LAKSON EQUITY 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	BDO Ebrahim & Co. Chartered Accountants 2nd Floor, Block C, Lakson Square, Building No. 1, Sarwar Shaheed Road, Karachi - 74200.

Bankers to the Fund	Allied Bank Limited Askari Bank Limited Bank Al-Falah Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited National Bank of Pakistan Silk Bank Limited Sindh Bank Limited Telenor Microfinance Bank Limited United Bank Limited U Microfinance Bank Limited
Legal Adviser	Fazleghani Advocates F-72/I, Block 8, KDA-5, Kehkashan, Clifton, Karachi, Pakistan.
Registrar	Lakson Investments Limited Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan
Distributors	Metro Capital Pvt. Limited Ismail Iqbal Securities BMA Capital Management Limited Amir Noorani Topline Securities (Pvt.) Limited Adam Securities Elixir Securities (Pvt.) Limited Vector Capital (Pvt.) Limited Pearl Securities Pvt. Limited Rabia Fida
Rating by PACRA	1 Year : 2-Star 3 Year : 3-Star 5 Year : 3-Star AM2+ : Asset Manager Rating by PACRA

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

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

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

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

Fund performance
The LEF closed 9MFY20 with a return of -17.14% vs -14.95% of the benchmark, underperforming the benchmark by 2.2%. The LEF provided a return of -28.23% (BM: 30.2%) during 3QFY20. As of March 31, 2020, the fund had 79% exposure in equities and 19% in cash. Sector allocation is skewed towards Commercial Banks (26.2%), Chemicals (18.4%), Construction & Materials (10.2%), Oil & Gas Exploration (10.0%), Oil & Gas Marketing (3.5%), Electricity (1.2%) and other sectors (9.7%).

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:

(vii) 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),

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

(ix) 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.

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.

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 ایکویٹی فنڈ
31مارچ2020 کوختم ہونے والی مدت کے لیے
مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کابورڈ آف ڈائریکٹرز ،لیکسن ایکویٹی فنڈ("LEF") کی مینجمنٹ کمپنی، 31مارچ2020،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 تعارف

LEF ایک فعال انداز میں چلایا جانے والا اوپن اینڈ ایکویٹی فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ LEF خالص اثاثوں کا کم از کم 70% حصہ لسٹڈ ایکویٹی سیکیورٹیز میں رکھتا ہے۔ مختلف شعبوں اور اسٹاکس میں اثاثے کو ہر شعبے اور اس مخصوص شعبے میں انفرادی اسٹاکس متعلقہ کشش کی بنیاد پر مخصوص کیا جاتا ہے۔ یہ تخصیص مارکیٹ کے حالات، مواقع، سیاسی اور اقتصادی عوامل کو پیش نظر رکھتے ہوئے وقتاً فوقتاً تبدیل کی جاسکتی ہے۔ LEF کو ریڈیمپشنز کی تکمیل کے لیے خالص اثاثوں کے 15فی صد تک قرض لینے کی اجازت ہے، تاہم LEF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی کا جائزہ

LEF نے بینچ مارک منافع 14.95%- کے مقابلے میں 17.14%- منافع کے ساتھ مالی سال2020 کے پہلے نو ماہ کا اختتام کیا اور بینچ مارک سے 2.2% کم تر کارکردگی کا مظاہرہ کیا۔ LEF نے مالی سال2020 کی تیسری سہ ماہی میں 28.23%- منافع فراہم کیا(BM:30.2%)۔ 31مارچ2020 کے مطابق فنڈ ایکویٹیز میں 79 % اور کیش میں 19 % سرمایہ کاری رکھتا ہے۔ شعبہ جاتی تفویض کا جھکاؤ اس طرح ہے۔ کمرشل بینکس (26.2 %)، کیمیکلز (18.4 %)، کنسٹرکشن اینڈ میٹریلز (10.2 %)، آئل اینڈ گیس ایکسپلوریشن (10.0 %)، آئل اینڈ گیس مارکیٹنگ (3.5%)، الیکٹریسٹی (1.2%) اور دیگر شعبے (9.7%)۔

فی یونٹ نقصان (LPU)

فی یونٹ نقصان (LPU) ظاہر نہیں کیا 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 13.25فیصد 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 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 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 چھولیا 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۔ آٹو موبائل، 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 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 اعدادوشمار 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 اور یہ مالی سال 2020 کی چوتھی سہ ماہی میں کم برآمدات کو اس سے بڑھا وامل 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

کوسپلائی 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۔

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 صورتِ حال مختصر عرصہ تک رہی، جیسا کہ کے ایس ای 100، 32 فیصد کمی (یا اپنی جنوری 2020 کی بلندترین 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 افراطِ زر کی شرح میں بہتری آنے لگی جب مارکیٹ کو مضبوط بنیادیں مل گئیں۔ مالی سال 2020 کی تیسری سہ ماہی میں بلند افراطِ 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 وفروخت 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۔

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، کووڈ 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 ہوسکتا 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 مینجنگ 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 تقریبا صفر فیصد کر دیا ہے۔ مزید یہ کہ، FED نے پہلے ہی ہفتے میں 375 ارب امریکی ڈالر کی سرکاری سیکیوریٹیز اور 250 ارب ڈالر مالیت کی مورگیج بیکڈ سیکیوریٹیز خریدنے کا عہد کیا ہے۔ ای سی بی نے پورے سال کے لئے حسب ضرورت ردوبدل 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۔

1

ظہار 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: 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	**513,550,601**	474,086,705
Investments	7	**2,130,594,026**	2,912,440,149
Dividend and profit receivable	8	**43,158,545**	5,734,848
Deposits and prepayments		**3,227,077**	3,121,623
Receivable against purchase of investments		**40,395,621**	-
Total assets		**2,730,925,870**	3,395,383,325
Liabilities			
Payable to the Management Company	9	**26,903,687**	27,518,116
Remuneration payable to the Trustee		**1,167,846**	405,763
Annual fee payable to Securities and Exchange Commission of Pakistan		**473,015**	3,248,271
Accrued expenses and other liabilities	10	**42,840,532**	39,818,405
Payable against purchase of investments		**117,200,654**	30,917,039
Total liabilities		**188,585,734**	101,907,594
Contingencies and commitments	11		
Net assets		**2,542,340,136**	3,293,475,731
Unit holders' fund (as per the statement attached)		**2,542,340,136**	3,293,475,731
		(Number)	
Number of units in issue		**33,689,778**	36,160,850
		(Rupees)	
Net assets value per unit		**75.4632**	91.0784

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

For Lakson Investments Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Note	Nine months ended March 31, 2020	Nine months ended March 31, 2019	Quarter ended March 31, 2020	Quarter ended March 31, 2019
Income		----------(Rupees)----------			
Loss on sale of held for trading investments - net		**(98,517,074)**	(31,608,180)	**(41,967,998)**	(16,471,146)
Unrealized loss on revaluation of held for trading investments - net	7.1	**(589,481,301)**	(313,520,261)	**(1,004,143,173)**	83,123,789
		(687,998,375)	(345,128,441)	**(1,046,111,171)**	66,652,64
Dividend income on held for trading investment		**126,860,762**	128,678,246	**47,773,775**	46,059,717
Return / Mark up on:					
- bank balances		**45,256,542**	26,535,228	**15,092,754**	9,805,818
- Government securities (held for trading)		-	383,724	-	-
		45,256,542	26,918,952	**15,092,754**	9,805,818
		(515,881,071)	(189,531,243)	**(983,244,642)**	122,518,178
Expenses					
Remuneration to the Management Company	9.1	**47,301,526**	51,645,691	**16,936,477**	18,045,601
Sindh Sales tax on remuneration of the Management Company		**6,149,198**	6,713,940	**2,201,742**	2,345,928
Remuneration to the Trustee		**3,521,580**	3,766,256	**1,237,867**	1,298,207
Annual fee to the Securities and Exchange Commission of Pakistan		**473,015**	2,453,170	**169,364**	857,166
SECP Supervisory Fee		**1,890**	1,877	**624**	617
Auditors' remuneration		**202,486**	216,434	**46,463**	45,889
Fees and subscription		**479,557**	623,374	**162,383**	128,133
Printing charges		**3,390**	20,340	**3,390**	5,085
Brokerage expenses		**9,550,092**	4,219,570	**4,121,621**	1,325,323
Settlement charges		**725,088**	606,749	**147,600**	193,116
Bank and other charges		**36,259**	23,694	-	1,318
		68,444,080	70,291,095	**25,027,530**	24,246,383
Net (loss) / income from the operating activities		**(584,325,151)**	(259,822,338)	**(1,008,272,172)**	98,271,795
Sindh Workers' Welfare Fund (SWWF)		-	-	8,478,940	-
Net income / (loss) for the period before taxation		**(584,325,151)**	(259,822,338)	**(999,793,232)**	98,271,795
Taxation	13	-	-	-	-
Net (loss) / income for the period after taxation		**(584,325,151)**	(259,822,338)	**(999,793,232)**	98,271,795
Allocation of net (loss) / income for the period					
Net (loss) / income for the period after taxation		-	-	-	-
Loss already realized on units redeemed		-	-	-	- .
		-	-	-	-
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
Accounting income available for distribution		-	-	-	-

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

For Lakson Investments Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Nine months ended March 31,		Quarter ended March 31,	
	2020	2019	**2020**	2019
	(Rupees)			
Net income for the period after taxation	**(584,325,151)**	(259,822,338)	**(999,793,232)**	98,271,795
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**(584,325,151)**	(259,822,338)	**(999,793,232)**	98,271,795

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

For Lakson Investments Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Statement Of Movement In Reserve Or Unit Holders' Fund (Unaudited)
For the nine months ended March 31, 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	**3,619,878,492**	**(326,402,761)**	**3,293,475,731**	2,761,512,701	472,989,195	3,234,501,896
Issuance of 11,979,853 units (2019: 8,989,536)						
- Capital value	**1,091,105,820**	**-**	**1,091,105,820**	1,026,934,927	-	1,026,934,927
- Element of loss	**137,741,644**	**-**	**137,741,644**	(7,282,665)	-	(7,282,665)
Total proceeds on issuance of units	**1,228,847,464**	**-**	**1,228,847,464**	1,019,652,262	-	1,019,652,262
Redemption of 14,450,925 units (2019: 10,443,589)						
- Capital value	**(1,316,167,114)**	**-**	**(1,316,167,114)**	(349,830,588)	-	(349,830,588)
- Element of loss	**(79,490,794)**	**-**	**(79,490,794)**	46,015,752	-	46,015,752
Total payments on redemption of units	**(1,395,657,908)**	**-**	**(1,395,657,908)**	(303,814,836)	-	(303,814,836)
Total comprehensive (loss) / income for the year		**(584,325,151)**	**(584,325,151)**	-	(259,822,338)	(259,822,338)
Net assets as at end of the period	**3,453,068,048**	**(910,727,912)**	**2,542,340,136**	3,477,350,127	213,166,857	3,690,516,984
Undistributed income brought forward:						
- Realized income at beginning of the period		**345,197,337**			817,171,580	
- Unrealized income at beginning of the period		**(671,600,098)**			(344,182,385)	
		(326,402,761)			472,989,195	
Accounting income available for distribution:						
Relating to capital gains		-			-	
Excluding capital gains		-			-	
		-			-	
Net (loss) / income for the period after taxation		**(584,325,151)**			(259,822,338)	
Undistributed income / (loss) at end of the period		**(910,727,912)**			213,166,857	
Represented by:						
- Realized income at end of the period		**(321,246,611)**			526,687,118	
- Unrealized income at end of the period		**(589,481,301)**			(313,520,261)	
Undistributed income / (loss) at end of the period		**(910,727,912)**			213,166,857	
Net assets value per unit at beginning of the period			**91.0784**			114.2367
Net assets value per unit at end of the period			**75.4632**			106.7828

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

For Lakson Investments Limited
(Management Company)

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

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

	Nine months ended March 31, 2020	Nine months ended March 31, 2019
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**(584,325,151)**	(259,822,338)
Adjustments for:		
(Gain) / loss from disposal of marketable securities - net	**98,517,074**	31,608,180
Unrealised diminution / (appreciation) in the fair value of investments 'held for trading' - net	**589,481,301**	313,520,261
	103,673,224	85,306,103
Decrease / (increase) in assets		
Investments	**93,847,748**	(950,775,444)
Dividend and profit receivable	**(37,423,697)**	(36,470,150)
Receivable against sale of investment	**(40,395,621)**	11,772,950
Deposits and prepayments	**(105,454)**	7,411,348
	15,922,976	(968,061,296)
(Decrease) / increase in liabilities		
Payable to the Management Company	**(614,429)**	815,573
Remuneration payable to the Trustee	**762,083**	43,875
Annual fee payable to Securities and Exchange Commission of Pakistan	**(2,775,256)**	(880,514)
Payable against purchase of investments	**86,283,615**	(32,759,230)
Accrued expenses and other liabilities	**3,022,127**	(623,157)
	86,678,140	(33,403,453)
Net cash (used in) / generated operating activities	**206,274,340**	(916,158,646)
CASH FLOWS FROM FINANCING ACTIVITIES		
Received on issuance of units	**1,228,847,464**	1,019,652,262
Paid against redemption of units	**(1,395,657,908)**	(303,814,836)
Net cash inflows / (outflows) from financing activities	**(166,810,444)**	715,837,426
Net (decrease) / increase in cash and cash equivalents during the period	**39,463,896**	(200,321,220)
Cash and cash equivalents at beginning of the period	**474,086,705**	574,381,423
Cash and cash equivalents at end of the period	**513,550,601**	374,060,203

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

For Lakson Investments Limited
(Management Company)

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

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

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Lakson Equity Fund (the "Fund") was established under the Trust Deed executed on 2 September 2009 between the Lakson Investments Limited as its Management Company, a company incorporated under the repealed Companies 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 18 September 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

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

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

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

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

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

On February 28, 2020, PACRA assigned following rankings to the Fund based on the performance review for the period ended June 30, 2019 (trailing 12 months for 1 Year ranking, trailing 36 months for 3 Year ranking, and trailing 60 months for 5 Year ranking).

1 Year : 2-Star
3 Year : 3-Star
5 Year : 3-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 statement of cash flows 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 is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest of Rupees.

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

There are certain amendments which are effective from annual period beginning on or after 1 July 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 significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2019.

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

5. FINANCIAL RISK MANAGEMENT

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

	Note	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
6. BANK BALANCES		**(Rupees)**	
Local Currency			
In profit and loss sharing accounts	6.1	**513,542,761**	474,078,865
In current account		**7,840**	7,840
		513,550,601	474,086,705

6.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 9.00% to 13.75% (30 June 2019: 10.25% to 13.50%) per annum.

7. INVESTMENTS

At fair value through profit or loss			
Listed equity securities	7.1	**2,130,594,026**	2,724,525,859

7.1 At fair value through profit or loss
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of investee company	Holding as at July 01, 2019	Purchased during the period	Bonus / right shares received during the period	Disposed during the period	Holding as at 31 March 2020	Carrying value 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 (%) ------		
Commercial Banks											
Bank Al-Habib Limited	-	2,828,000	-	707,213	2,120,787	146,671,976	114,246,796	(32,425,180)	5.36	4.49	0.19
Bank Al-Falah Limited	3,741,250	1,133,000	-	1,744,000	3,130,250	137,245,176	99,573,253	(37,671,923)	4.67	3.92	0.18
Habib Bank Limited	1,813,826	1,241,100	-	908,765	2,146,161	263,948,698	221,548,200	(42,400,498)	10.40	8.71	0.15
MCB Bank Limited	790,272	259,500	-	790,272	259,500	36,930,648	38,738,160	1,807,512	1.82	1.52	0.02
United Bank Limited	1,532,600	638,900	-	800,700	1,370,800	202,554,684	138,190,348	(64,364,336)	6.49	5.44	0.11
Bank of Punjab Limited	10,200,289	10,574,500	-	11,966,000	8,808,789	85,114,044	67,475,324	(17,638,720)	3.17	2.65	0.33
Meezan Bank Limited	-	384,500	-	-	384,500	24,192,155	25,027,105	834,950	1.17	0.98	0.00
Askari Bank Limited	4,946,500	16,000	-	4,962,500	-	-	-	-	-	-	-
						896,657,381	**704,799,186**	**(191,858,195)**	**33.08**	**27.72**	
Chemicals											
Engro Polymer & Chemicals Limited	2,756,342	2,839,500	-	2,644,000	2,951,842	84,897,509	72,379,166	(12,518,343)	3.40	2.85	0.03
ICI Pakistan Limited	39,660	89,800	-	72,660	56,800	28,383,605	28,758,976	375,371	1.35	1.13	0.01
Lotte Chemical Pakistan Limited	5,846,500	1,520,500	-	7,367,000	-	-	-	-	-	-	-
						113,281,114	**101,138,142**	**(12,142,972)**	**4.75**	**3.98**	
Fertilizers											
Engro Corporation Limited (7.1.1)	769,705	671,800	-	595,000	846,505	237,772,686	225,931,918	(11,840,768)	10.60	8.89	0.01
Engro Fertilizers Limited	1,265,600	877,000	-	2,142,600	-	-	-	-	-	-	-
Fauji Fertilizers Bin Qasim Limited	825,500	-	-	825,500	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	1,361,500	1,127,300	-	693,500	1,795,300	165,729,305	166,980,853	1,251,548	7.84	6.57	0.01
						403,501,991	**392,912,771**	**(10,589,220)**	**18.44**	**15.45**	
Insurance											
Adamjee Insurance Company Limited	-	2,617,000	-	687,500	1,929,500	**78,192,158**	**51,382,585**	**(26,809,573)**	**2.41**	**2.02**	**0.06**
Pharma & Bio Tech											
The Searl Company Limited (7.1.2)	6,088	66,100	-	-	72,188	**10,486,752**	**11,322,688**	**835,936**	**0.53**	**0.45**	**0.05**
Textile Composite											
Nishat Mills Limited	714,700	578,700	-	585,300	708,100	69,628,010	41,586,713	(28,041,297)	1.95	1.64	0.02
Gul Ahmed Textile Mills Limited	-	809,500	-	-	809,500	35,294,340	18,658,975	(16,635,365)	0.88	0.73	0.02
Nishat Chunion Limited	-	421,000	-	37,000	384,000	16,432,924	9,888,000	(6,544,924)	0.46	0.39	0.02
						121,355,274	**70,133,688**	**(51,221,586)**	**3.29**	**2.76**	
Cement											
Lucky Cement Company Limited (7.1.1)	313,714	316,700	-	389,714	240,700	107,407,157	89,227,490	(18,179,667)	4.19	3.51	0.01
Kohat Cement Limited	-	481,400	-	179,500	301,900	28,878,463	26,340,775	(2,537,688)	1.24	1.04	0.02
D.G. Khan Cement Company Limited	-	1,647,500	-	797,500	850,000	62,693,672	50,362,500	(12,331,172)	2.36	1.98	0.02
Pioneer Cement Limited	-	1,270,000	-	109,000	1,161,000	43,027,126	32,159,700	(10,867,426)	1.51	1.26	0.05
Fauji Cement Company Limited	-	3,183,000	-	2,213,500	969,500	16,934,551	14,358,295	(2,576,256)	0.67	0.56	0.01
Cherat Cement Company Limited	-	533,000	-	-	533,000	38,036,365	29,522,870	(8,513,495)	1.39	1.16	0.03
Maple Leaf Cement Factory Limited	1,530,047	3,788,000	-	3,723,547	1,594,500	40,966,722	33,038,040	(7,928,682)	1.55	1.30	0.01
						337,944,056	**275,009,670**	**(62,934,386)**	**12.91**	**10.82**	
Power Generation & Distribution											
Hub Power Company Limited	725,309	659,000	-	1,076,809	307,500	19,667,810	20,993,025	1,325,215	0.99	0.83	0.00
Nishat Power Limited	231,000	368,000	-	78,000	521,000	14,398,596	11,545,360	(2,853,236)	0.54	0.45	0.01
						34,066,406	**32,538,385**	**(1,528,021)**	**1.53**	**1.28**	
Glass & Ceramics											
Tariq Glass Industries Limited	-	123,000	-	-	123,000	**5,804,470**	**6,216,420**	**411,950**	**0.29**	**0.24**	**0.01**

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 31 March 2020	Carrying value as of 31 March 2020	Market value as of 31 March 2020		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 Exploration Companies											
Mari Petroleum Company Limited (7.1.2)	106,313	40,060	*11,269	73,960	83,682	79,958,318	74,569,030	(5,389,288)	3.50	2.93	0.01
Oil and Gas Development Company Limited (7.1.1)	2,227,891	987,700	-	2,047,700	1,167,891	147,881,974	89,915,928	(57,966,046)	4.22	3.54	0.00
Pakistan Oilfield Limited	263,500	256,300	-	403,300	116,500	46,492,539	30,547,465	(15,945,074)	1.43	1.20	0.00
Pakistan Petroleum Limited (7.1.1)	1,632,091	1,199,400	*270,098	2,083,700	1,017,889	123,116,209	73,094,609	(50,021,600)	3.43	2.88	0.00
						397,449,040	**268,127,032**	**(129,322,008)**	**12.58**	**10.55**	
Oil and Gas Marketing Companies											
Attock Petroleum Limited	121,792	-	-	121,792	-	-	-	-	-	-	-
Hi-tech Limited	-	828,500	-	97,500	731,000	25,066,425	17,068,850	(7,997,575)	0.80	0.67	0.06
Pakistan State Oil Company Limited (7.1.2)	94,203	436,970	*634	269,600	262,207	54,041,665	31,858,151	(22,183,514)	1.50	1.25	0.00
Sui Northern Gas Pipeline Limited	1,410,283	1,105,300	-	1,294,000	1,221,583	85,830,105	45,076,413	(40,753,692)	2.12	1.77	0.00
						164,938,194	**94,003,414**	**(70,934,781)**	**4.41**	**3.70**	
Food & Personal Care Products											
Fauji Foods Limited	1,167,249	-	-	1,167,249	-	-	-	-	-	-	-
Technology and Communication											
Systems Limited	345,239	-	-	345,239	-	-	-	-	-	-	0.00
Automobile and Parts											
Thal Limited	87,250	-	-	41,700	45,550	16,582,933	13,381,679	(3,201,254)	0.63	0.53	0.03
Automobile Assemblers											
Agriauto Industries Limited	151,200	3,700	-	63,041	91,859	18,331,202	14,720,405	(3,610,797)	0.69	0.58	0.20
						18,331,202	**14,720,405**	**(3,610,797)**	**0.69**	**0.58**	
Engineering											
International Industries Limited	397,866	-	*24,986	422,852	-	-	-	-	-	-	-
Mughal Iron and Steel	-	2,044,500	-	259,500	1,785,000	71,338,525	55,924,050	(15,414,475)	2.62	2.20	0.07
Aisha Steel Mills Limited	-	3,325,500	-	1,011,500	2,314,000	22,610,922	17,794,660	(4,816,262)	0.84	0.70	0.03
International Steels Limited	857,444	585,500	-	857,444	585,500	27,534,908	21,189,251	(6,345,657)	0.99	0.83	0.01
						121,484,355	**94,907,961**	**(26,576,394)**	**4.45**	**3.73**	
Paper and Board											
Cherat Packaging Company Limited	437,580	-	*969	438,549	-	-	-	-	-	-	-
						-	-	-	-	-	
Total as at March 31, 2020						**2,720,075,326**	**2,130,594,026**	**(589,481,301)**	**100**	**84**	
Total cost as at March 31, 2020						**2,894,434,678**					
Total as at June 30, 2019						3,584,040,236	2,912,440,149	(671,600,098)	100	88	
Total cost as at June 30, 2019						2,917,508,312					

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)--------	
Engro Corporation Limited	**160,000**	85,000	**42,704,000**	22,576,000
Oil and Gas Development Company Limited	**70,000**	70,000	**5,389,300**	9,204,300
Pakistan Petroleum Limited	330,000	330,000	**23,697,300**	47,661,900
Lucky Cement Company Limited	-	50,000	-	2,095,500
	560,000	535,000	**71,790,600**	81,537,700

7.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other Asset Management Companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 2.51 million at March 31, 2020 (June 30, 2019: Rs. 2.55 million) and not yet deposited on CDC account of department of Income Tax. Management is of the view that the decision will be in favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value of its investments.

	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
8. DIVIDEND AND PROFIT RECEIVABLE		(Rupees)	
Dividend receivable		**33,580,118**	156,554
- Profit receivable on profit and loss sharing accounts		**9,578,427**	5,578,294
		43,158,545	5,734,848
9. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	9.1	**5,004,269**	5,600,325
Sindh Sales Tax on Management remuneration	9.2	**3,349,980**	3,427,467
Federal Excise Duty on Management remuneration	9.3	**18,483,430**	18,483,430
Sale load payable to the management company		**66,008**	6,894
		26,903,687	27,518,116

9.1 Under the provisions of Non-Banking Finance Companies and Notified Entities Regulations 2008, an Asset Management Company shall be entitled to remuneration equal to an amount not exceeding 2% of average annual net assets. Management Company has charged remuneration at 2% per annum based on the daily net assets of the Fund during the period ended 31 March 2020. Remuneration is paid to the Management company in arrears on a monthly basis.

9.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) on Management Company's remuneration. Above liability includes Rs. 2,699,429 (30 June 2019: Rs. 2,699,429) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 10.3 below. Had the provision on FED not been made, Net Asset Value per unit of the Fund as at 31 March 2019 would have been higher by Re. 0.0801 (30 June 2019: Re. 0.0747) per unit. The amount is payable to the management company for onwards payment to the Government

9.3 There is no change in the status of the appeal pending in the Supreme Court of Pakistan against of the decision of Sindh High Court as more fully disclosed in the annual financial statements for the year ended 30 June 2018 regarding the FED on management's remuneration. The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs.18.483 million. Had the provision not been made, Net asset Value per unit of the Fund as at 31 March 2019 would have been higher by Re. 0.5486 (30 June 2019: Re. 0.5111) per unit.

9.4 As per the clause 60(s) of the Non-Banking Finance Companies and Notified Entities Regulation, 2008 fees and expenses related to registrar services, accounting, operation and valuation services relating to the Fund maximum up to 0.1% of average annual net assets of the Fund or actual whichever is less are allowed to be charged to the Fund by the Management Company.

	Note	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
		(Rupees)	
10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	10.1	**473,015**	3,248,271

Under the regulation 62 of the NBFC Regulations, a Collective Investment Scheme (CIS) categorized as an equity scheme is required to pay as annual fee to the SECP, an amount equal to 0.095% of the average annual net assets of the Scheme. However, SECP, vide S.R.O. 685 (I)/2019, dated June 28, 2019, has reduced the rate of the fee to 0.02% of the average annual net assets for all categories of CIS(s), with effect from July 1, 2019. During the period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

11 REMUNERATION PAYABLE TO THE TRUSTEE

	Note		
Trustee fee payable	11.1	**1,167,846**	405,763

11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, as per the tari? speci?ed therein, based on the average annual net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

Earlier, the Trustee fee was charged as per the details disclosed in note 11 to the annual audited financial statements of the Fund for the year ended June 30, 2019. CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, has revised the rates of the Trustee fee, with effect from July 1, 2019, according to which, Trustee fee shall be charged at the rate of 0.2% of the average annual net assets of the Fund. During the period, Management Company has charged the Trustee fee accordingly.

The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

	Note	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
		(Rupees)	
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Payable to Sindh Workers' Welfare Fund	12.1	**38,096,893**	38,096,893
Withholding tax payable		-	493,529
Brokerage charges payable		**4,123,575**	987,392
Auditors' remuneration		**118,052**	176,818
Fee payable to National Clearing Company of Pakistan Limited		**239,276**	30,000
Fee payable to Central Depository Company Limited		**11,924**	13,773
Rating fee payable		**130,437**	-
Professional tax payable		**100,375**	-
Other liabilities		**20,000**	20,000
		42,840,532	39,818,405

12.1 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. 38.097 million (30 June 2019 : Rs. 38.097 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 2020 would have been higher by Re 1.13 per unit (30 June 2019: Re 1.05 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.

13. TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme

(CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the quarter ended March 31, 2020 is 2.90% which includes 0.47% representing government levies (comprising of Workers Welfare Fund and SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Equity Scheme shall be caped up to 4.5% (March 31, 2019: 4%).

14. CONTINGENCIES AND COMMITMENTS

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

15. TAXATION

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

16. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company and the holding company, key management personnel, other funds being managed by the Management Company and entities having holding 10% or more in the units of the Fund as at 31 March 2020. It also includes staff retirement funds of the above related parties / connected persons.

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

16.1 Details of balances with related parties / connected persons at the period end	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration and other payables (including the Sindh sales tax and federal excise duty amounting to Rs. 21.833 million (30 June 2019: Rs. 21.911 million)*	**26,837,679**	27,511,222
Sales load payable	**66,008**	6,894
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable (Including Sindh sales tax amounting to Rs. 133,327 (30 June 2019: Rs. 45,653)	**1,167,846**	405,763
Security deposit	**100,000**	100,000
CDC Fee payable	**11,924**	13,773

	Nine months ended March 31, 2020	2019
	(Unaudited)	
	(Rupees)	
14.2 Details of transaction with related parties / connected persons at the period end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration for the period	**47,301,526**	51,645,691
Sindh sales tax on remuneration of Management Company *	**6,149,198**	6,713,940
Central Depositary Company Limited - Trustee of the Fund		
Remuneration for the period	**3,521,580**	3,766,256
Settlement charges	**178,088**	157,750

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

	Nine months ended March 31, 2020							
	Number of Units				Rupees			
	Number of units as at 01 July 2019	Units issued during the period	Units redeemed during the period	Number of units as at 31 March 2020	Balance as at July 01, 2019	Units issued during the period	Units redeemed during the period	Balance as at 31 March 2020
Lakson Investments Limited - Management Company of the Fund	837,657	-	-	837,657	95,583,789	-	-	63,212,268
Directors, Chief Executive and their spouse and minors	6,026,787	5,302.66	-	6,032,090	889,328,746	395,924	-	455,200,793
Other key management personnel	95,518	15,612.71	40,887.82	70,243	1,497,457	1,270,171	4,180,000	5,300,730
Associated companies / undertakings of the Management Company								
Accuracy Surgical Limited Employees Contributory Provident Fund	41,593	-	-	41,593	4,373,315	-	-	3,138,707
Century Insurance Co. Ltd., GF	38,321	-	4,576	33,745	4,029,321	-	500,000	2,546,522
Century Insurance Company Limited	1,416,940	-	-	1,416,940	148,986,463	-	-	106,926,855
Century Insurance Company Limited Employees Contributory Provident Fund	47,177	-	-	47,177	4,960,497	-	-	3,560,124
Century Paper & Board Mills Limited Employees Contributory Provident Fund	591,116	-	-	591,116	62,153,841	-	-	44,607,507
Century Paper & Board Mills Limited EGF	487,945	-	-	487,945	51,305,799	-	-	36,821,921
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund	531,212	-	-	531,212	55,855,119	-	-	40,086,946
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	517,985	-	-	517,985	54,464,370	-	-	39,088,811
Cyber Internet Services (Pvt.) Ltd. Employees Contributory Provident Fund	234,005	-	-	234,005	24,604,806	-	-	17,658,749
Gam Corporation Private Limited Employees Contributory Provident Fund	135,371	-	-	135,371	14,233,830	-	-	10,215,550
Hasanali Karabhai Foundation Employees Contributory Provident Fund	17,040	-	-	17,040	1,791,675	-	-	1,285,876
Lakson Business Solutions Limited Employees Contributory Provident Fund	1,263	-	-	1,263	132,765	-	-	95,285
Merit Packaging Limited Employees Contributory Provident Fund	82,523	-	-	82,523	8,677,002	-	-	6,227,442
Merit Packaging Limited Employees Gratuity Fund	38,781	-	-	38,781	4,077,642	-	-	2,926,504
Premier Fashions (Private) Limited	1,844,304	-	857,173	987,131	193,922,303	-	95,000,000	74,492,049
Princeton Traveles Limited Employees Contributory Provident Fund	5,496	-	5,496	-	577,894	-	578,932	-
Siza Commodities Private Limited	-	5,551,799	-	5,551,799	-	601,070,518	-	418,956,510
Siza Foods Private Limited Employees Contributory Provident Fund	97,081	-	-	97,081	10,207,787	-	-	7,326,079
Siza Private Limited	1,362,321	-	1,362,321	-	143,243,447	-	147,374,142	-
Siza Service (Private) Limited	3,430,433	-	3,430,433	-	360,698,394	-	371,099,811	-
Siza Services Private Limited Employees Contributory Provident Fund	24,775	-	-	24,775	2,604,997	-	-	1,869,594
Sybrid Private Limited Employees Contributory Provident Fund	53,234	-	-	53,234	5,597,344	-	-	4,017,186
Connected person due to holding more than 10% units								
Sindh General Provident Investment Fund (Being more than 10% unit holding)	3,794,238	-	-	3,794,238	398,951,239	-	-	286,325,351
Sindh Province Pension Fund (Being more than 10% unit holding)	5,511,586	-	-	5,511,586	579,524,513	-	-	415,921,905

	Nine months ended March 31, 2019							
	---- Number of Units ----				---- Rupees ----			
	Number of units as at 01 July 2018	Units issued during the period	Units redeemed during the period	Number of units as at 31 March 2019	Balance as at July 01, 2018	Units issued during the period	Units redeemed during the period	Balance as at 31 March 2019
Lakson Investments Limited - Management Company of the Fund	836,717	939.66	-	837,657	95,583,789	106,893		63,212,252
Directors, Chief Executive and their spouse and minors	7,784,965	353.00	369,027	7,416,292	889,328,746	40,000	39,831,625	559,657,104
Other key management personnel	13,108	52,130.98	592.45	64,647	1,497,457	5,726,483	66,474	4,878,462
Associated companies / undertakings of the Management Company								
Century Insurance Company Limited	2,793,706			2,793,706	319,143,754			210,821,995
Siza Service (Private) Limited	4,573,911			4,573,911	522,508,455	-		345,161,932
Premier Fashions (Private) Limited	2,459,304			2,459,304	280,942,808	-		185,586,973
Siza Private Limited	1,838,321			1,838,321	210,003,753	-		138,725,604
Century Insurance Company LimitedECPFT	-	20,208.40	-	20,208	-	2,321,821	-	1,524,990
Colgate Palmolive Pakistan LimitedECPFT	-	145,484.22	-	145,484	-	16,818,121	-	10,978,705
Siza Foods Private Limited Employees Contributor	10,067	8,795.30	-	18,862	1,149,973	1,016,746	-	1,423,378
Colgate Palmolive Pakistan LimitedEGF	-	121,494.61	-	121,495	-	14,044,898	-	9,168,372
Accuracy Surgical Limited Employees Contributory	14,006	-	-	14,006	1,599,999	-	-	1,056,938
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	15,756	30,254.01	-	46,010	1,799,913	3,497,394	-	3,472,063
Gam Corporation Private Limited Employees Contributory	22,759	3,993.89	-	26,753	2,599,913	461,697	-	2,018,858
Lakson Business Solutions Limited Employees Contributory	1,263	-	-	1,263	144,281	-	-	95,310
Century Paper & Board Mills Limited ECPFT	140,057	-	-	140,057	15,999,649	-	-	10,569,149
Century Paper & Board Mills Limited EGF	60,400	46,196.40	-	106,596	6,899,897	5,340,350	-	8,044,106
Sybrid Private LimitedECPFT	-	11,171.43	-	11,171	-	1,291,428	-	843,032
Merit Packaging Limited ECPFT	23,635	-	-	23,635	2,699,984	-	-	1,783,573
Merit Packaging Limited EGF	9,454	-	-	9,454	1,079,994	-	-	713,429
Princeton Traveles Limited ECPFT	-	1,811.40	-	1,811	-	206,408	-	136,694
Siza Services Private Limited ECPFT	-	6,586.75	-	6,587	-	750,556	-	497,057
Hasanali Karabhai Foundation ECPFT	-	4,980.45	-	4,980	-	567,519	-	375,840
Sindh Province Pension Fund (Being more than 10% unit holding)	3,217,393	-	-	3,217,393	367,544,380	-	-	242,794,786

** holding decreased to below 10 % due to divestment of Unit holder (s) / investment from other Unit holders

17. 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 occuring 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.

On-balance sheet financial instruments		As at 31 March 2020 - (un-audited)						
		Carrying amount				Fair Value		
		Mandatory at Fair value through profit and loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Total
		---------- (Rupees) ----------						
Financial assets measured at fair value								
Listed equity securities		2,130,594,026	-	-	2,130,594,026	2,130,594,026	-	2,130,594,026
		2,130,594,026	-	-	2,130,594,026	2,130,594,026	-	2,130,594,026
Financial assets not measured at fair value	17.1							
Bank balances - Held at amortized cost		-	513,550,601	-	513,550,601	-	-	-
Dividend and profit receivable		-	43,158,545	-	43,158,545	-	-	-
Security deposit		-	2,650,000	-	2,650,000	-	-	-
Receivable against sale of investment		-	40,395,621	-	40,395,621	-	-	-
		-	599,754,767	-	599,754,767	-	-	-
Financial liabilities not measured at fair value	17.1							
Payable to the Management Company		-	-	5,070,277	5,070,277	-	-	-
Remuneration payable to the Trustee		-	-	1,167,846	1,167,846	-	-	-
Accrued expenses and other liabilities		-	-	4,512,827	4,512,827	-	-	-
Payable against the purchase of equity investment		-	-	117,200,654	117,200,654	-	-	-
		-	-	127,951,603	127,951,603	-	-	-

On-balance sheet financial instruments		As at 30 June 2019						
		Carrying amount				Fair Value		
		Mandatory at Fair value through profit and loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Total
		---------- (Rupees) ----------						
Financial assets measured at fair value								
Listed equity securities		2,912,440,149	-	-	2,912,440,149	2,912,440,149	-	2,912,440,149
		2,912,440,149	-	-	2,912,440,149	2,912,440,149	-	2,912,440,149
Financial assets not measured at fair value	17.1							
Bank balances - Held at amortized cost		-	474,086,705	-	474,086,705	-	-	-
Receivable against sale of investment		-	-	-	-	-	-	-
Dividend and profit receivable		-	5,734,849	-	5,734,849	-	-	-
Deposits and advances		-	2,650,000	-	2,650,000	-	-	-
		-	482,471,554	-	482,471,554	-	-	-
Financial liabilities not measured at fair value	17.1							
Payable to the Management Company		-	-	5,607,219	5,607,219	-	-	-
Remuneration payable to the Trustee		-	-	405,763	405,763	-	-	-
Accrued expenses and other liabilities		-	-	1,227,983	1,227,983	-	-	-
Payable against the purchase of equity investment		-	-	30,917,039	30,917,039	-	-	-
		-	-	38,158,004	38,158,004	-	-	-

17.1 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.

18. GENERAL

Figures have been rounded off to the nearest rupee.

19. 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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