
		(Rupees)	
Auditors' remuneration		**243,249**	194,656
Brokerages payable		**4,699**	
Custody fee payable		**162,307**	46,064
Sindh Workers' Welfare Fund	11.1	**2,878,174**	2,538,715
WHT payable		**270,292**	52,604
Mutual Fund Ranking Fee		**260,662**	117,950
Other liabilities		**489,078**	25,299
Printing Charges Payable		**21,156**	
		4,329,618	2,975,288

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 2020 is Rs. 2.878 million (30 June 2019 : Rs. 2.539 million). Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 31 March 2019 would have been higher by Re 0.31 per unit (30 June 2019: Re 0.68 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.

Based on the above facts and on the recommendation of MUFAP, the entire provision of Rs. 2.659 million against WWF held by the CIS till 30 June 2015, was reversed on 12 January 2017.

12 TOTAL EXPENSE RATIO

Total expense ratio (comprising of all the expenses, including the government levies, incurred during the year divided by average net asset value for the year) is 2.43% per annum. Total expense ratio (excluding government levies) is 2.28% per annum. As per the NBFC Regulations, 2008 total expense ratio of the Income Scheme shall be caped upto 4% (excluding the government levies).

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

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 Income Tax Ordinance, 2001. The management intends to distribute at least 90% of the income earned (if any) during the year by the Fund to the unit holders.

During the year ended 30 June 2014, FBR had 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 the amended assessment amounts to Rs. 7.203 million and Rs 19.001 million for the tax years 2012 and 2013 respectively. Trustee of the Fund has filed a suit in the High Court of Sindh for declaration and permanent injunction for which a stay order has been granted by Sindh High Court. The management expects a favorable outcome and, accordingly, no provision has been recorded in respect of this matter.

15. 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, 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. 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:

	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
15.1 Balance as at period end	**(Rupees)**	
Lakson Investments Limited - Management Company		
Remuneration payable	**1,653,854**	736,652
Sindh Sales Tax and FED on Management remuneration	**5,038,301**	4,919,065
Sales load payable	**2,959**	2,959
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	**365,346**	197,535
Habib Bank AG Zurich - Custodian		
Bank Deposits	**185,615,469**	972,814
Custody fee payable	**162,307**	46,064

15.2 Unit Holders' Fund

	Un-audited								
	Nine months ended March 31, 2020								
	Number of Units					Rupees			
	Number of Units as at July 01, 2019	Units issued during the period	Refund / Adjustment of units as Element of income	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2019	Units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
Directors, Chief Executive and their spouse and minors	784,741	7,158,175		605,283.62	7,337,632	118,429,204.0	1,069,237,007	91,987,684	1,102,636,214
Other key management personnel	1	-	-	-	1	151	-	-	150
Associated companies / undertakings of the Management Company									
Lakson Investments Limited	1,091,716			1,091,716	-	164,756,466	-	175,187,038	-
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	1,129				1,129	170,323			169,596
Lakson Investments Limited - Employees Contributory Provident Fund Trust	3,051				3,051	460,443	-	-	458,479
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust	74,904	-	-	-	74,904	11,304,176	-	-	11,255,960
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	53,462	-	-	-	53,462	8,068,182	-	-	8,033,769
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	372,017	-	-	-	372,017	56,143,045	-	-	55,903,577
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	315,252	-	-	-	315,252	47,576,259	-	-	47,373,331
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	136,796	-	-	-	136,796	20,644,633	-	-	20,556,577
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust	35,060	-	-	1,289	33,772	5,291,108	-	200,000	5,074,895
Merit Packaging Limited - Employees Contributory Provident Fund Trust	56,379	-	-	-	56,379	8,508,453	-	-	8,472,162
Merit Packaging Limited - Employees Gratuity Fund	23,335	-	-	-	23,335	3,521,665	-	-	3,506,644
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	354,326	-	-	-	354,326	53,473,171	-	-	53,245,091
Century Paper & Board Mills Limited - Employees Gratuity Fund	286,986	-	-	-	286,986	43,310,503	-	-	43,125,770
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	28,075	-	-	-	28,075	4,236,949	-	-	4,218,877
Sybrid Private Limited - Employees Contributory Provident Fund Trust	30,864	-	-	-	30,864	4,657,880	-	-	4,638,013
Century Insurance Company Limited - Employees Gratuity Fund	21,142	-	-	-	21,142	3,190,707	-	-	3,177,098
Princeton Travels Private Limited - Employees Contributory Provident Fund Trust	3,737	-	-	3,737	(0)	563,916	-	619,044	(0)
Siza Services Private Limited - Employees Contributory Provident Fund Trust	16,102	-	-	-	16,102	2,429,994	-	-	2,419,629
Hasanali Karabhai Foundation - Employees Contributory Provident Fund Trust	11,450	-	-	-	11,450	1,727,951	-	-	1,720,581

Above related parties / connected person held 99% of the units of the fund (30 June 2019: 99%)

15.3 Unit Holders' Fund

	Un-audited									
	Nine months ended March 31, 2019									
	Number of Units					Rupees				
	Number of Units as at July 01, 2018	Units issued during the period	Refund / Adjustment of units as Element of income	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2018	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
Directors, Chief Executive and their spouse and minors	611,427	150,034	-	-	761,461	84,329,563	21,571,561	-	-	110,481,965
Other key management personnel	-	1			1	-	122	-	-	130
Associated companies / undertakings of the Management Company										
Lakson Investments Limited	816,972	224,530	14,313	-	1,055,814	109,882,469	32,041,084	-	-	153,190,218
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	1,073	0	19	-	1,092	144,304	1	-	-	158,427
Lakson Investments Limited - Employees Contributory Provident Fund Trust	2,899	1	51	-	2,952	389,959	186	-	-	428,272
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust	23,793	0	428	-	24,222	3,200,191	32	-	-	3,514,351
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	17,102	0	308	-	17,410	2,300,173	23	-	-	2,526,033
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	102,609	1	1,847	-	104,457	13,800,921	138	-	-	15,155,919
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	40,895	0	736	-	41,632	5,500,420	55	-	-	6,040,445
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust	11,897	0	214	-	12,111	1,600,104	16	-	-	1,757,184
Merit Packaging Limited - Employees Contributory Provident Fund Trust	20,076	0	361	-	20,437	2,700,247	27	-	-	2,965,308
Merit Packaging Limited - Employees Gratuity Fund	8,105	0	146	-	8,251	1,090,168	11	-	-	1,197,217
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	118,967	1	2,142	-	121,110	16,001,002	160	-	-	17,572,095
Century Paper & Board Mills Limited - Employees Gratuity Fund	95,174	1	1,714	-	96,889	12,800,936	128	-	-	14,057,885
Century Insurance Company Limited - ECPFT	-	10,585	-	-	10,585	-	1,485,954	-	-	1,535,752
Colgate Palmolive Pakistan Limited - ECPFT	-	15,601	-	-	15,601	-	2,190,211	-	-	2,263,610
Sybrid Private Limited - ECPFT	-	9,511	-	-	9,511	-	1,335,215	-	-	1,379,961
Century Insurance Company Limited - EGF	-	7,023	-	-	7,023	-	985,934	-	-	1,018,975
Princeton Travels Private Limited ECPFT	-	1,470	-	-	1,470	-	206,408	-	-	213,325
Siza Services Private Limited ECPFT	-	5,346	-	-	5,346	-	750,556	-	-	775,709
Hasanali Karabhai Foundation ECPFT	-	4,043	-	-	4,043	-	567,519	-	-	586,538

15.4 Other transactions during the period

	Nine months ended March 31, 2020	Nine months ended March 31, 2019	Quarter ended March 31, 2020	Quarter ended March 31, 2019
	(Unaudited)			
Lakson Investments Limited - Management Company of the Fund	(Rupees)			
Remuneration to the Management Company	**7,283,322**	3,377,887	**2,560,006**	1,163,006
Sindh sales tax on remuneration of Management Company	**946,832**	439,125	**332,801**	151,190
Central Depository Company of Pakistan Limited - Trustee of the Fund				
Remuneration for the period	**1,055,599**	594,058	**365,340**	195,306

	Nine months ended March 31 2020	Nine months ended March 31 2019
	(Unaudited)	
Habib Bank AG Zurich - Custodian	(Rupees)	
Brokerage and settlement charges	**116,500**	13,260
Custody charges	**391,336**	159,032

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:

		31 March 2020						
		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								
Exchange traded fund (foreign investment)		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets not measured at fair value	16.1							
Bank balances - Held at amortized cost		-	688,904,995	-	688,904,995	-	-	-
Dividend receivables		-	-	-	-	-	-	-
Markup accrued		-	5,292,511	-	5,292,511	-	-	-
		-	694,197,506	-	694,197,506	-	-	-
Financial liabilities not measured at fair value	16.1							
Payable to the Management Company		-	-	1,653,854	1,653,854	-	-	-
Remuneration payable to the Trustee		-	-	365,346	365,346	-	-	-
Accrued expenses and other liabilities		-	-	1,430,287	1,430,287	-	-	-
		-	-	3,449,487	3,449,487	-	-	-

		30 June 2019						
		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								
Exchange traded fund (foreign investment)		224,526,020	-	-	224,526,020	224,526,020	-	224,526,020
		224,526,020	-	-	224,526,020	224,526,020	-	224,526,020
Financial assets not measured at fair value	16.1							
Bank balances - Held at amortized cost		-	345,797,093	-	345,797,093	-	-	-
Dividend receivables		-	631,812	-	631,812	-	-	-
Markup accrued		-	495,291	-	495,291	-	-	-
		-	346,924,196	-	346,924,196	-	-	-
Financial liabilities not measured at fair value	16.1							
Payable to the Management Company		-	-	739,611	739,611	-	-	-
Remuneration payable to the Trustee		-	-	197,535	197,535	-	-	-
Accrued expenses and other liabilities		-	-	383,969	383,969	-	-	-
		-	-	1,321,115	1,321,115	-	-	-

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. DATE OF AUTHORIZATION FOR ISSUE

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

18. GENERAL

Figures have been rounded off to the nearest rupee.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

A Lakson Group Company

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