LAKSON EQUITY FUND

Quarterly Report (September 30, 2020)

LAKSON INVESTMENTS

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

Review Report of the Directors of the Management Company
For the quarter ended September 30, 2020

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

Principal activities
The Fund is an actively managed open-end equity fund and is listed on Pakistan Stock Exchange Limited. LEF maintains an average exposure of 70% of Net Assets in listed equity securities. The asset allocation to different sectors and stocks is made on the basis of relative attractiveness of each sector and individual stocks in that particular sector. The allocations may change from time to time keeping in view the market conditions, opportunities, political and economic factors. LEF is allowed to borrow up to 15% of Net Assets to meet redemptions however LEF did not utilize this facility during the period under review.

Fund performance
The LEF closed Q1FY21, with a return of 17.18% vs 17.87% of the benchmark. As of September 30, 2020, the fund had 91.3% exposure in Equities and 7.2% in Cash. Sector allocation is skewed towards Commercial Banks (24.3%), Oil & Gas Exploration (13.5%), Chemicals (13.4%), Construction & Materials (12.7%), Oil & Gas Marketing (5.8%), Electricity (4.9%) and others (16.8%).

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
CPI in 3QCY20 averaged 8.8%, ranging on the higher end of SBP's short term 7-9% range. This was majorly led by rise in food inflation in the rural centers. In the monetary policy during September, SBP kept the policy rate unchanged at 7.0% (the last cut took place in June 2020). The current account balance was a surplus of US$297mn, compared to a surplus of US$508mn in July and a deficit of US$601mn SPLY. This was the fourth C/A surplus in the past 12 months, led majorly by good reduction of imports (down 10% yoy) and healthy remittances (up 24% yoy). Remittances have remained above the US$2bn mark in Jun-Sep'20 led by crackdown on informal channels and travel restrictions. The daily new Covid-19 cases fell to 600-700 by end of September, steeply down from a peak of 7,000 cases by June 2020. All these factors point to continued improvement in macroeconomic indicators and that the Pakistan economy is well on-course to recovery.

Equity Market Review
The KSE-100 has been one of the best performing markets in the region, after hitting a low of 27,228 points in March'2020 and almost doubling in Sep'20 to close at 40,571.5 points. However, during CYTD the index is down 0.4%. Similar to other markets, economic challenges during 2QCY20 - Covid-19 lockdowns alongside US$2bn hot money outflows from Government treasuries and oil prices making a low of US$19/bbl - affected investor sentiments. The market recovered thereafter, with trading activity picking up in 3QCY20 - KSE-All Share ADTO rose to US$94mn on average in 9MCY20 vs. US$49mn in the SPLY. Global risk-off sentiment led to net FIPI outflow of US$387mn in 9MCY20 (vs. net inflow of US$71.1mn in 9MCY19). Foreign selling was primarily concentrated in Banks (US$113.4mn), E&Ps (US$98.0mn) and Cements (US$75.1mn). On the local side, individuals, and insurance companies and companies were buyers.

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 illnesses 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 216 countries around the world with more than 38 million confirmed cases.

With no vaccine and high R-naught (reproduction number) of the virus, the initial response by all governments was complete lockdown. Owing to this, almost 93% of the economies are expected to shrink on a per capita basis during CY20 (2009: 61.2%) with advanced economies projected to shrink by 7% while developing and emerging economies are expected to contract by as much as 2.5%. However, as the spread of the virus is slowing, governments across the world have started resuming economic activities with fewer travel restrictions. As per the survey conducted by McKinsey Global, a major proportion of executives across the world now expects that the economic sentiment is going to be better in their country during the next 6 months going forward.

Pakistan has reached its peak in mid-June 2020. Currently, the total number of confirmed cases has crossed 321k; however, the new case count is down to ~800 now with only ~9k active cases left. The complete lockdown was placed for the first two months which was later converted into a smart lockdown at end-May. Pakistan's COVID-19 containment strategy seems to be yielding results as 1.8% of tests are now positive for COVID-19 compared to 4.9% at the start of August 2020.

However, with a viable vaccine now expected to arrive by the end of 1QCY21, health experts are still advising governments to maintain balance between economic recovery and COVID-19 spread with the emphasis on the latter.

Future Outlook

We think SBP will remain dovish and will not look to increase interest rates rapidly however, high inflation turnout (9% or more), together with strong demand trends and high financial stability, may trigger a rate hike earlier than expectations, however chances remain lower. Several structural reforms are underway, where circular debt settlement and tax reforms may spearhead resumption of the US$6bn IMF Program. Remittances normalization (from current pace of over US$2bn/month) may cause some slippage in the current account; however gradual improvement in exports should offer support. Real GDP growth is projected to rise by 2% in FY21 as per SBP. Fiscal position remains weak but is expected to improve on the back of tax reforms aimed to increase tax revenue generation through a wider tax base. Next 6 months should also bring clarity on a potential Covid-19 vaccine which should ease jitters arising from the ongoing second wave of infections.

The KSE-100 has reversed much of its losses (-0.4% 9MTD). Looking ahead, resumption of an IMF program, and ongoing reforms can extend the rally, which may also trigger foreign flows (US$388mn outflow so far in 9M). Corporate profitability is expected to rebound in FY21 especially for cyclical sectors. We think the Cement sector still has room for upside as prices have not yet recovered fully while demand outlook continues to improve. Market P/E is still below 8.0x; we see rerating to over 9.0x by June'21.

Acknowledgement

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

For and on Behalf of the Board

Director **Chief Executive Officer**

Dated: October 22, 2020

لیکسن ایکویٹی فنڈ
30 ستمبر 2020ءکوختم ہونے والی مدت کے لیے
مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، لیکسن ایکویٹی فنڈ ("LEF" یا فنڈ) کی مینجمنٹ کمپنی 30 ستمبر 2020ءکوختم ہونے والی مدت کے لیے اپنی رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

نمایاں سرگرمیاں

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

فنڈ کی کارکردگی

LEF نے بینچ مارک منافع 17.87% کے مقابلے میں 17.18% منافع کے ساتھ مالی سال 2021 کی پہلی سہ ماہی کا اختتام کیا۔ 30 ستمبر 2020 کے مطابق فنڈ ایکویٹیز میں 91.3% اور کیش میں 7.2% سرمایہ کاری رکھتا ہے۔ شعبہ جاتی تفویض کا جھکاؤ اس طرح ہے کمرشل بینکس (24.3%)، آئل اینڈ گیس ایکسپلوریشن (13.5%)، کیمیکلز (13.4%)، کنسٹرکشن اینڈ میٹیریلز (12.7%)، آئل اینڈ گیس مارکیٹنگ (5.8%)، الیکٹریسٹی (4.9%) اور دیگر (16.8%)۔

فی شیئر آمدنی (EPU)

فی شیئر آمدنی (EPU) ظاہر نہیں کی گئی ہے کیوں کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے موزوں اوسط یونٹس کا تعین اوپن اینڈ فنڈز کے لیے قابل عمل نہیں ہے۔

معاشی جائزہ

موجودہ سال 2020 کی تیسری سہ ماہی میں سی پی آئی کی اوسط 8.8 فیصد رہی، جو اسٹیٹ بینک آف پاکستان کی قلیل مدتی حد 7-9% کی اوپری آخری حد کے آس پاس ہے۔ اس کی بڑی وجہ دیہی مراکز میں غذائی افراط زر کی شرح میں اضافہ تھا۔ ستمبر کے دوران اسٹیٹ بینک نے مانیٹری پالیسی میں کوئی تبدیلی نہیں کی اور پالیسی کی شرح کو 7.0% پر برقرار رکھا (آخری کٹوتی جون 2020 میں ہوئی تھی)۔ جولائی میں 508 ملین ڈالر کے سرپلس کے مقابلہ میں کرنٹ اکاؤنٹ بیلنس کا سرپلس 297 ملین ڈالر تھا جو گزشتہ سال اسی مدت کے مقابلے میں 601 ملین ڈالر کا خسارہ ہے۔

یہ پچھلے 12 مہینوں میں چوتھا کرنٹ اکاؤنٹ سرپلس تھا، جس کی بڑی وجہ درآمدات میں نمایاں کمی (سال بہ سال بنیاد پر 10% کمی) اور صحتمند ترسیلات زر (سال بہ سال بنیاد پر 24% اضافہ) ہے۔ غیر رسمی راستوں کے خلاف کریک ڈاؤن اور سفری پابندیوں کے نتیجے میں جون تا ستمبر 2020 میں ترسیلات زر 2 بلین امریکی ڈالر کی حد سے زیادہ رہیں۔ کووڈ-19 کے یومیہ کیس ستمبر کے آخر تک 600-700 تک گر گئے، جون 2020 تک یہ تیزی سے 7000 کیسز کی بلندترین سطح سے نیچے آ گئے۔ یہ سارے عوامل معاشی اشاریوں میں مسلسل بہتری کی طرف اشارہ کرتے ہیں اور یہ کہ پاکستان کی معیشت عمدگی سے بحالی کی طرف جارہی ہے۔

ایکویٹی مارکیٹ کا جائزہ

KSE-100 خطے کی سب سے اچھی کارکردگی والی مارکیٹس میں سے ایک رہا ہے اور مارچ 2020 میں 27,228 کی نچلی سطح چھونے کے بعد ستمبر 2020 میں 40,571.5 پوائنٹس پر تقریباً دگنے پر بند ہوا ہے۔ تاہم موجودہ سال آج تک انڈیکس میں 0.4% گراوٹ آئی۔ اسی طرح دیگر مارکیٹس میں کیلینڈر سال 2020 کی دوسری سہ ماہی کے دوران میں معاشی چیلنجوں، کووڈ-19 لاک ڈاؤن نے سرکاری خزانے سے 2 ارب ڈالر کے بیرونی زرمبادلہ کے اخراج کے ساتھ اور تیل کی قیمتوں میں 19/bbl ڈالر تک گراوٹ نے سرمایہ کاروں کے جذبات کو متاثر کیا۔ بعدازاں مارکیٹ بحال ہوئی اور کیلینڈر سال 2020 کی تیسری سہ ماہی میں تجارتی سرگرمی تیزی پکڑنے لگی۔ گزشتہ سال اسی مدت میں 49 ملین ڈالر کے مقابلے میں کیلینڈر سال 2020 کے 9 ماہ میں KSE آل شیئر ADTO میں اوسطاً 94 ملین ڈالر تک اضافہ ہوا۔ عالمی سطح پر رسک دور کرنے کے جذبات کے نتیجے میں کیلینڈر سال 2020 کے 9 ماہ میں 387 ملین ڈالر کے خالص FIPI کا انخلا ہو (کیلینڈر سال 2019 کے 9 ماہ میں 71 ملین ڈالر کے خالص انخلا کے مقابلے میں)۔ غیر ملکی فروخت کا ارتکاز بنیادی طور پر بینکوں (113.4 ملین ڈالر)، E&Ps (98.0 ملین ڈالر) اور سیمنٹس (75.1 ملین ڈالر) پر رہا۔ مقامی رخ پر افراد، انشورنس کمپنیز اور کمپنیز کی طرف سے خریداری کی گئی۔

سال کے دوران اہم واقعات۔ کووڈ-19

ایک نوویل وائرس (2019-nCOV) سب سے پہلے 31 دسمبر، 2019 کو ووہان، چین میں رپورٹ ہوا۔ یہ وائرس SARS 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، (گزشتہ عالمی وبا 2009 میں پھیلی تھی) جب عالمی سطح پر تصدیق شدہ واقعات قریب 127,000 تھے۔ اب یہ دنیا کے 216 ممالک میں پھیل چکا ہے جس کے متاثرین کی تصدیق شدہ تعداد 38 ملین سے زیادہ ہے۔

وائرس کی کوئی ویکسین نہ ہونے اور بلند R-naught (تولیدی تعداد) کی وجہ سے، تمام حکومتوں کا ابتدائی ردعمل مکمل طور پر لاک ڈاؤن تھا۔ اس کی وجہ سے موجودہ سال 2020 کے معیشتوں میں فی کس بنیاد پر لگ بھگ 93% گراوٹ کی توقع ہے (2009: 61.2%) جہاں ترقی یافتہ معیشتوں میں 7% جب کہ ترقی پزیر اور ابھرتی معیشتوں میں 2.5% کمی متوقع ہے۔

تاہم، چونکہ اس وائرس کا پھیلاؤ سست ہو رہا ہے، پوری دنیا میں حکومتوں نے کم سفری پابندی کے ساتھ اقتصادی سرگرمیاں دوبارہ شروع کردی ہیں۔

McKinsey گلوبل کی طرف سے کیے گئے سروے کے مطابق، دنیا بھر میں ایگزیکٹیوز کا ایک بہت بڑا تناسب اب توقع کرتا ہے کہ اگلے 6 ماہ کے دوران ان کے ملک میں معاشی جذبات بہتر ہونے جارہے ہیں۔

جون 2020 کے وسط میں پاکستان اپنی بلندترین سطح پر پہنچ گیا ہے۔ فی الحال تصدیق شدہ کیسز کی مجموعی تعداد 321 ہزار سے تجاوز کر چکی ہے۔ تاہم، نئے

معاملات کی گنتی اب لگ بھگ 800 تک رہ گئی ہے، جبکہ صرف 9 ہزار کے لگ بھگ فعال کیسز باقی ہیں۔ پہلے دو مہینوں کے لئے مکمل لاک ڈاؤن رکھا گیا تھا جسے بعد میں آخرِ مئی سے اسمارٹ لاک ڈاؤن میں تبدیل کر دیا گیا۔ بظاہر پاکستان کی کووڈ -19 کو محدود کرنے کی کوششیں رنگ لا رہی ہیں جیسا کہ اگست 2020 کے آغاز میں 4.9% کے مقابلے میں اب کووڈ-19 کے ٹیسٹس کے 1.8% نتائج مثبت آ رہے ہیں۔
تاہم کسی قابلِ اعتماد ویکسین کی سال 2021 کی پہلی سہ ماہی کے آخر تک آمد کی توقع کے ساتھ، ماہرین صحت حکومتوں کو معاشی بحالی اور کووڈ-19 کے درمیان توازن برقرار رکھنے کا مشورہ دے رہے ہیں جس میں دوسرے پہلو پر زیادہ زور ہو۔

مستقبل کی توقعات

ہمارا خیال ہے کہ اسٹیٹ بینک بدستور مستحکم رہے گا اور شرح سود میں تیزی سے اضافہ نہیں کرے گا تاہم، افراط زر کی شرح میں اضافہ (9% یا اس سے زیادہ)، طلب کے مضبوط رجحانات اور اعلی مالیاتی استحکام کے ساتھ مل کر، توقعات سے پہلے ریٹ میں اضافے کا سبب بن سکتا ہے، تاہم امکانات کم ہیں۔
متعدد ساختی اصلاحات جاری ہیں، جہاں سرکلر قرضوں کے تصفیے اور ٹیکس اصلاحات کی بدولت 6 بلین ڈالر کے آئی ایم ایف پروگرام کی بحالی میں پیشرفت ہو سکتی ہے۔ ترسیلات زر کے معمول پر آنے (موجودہ رفتار 2 ارب ڈالر/ ماہانہ سے) کی وجہ سے کرنٹ اکاؤنٹ میں کچھ گراوٹ آ سکتی ہے۔ تاہم برآمدات میں بتدریج بہتری سے مدد ملنی چاہیے۔
اسٹیٹ بینک کے مطابق مالی سال 2021 میں جی ڈی پی کی حقیقی نمو 2 فیصد تک بڑھنے کا امکان ہے۔ مالی حیثیت بدستور کمزور ہے لیکن توقع ہے کہ ٹیکس کی بنیاد وسیع تر کرنے کے ذریعے ٹیکس محصولات کی پیداوار میں اضافے کے ہدف کے ساتھ ٹیکس اصلاحات کی بدولت اس میں بہتری آئے گی۔ اگلے 6 ماہ میں ممکنہ کووڈ-19 ویکسین کے بارے میں صورتِ حال واضح ہو جانی چاہیے جس سے انفیکشن کی جاری دوسری لہر سے پیدا ہونے والے جھٹکے برداشت کرنا آسان ہو جائے گا۔

اظہار تشکر

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

برائے و منجانب بورڈ

چیف ایگزیکٹو آفیسر　　　　　　　　ڈائریکٹر

تاریخ: 22 اکتوبر 2020

Condensed Interim Statement of Assets and Liabilities
As at September 30, 2020

	Note	**September 30, 2020 (Unaudited)**	June 30, 2020 (Audited)
		(Rupees)	
Assets			
Bank balances	6	**269,893,403**	286,244,205
Investments	7	**3,399,606,624**	2,712,959,818
Dividend and profit receivable		**13,226,445**	7,271,213
Advances, deposits and Prepayments		**3,240,951**	6,436,750
Receivable against sale of marketable securities		**14,689,620**	28,069,401
Total assets		**3,700,657,043**	3,040,981,387
Liabilities			
Payable to the Management Company	8	**28,030,482**	22,324,741
Remuneration payable to the Trustee		**428,226**	737,341
Annual fee payable to Securities and Exchange Commission of Pakistan		**174,115**	616,243
Accrued expenses and other liabilities	11	**54,755,720**	39,921,191
Payable against purchase of marketable securities		**36,962,014**	45,792,777
Total liabilities		**120,350,557**	109,392,293
Contingencies and commitments	13		
Net assets		**3,580,306,486**	2,931,589,094
Unit holders' fund (as per the statement attached)		**3,580,306,486**	2,931,589,094
		(Number of units)	
Number of units in issue (face value: Rs 100 per unit)		**34,755,939**	33,348,429
		(Rupees)	
Net assets value per unit		**103.0127**	87.9078

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

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

Condensed Interim Income Statement (Unaudited)
For the quarter ended September 30, 2020

	Note	2020	2019
		(Rupees)	
Income			
Gain / (loss) on sale of held for trading investments - net		**160,967,983**	(97,768,456)
Unrealised gain / (loss) on revaluation of held for trading investments - net	7.1	**362,733,739**	(101,822,788)
		523,701,722	(199,591,244)
Dividend income on held for trading investment		**11,467,478**	39,625,368
Return / markup on:			
- bank balances		**7,366,676**	11,962,899
- Government Securities		**53,239**	-
		542,589,115	(148,002,977)
Expenses			
Remuneration of the Management Company		**17,414,004**	14,273,049
Sindh Sales Tax on remuneration of the Management Company		**2,263,820**	1,855,496
Remuneration of the Trustee		**1,268,713**	1,090,471
Annual fee to the Securities and Exchange Commission of Pakistan		**174,140**	142,731
Auditors' remuneration		**75,224**	77,659
Fees and subscription		**166,055**	153,643
Brokerage expenses		**3,593,921**	1,949,163
Settlement charges		**129,500**	161,284
Bank and other charges		**10,475**	18,810
		25,095,852	19,722,306
Net income / (loss) from operating activities		**517,493,263**	(167,725,283)
Sindh Workers' Welfare Fund		**(10,349,865)**	-
Net income / (loss) for the period before taxation		**507,143,398**	(167,725,283)
Taxation	12	-	-
Net income / (loss) for the period after taxation		**507,143,398**	(167,725,283)
Allocation of Net Income for the period:			
Net income for the period		**507,143,398**	-
Income already paid on units redeemed		**(2,782,013)**	-
Accounting income available for distribution		**504,361,385**	-
Relating to capital gains / (loss)		**523,701,722**	-
Excluding capital gains		**(19,340,337)**	-
Accounting income available for distribution		**504,361,385**	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

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

Condensed Interim Statement of Comprehensive Income (Unaudited)
For the quarter ended September 30, 2020

	2020	2019
	(Rupees)	
Net income / (loss) for the period	**507,143,398**	(167,725,283)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	**507,143,398**	(167,725,283)

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Condensed Interim Statement Of Movement In Reserve Or Unit Holders' Fund (Unaudited)
For the quarter ended September 30, 2020

	For the quarter ended September 30, 2020			For the quarter ended September 30, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	-----------------------------(Rupees)-----------------------------					
Net assets at beginning of the period	**3,422,375,365**	**(490,786,271)**	**2,931,589,094**	3,619,878,492	(326,402,761)	3,293,475,731
Issuance of 2,003,729 units (2019: 1,924,169)						
- Capital value	**176,143,367**	**-**	**176,143,367**	175,250,209	-	175,250,209
- Element of loss	**15,578,646**	**-**	**15,578,646**	(8,462,703)	-	(8,462,703)
Total proceeds on issuance of units	**191,722,013**	**-**	**191,722,013**	166,787,506	-	166,787,506
Redemption of 596,348 units (2019: 6,576,348)						
- Capital value	**(47,366,006)**	**-**	**(47,366,006)**	(598,963,297)	-	(598,963,297)
- Element of income		**(2,782,013)**	**(2,782,013)**	47,950,193	-	47,950,193
Total payments on redemption of units	**(47,366,006)**	**(2,782,013)**	**(50,148,019)**	(551,013,104)	-	(551,013,104)
Total comprehensive income / (loss) for the period	**-**	**507,143,398**	**507,143,398**	-	(167,725,283)	-167,725,283
Net assets as at end of the period	**3,566,731,372**	**13,575,114**	**3,580,306,486**	3,235,652,894	(494,128,044)	2,741,524,850
Undistributed income brought forward:						
- Realized income		**(383,727,787)**			345,197,337	
- Unrealized income		**(107,058,484)**			(671,600,098)	
		(490,786,271)			(326,402,761)	
Accounting income available for distribution:						
Relating to capital gains		**-**			-	
Excluding capital gains		**-**			-	
		-			-	
Net income / (loss) for the period after taxation		**507,143,398**			(167,725,283)	
Undistributed income / (loss) at end of the period		**16,357,127**			(494,128,044)	
Undistributed income brought forward:						
- Realized income		**(346,376,612)**			(392,305,256)	
- Unrealized (loss) / income		**362,733,739**			(101,822,788)	
Undistributed income / (loss) at end of the period		**16,357,127**			(494,128,044)	
Net assets value per unit at beginning of the period			**87.9078**			91.0784
Net assets value per unit at end of the period			**103.0127**			87.0085

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

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

Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended September 30, 2020

	2020	2019
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period	**507,143,398**	(167,725,283)
Adjustments for:		
(Gain) / loss on sale of held for trading investments - net	**(160,967,983)**	97,768,456
Unrealised (gain) / loss on revaluation of held for trading investments - net	**(362,733,739)**	101,822,788
	(16,558,324)	31,865,961
Decrease / (Increase) in assets		
Investments	**(162,945,084)**	399,400,997
Dividend and profit receivable	**(5,955,232)**	(21,246,804)
Receivable against sale of marketable securities	**13,379,781**	(25,735,572)
Advances, deposits and Prepayments	**3,195,799**	(519,307)
	(152,324,736)	351,899,314
(Decrease) / Increase in liabilities		
Payable to the Management Company	**5,705,741**	(4,980,850)
Remuneration payable to the Trustee	**(309,115)**	(71,234)
Annual fee payable to Securities and Exchange Commission of Pakistan	**(442,128)**	(3,105,541)
Payable against purchase of marketable securities	**(8,830,763)**	(7,687,949)
Accrued expenses and other liabilities	**14,834,529**	1,566,019
	10,958,264	(14,279,555)
Net cash (flows) / generated from operating activities	**(157,924,796)**	369,485,720
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	**191,722,013**	166,787,506
Payments on redemption of units	**(50,148,019)**	(551,013,104)
Net cash (used in) / generated from financing activities	**141,573,994**	(384,225,598)
Net increase in cash and cash equivalents during the period	**(16,350,802)**	(14,739,878)
Cash and cash equivalents at beginning of the period	**286,244,205**	474,086,705
Cash and cash equivalents at end of the period	**269,893,403**	459,346,827

The annexed notes from 1 to 17 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

Notes to the Condensed Interim Financial Statements (Unaudited)
For the quarter ended September 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

1.3 The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units can also 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 28, 2020 (AM2+ as on August 29, 2019).

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

1 Year : 3-Star
3 Year : 3-Star
5 Year : 3-Star

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 30 June 2020 has been extracted from the audited financial statements of the Company for the year ended 30 June 2020, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the quarter ended 30 September 2020 have been extracted from the unaudited condensed interim financial information for the period then ended.

2.2 This condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2020. However, selected explanatory notes are included to explain events and transactions that are significant.

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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2020.

2.3 Functional and presentation currency

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

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments are measured at fair value.

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 2020.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2020.

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 2020.

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees)	
6. BANK BALANCES			
In profit and loss sharing accounts	6.1	**269,885,700**	286,236,502
Current Account		**7,703**	7,703
		269,893,403	286,244,205

6.1 These accounts carry profit at the rates of 5.50% to 9.00% (June 30, 2020: 6.50% to 10.40%) per annum.

7. INVESTMENTS

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
At fair value through profit or loss - held for trading			
Listed equity securities	7.1	**3,365,247,177**	2,712,959,818
Government securities			
Market Treasury Bills	7.2	**34,359,447**	-

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	Period ended September 30, 2020										
	Number of Shares					Rupees			(%)		
	Holding as at July 01, 2020	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at September 30, 2020	Carrying value as of September 30, 2020	Market value as of September 30, 2020	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
Commercial Banks											
Bank Al-Habib Limited	1,340,340	779,420	-	-	2,119,760	118,519,511	136,872,903	18,353,392	4.07	3.82	0.19
Bank Al-Falah Limited	1,261,192	54,200	-	585,900	729,492	24,510,975	25,371,732	860,757	0.75	0.71	0.04
Habib Bank Limited	2,002,661	389,000	-	134,000	2,257,661	228,342,531	295,166,599	66,824,068	8.77	8.24	0.15
MCB Bank Limited	786,568	357,963	-	116,683	1,027,848	171,228,568	178,660,539	7,431,971	5.31	4.99	0.09
United Bank Limited	1,213,867	376,750	-	605,100	985,517	102,595,683	113,442,862	10,847,179	3.37	3.17	0.08
Bank of Punjab Limited	5,481,289	3,446,000	-	697,000	8,230,289	72,326,449	81,315,255	8,988,806	2.42	2.27	0.31
Meezan Bank Limited	1,019,750	313,500	75,055	628,700	779,605	49,232,745	64,091,327	14,858,582	1.90	1.79	0.08
						766,756,462	**894,921,217**	**128,164,755**	**26.59**	**25.00**	
Chemicals											
Engro Polymer & Chemicals Limited	1,636,342	-	-	1,119,800	516,542	12,903,219	20,795,981	7,892,762	0.62	0.58	0.01
ICI Pakistan Limited	72,700	9,250	-	31,507	50,443	35,071,959	36,500,050	1,428,091	1.08	1.02	0.01
Archroma Pakistan Limited	-	350	-	-	350	209,875	198,436	(11,439)	0.01	0.01	0.00
Sitara Peroxide Limited	-	1,144,000	-	-	1,144,000	31,799,485	25,110,800	(6,688,685)	0.75	0.70	0.00
Descon Oxychem Limited	1,052,500	426,000	-	254,500	1,224,000	39,811,462	54,969,840	15,158,378	1.63	1.54	0.81
						119,796,000	**137,575,107**	**17,779,107**	**4.09**	**1.60**	
Fertilizers											
Engro Corporation Limited (6.1.1)	608,148	-	-	55,915	552,233	161,759,797	166,238,399	4,478,602	4.94	4.64	0.01
Fauji Fertilizer Company Limited	1,469,792	433,800	-	150,015	1,753,577	191,969,947	189,368,780	(2,601,167)	5.63	5.29	0.01
						353,729,744	**355,607,179**	**1,877,435**	**10.57**	**9.93**	
Insurance											
Adamjee Insurance Company Limited	1,259,000	437,000	-	-	1,696,000	58,655,060	68,009,600	9,354,540	2.02	1.90	0.05
Pharma & Bio Tech											
The Searl Company Limited (6.1.2)	57,788	-	-	51,700	6,088	1,212,912	1,560,415	347,503	0.05	0.04	0.00
Ferozsons Laboratories Limited	9,480	-	-	9,480	-	-	-	-	-	-	0.00
GlaxoSmithKline Pakistan Limited	129,900	103,600	-	21,200	212,300	38,045,110	38,984,649	939,539	1.16	1.09	0.07
						39,258,022	**40,545,064**	**1,287,042**	**1.20**	**1.13**	
Textile Composite											
Nishat Mills Limited	1,043,200	-	-	135,500	907,700	70,809,677	91,741,239	20,931,562	2.73	2.56	0.03
Nishat Chunion Limited	384,000	-	-	384,000	-	-	-	-	-	-	0.00
Gul Ahmed Textile Mills Limited	1,842,000	-	-	540,000	1,302,000	37,276,260	48,590,640	11,314,380	1.44	1.36	0.30
						108,085,937	**140,331,879**	**32,245,942**	**4.17**	**2.56**	
Cement											
Lucky Cement Company Limited (6.1.1)	351,610	24,600	-	67,180	309,030	145,469,564	199,964,042	54,494,478	5.94	5.59	0.01
Kohat Cement Company Limited	37,000	-	-	37,000	-	-	-	-	-	-	0.00
D.G. Khan Cement Company Limited	459,500	-	-	266,800	192,700	16,443,091	19,869,297	3,426,206	0.59	0.55	0.04
Maple Leaf Cement Factory Limited	1,771,245	507,500	-	642,400	1,636,345	46,552,144	58,728,422	12,176,278	1.75	1.64	0.15
Pioneer Cement Limited	365,700	187,000	-	172,700	380,000	29,952,730	34,466,000	4,513,270	1.02	0.96	0.17
Cherat Cement Company Limited	349,000	175,000	-	172,000	352,000	38,600,670	41,099,520	2,498,850	1.22	1.15	0.18
Fauji Cement Company Limited	3,273,000	2,764,000	-	247,500	5,789,500	105,505,192	115,095,260	9,590,068	3.42	3.21	0.42
						382,523,391	**469,222,541**	**86,699,150**	**13.94**	**7.78**	

Name of investee company	Holding as at July 01, 2020	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at September 30, 2020	Carrying value as of September 30, 2020	Market value as of September 30, 2020	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	Period ended September 30, 2020										
	Number of Shares					Rupees			(%)		
Power Generation & Distribution											
Hub Power Company Limited	1,697,316	-	-	400,198	1,297,118	94,041,055	101,771,878	7,730,823	3.02	2.84	0.10
Kot Addu Power Company Limited	-	2,928,500	-	-	2,928,500	83,407,730	77,195,260	(6,212,470)	2.29	2.16	0.08
						177,448,785	**178,967,138**	**1,518,353**	**5.32**	**5.00**	
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (6.1.2)	115,122	-	-	27,220	87,902	108,704,008	120,383,547	11,679,539	3.58	3.36	0.01
Oil and Gas Development Company Ltd (6.1.1)	1,240,071	355,700	-	182,994	1,412,777	156,407,018	146,363,697	(10,043,321)	4.35	4.09	0.03
Pakistan Oilfield Limited	246,449	60,748	-	47,500	259,697	94,639,043	109,418,137	14,779,094	3.25	3.06	0.09
Pakistan Petroleum Limited (6.1.1)	658,210	737,600	-	84,000	1,311,810	122,712,654	120,765,229	(1,947,425)	3.59	3.37	0.05
						482,462,723	**496,930,610**	**14,467,887**	**14.77**	**13.88**	
Oil and Gas Marketing Companies											
Attock Petroleum Limited	94,700	-	-	94,700	-	-	-	-	-	-	0.00
Hi-tech Limited	731,000	-	-	731,000	-	-	-	-	-	-	0.00
Pakistan State Oil Company Limited (6.1.2)	376,507	507,537	-	87,560	796,484	147,383,105	159,456,097	12,072,992	4.74	4.45	0.17
Sui Northern Gas Pipeline Limited	1,357,383	314,500	-	809,000	862,883	48,132,897	53,334,798	5,201,901	1.58	1.49	0.14
						195,516,002	**212,790,895**	**17,274,893**	**6.32**	**5.94**	
Food and Personal Care Products											
Fauji Foods Limited	-	-	-	-	-	-	-	-	-	-	0.00
Technology and Communication											
Systems Limited	-	-	-	-	-	-	-	-	-	-	0.00
Automobile Assembler											
Indus Motor Company Limited	63,900	22,950	-	24,450	62,400	67,900,209	79,880,736	11,980,527	2.37	2.23	0.08
Glass and Ceramics											
Tariq Glass Industries Limited	732,530	-	-	537,400	195,130	12,589,788	17,680,729	5,090,941	0.53	0.49	0.18
Automobile and Parts											
Thal Limited	45,550	-	-	700	44,850	14,573,559	18,851,801	4,278,242	0.56	0.53	0.30
Automobile Assemblers											
Agriauto Industries Limited	94,259	80,200	-	8,400	166,059	32,936,412	40,020,219	7,083,807	1.19	1.12	1.15
Engineering											
International Industries Limited	-	617,600	-	-	617,600	84,681,300	89,514,944	4,833,644	2.66	2.50	
Mughal Iron & Steel Industries Limited	1,127,100	-	-	1,127,100	-	-	-	-	-	-	0.00
International Steels Limited	893,500	222,500	-	425,000	691,000	42,146,405	53,234,640	11,088,235	1.58	1.49	0.16
Aisha Steel Mills Limited	2,762,500	4,468,000	-	2,703,600	4,526,900	63,452,840	71,162,878	7,710,038	2.11	1.99	0.59
						190,280,545	**213,912,462**	**23,631,917**	**6.36**	**3.99**	
Food & Personal Care Products											
The Organic Meat Company Limited	-	803,712	-	803,712	-	-	-	-	-	-	-
Total as at September 30, 2020						**3,002,512,639**	**3,365,247,177**	**362,734,538**	**100**	**83**	
Total cost as at September 30, 2020						**3,200,374,422**					
Total as at June 30, 2020						2,820,018,302	2,712,959,818	(107,058,484)	100	88	
Total cost as at June 30, 2020						2,786,724,992					

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

	September 30 2020	June 30 2020	September 30 2020	June 30 2020
	------(Number of shares)------		--------(Rupees)--------	
Engro Corporation Limited	**160,000**	160,000	**48,164,800**	46,867,200
Oil and Gas Development Company Limited	**70,000**	70,000	**7,252,000**	7,630,000
Pakistan Petroleum Limited	**330,000**	330,000	**30,379,800**	28,637,400
Lucky Cement Company Limited	-	-	-	-
	560,000	560,000	**85,796,600**	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. 3.99 million at September 30, 2020 (June 30, 2020: Rs. 3.33 million) and not yet deposited on CDC account of department of Income Tax. Management is of the view that the decision will be in favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value of its investments.

7.2 Market Treasury Bills

	-------------------- Number of treasury bills --------------------				Balance as at September 30, 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 / (diminution)	Market value as a percentage of netassets of the Fund	Market value as a percentage of total investments
					------------------ Rupees ------------------				
Government Securities									
6 Months Market Treasury Bills (face value of Rs. 100,000 each)	-	345,000	-	345,000	34,360,246	34,359,447	(799)	0.96%	1.01%
September 30, 2020					**34,360,246**	**34,359,447**	**(799)**	**0.96%**	**1.01%**
June 30, 2020					-	-	-	-	-

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees)	
8. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	8.1	**6,001,432**	952,104
Sindh Sales Tax on Management Company's remuneration		**3,479,612**	2,823,199
Federal Excise Duty on Management Company's remuneration	8.2	**18,483,430**	18,483,430
Sales load payable to the Management Company		**66,008**	66,008
		28,030,482	22,324,741

8.1 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 30 September 2020. Remuneration is paid to the Management company in arrears on a monthly basis.

The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2019: 13%) on Management Company's remuneration. Above liability includes Rs. 2,699,429 (30 June 2020: Rs. 2,699,429) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 8.3 below. Had the provision on FED not been made, Net Asset Value per unit of the Fund as at 30 September 2020 would have been higher by Re. 0.0777 (30 June 2020: Re. 0.0809) per unit. The amount is payable to the management company for onwards payment to the Government

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

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

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

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period up to 30 June 2016 aggregating to Rs. 18.843 million. Had the provision not been made, NAV per unit of the Fund as at 30 September 2020 would have been higher by Re. 0.5318 (30 June 2020: Re. 0.5543) per unit.

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
9. ACCRUED EXPENSES AND OTHER LIABILITIES		(Rupees)	
Withholding tax payable		**672,848**	-
Payable to Sindh workers' welfare fund	11.1	**48,446,759**	38,096,893
Brokerage payable		**4,751,602**	1,157,682
Auditors' remuneration		**77,279**	189,166
Fee payable to Central Depository Company of Pakistan Limited		**22,600**	22,600
Fee payable to National Clearing Company of Pakistan Limited		**30,000**	35,000
Payable against Rating fee		**16,130**	133,100
Payable against Professional tax fee		**287,433**	266,750
Transfer load payable		**431,069**	-
Other liabilities		**20,000**	20,000
		54,755,720	39,921,191

9.1 Provision for Sindh Workers' Welfare Fund is being made on a daily basis going forward pursuant to MUFAP's recommendation to all its members on 12 January 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. This is on the premise that mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001 hence WWF is payable by them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excludedfrom the applicability of SWWF, but as a matter of abundant caution management has recorded SWWF with effect from the date of the applicability of the SWWF Act, 2014 (i.e. with effect from 01 July 2014).

Total provision for SWWF till 30 September 2019 is Rs. 38.069 million. Had the provision not been made, Net Asset Value per unit of the Fund as at 30 September 2020 would have been higher by Re. 1.39 (30 June 2020: Re. 1.14) per unit.

10. COVID 19 RELATED IMPACT

The coronavirus pandemic and the measures to reduce its spread have significantly impacted Pakistan’s economy. Regulators and Governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact. SECP and SBP has responded to the crisis by taking measures to maintain system soundness and to sustain the economic activity. The Fund's operations were also affected although it were operated under all necessary Standard Operating Procedures (SOPs) issued by the Government to ensure the safety of employees and smooth and adequate continuation of its business and sound business and risk management procedures. However, the economy had an effect and the Fund also being part of the economy had an impact. Nonetheless, the management is of the view that with improving medical situation and also the economy and its opening up, and is also evident for the significant rise in the PSX index subsequent to the year end, the Fund's performance going forward will improve further so as to support the sustainable performance and the growth of the Fund.

11. TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the

Fund. TER of the Fund for the quarter ended September 30, 2020 is 4.08% which includes 1.54% representing government levies (comprising of Workers Welfare Fund and SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be caped up to 4.5% (Sep 30, 2019: 4.5%).

12. CONTINGENCIES AND COMMITMENTS

The fund had no contingency or commitment at the period end except as those mentioned elsewhere in these fnancial statements.

13. TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. 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 management intends to distribute atleast 90% of the income earned by the year end by this Fund to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial statement.

14. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the ManagementCompany, Central Depository Company of Pakistan Limited (CDC) being the trustee, Habib Bank AG Zurich Switzerland being the Custodian, 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 30 September 2020. It also includes staffretirement 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:

14.1 Balance as at period / year ended	**September 30, 2020 (Unaudited)**	June 30, 2020 (Audited)
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable (including the Sindh sales tax and federal excise duty amounting to Rs. 27.964 million (30 June 2020: Rs. 22.258 million)*	**27,964,474**	22,258,733
Sales load payable	**66,008**	66,008

*Sales tax and FED is paid / payable to the management company for onward payment to the Government.

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees)	
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	**428,226**	737,341
Security deposit	**100,000**	100,000
Settlement charges payable	**22,600**	22,600

14.2 Transactions during the period

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	(Unaudited) (Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration to the Management Company	**17,414,004**	14,273,049
Sindh sales tax on remuneration of Management Company *	**2,263,820**	1,855,496

*Sales tax and FED is paid / payable to the management company for onward payment to the Government.

Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the period	**1,268,713**	1,090,471
Settlement charges	-	30,284

13.3 This reflects the position of related party / connected person status that existed as at September 30, 2020.

13.4 Remuneration payable to the Management Company and the Trustee has been determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

13.5 Purchase and redemption of the Fund's unit by related parties / connected persons are recorded at the applicable net asset value per unit. Other transactions are at agreed rates.

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

	Quarter ended September 30, 2020							
	Number of Units				Rupees			
	Number of units as at 01 July 2020	Units issued during the year	Units redeemed during the year	Number of holdings at the year ended 30 September 2020	Balance as at July 01, 2020	Units issued during the year	Units redeemed during the year	Balance at the year ended 30 September 2020 (Investment at current NAV)
Lakson Investments Limited - Management Company of the Fund	837,657			837,657	73,636,573			86,289,296
Directors, Chief Executive and their spouse and minors	5,675,136	1,834,195	80,424	7,428,906	498,888,702	182,955,331	8,200,000	765,271,687
Other key management personnel	74,086		20,669	53,418	6,512,764		2,021,517	5,502,700
Associated companies / undertakings of the Management Company								
Accuracy Surgical Limited Employees Contributory Provident Fund	41,593			41,593	3,656,309			4,284,561
Century Insurance Co. Ltd., GF	33,745			33,745	2,966,467			3,476,186
Century Insurance Company Limited	1,416,940			1,416,940	124,560,111			145,962,853
Century Insurance Company Limited Employees Contributory Provident Fund	47,177			47,177	4,147,222			4,859,826
Century Paper & Board Mills Limited Employees Contributory Provident Fund	591,116			591,116	51,963,710			60,892,458
Century Paper & Board Mills Limited EGF	487,945			487,945	42,894,206			50,264,572
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund	531,212			531,212	46,697,664			54,721,566
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	517,985			517,985	45,534,928			53,359,041
Cyber Internet Services (Pvt.) Ltd. Employees Contributory Provident Fund	234,005			234,005	20,570,845			24,105,463
Gam Corporation Private Limited Employees Contributory Provident Fund	135,371			135,371	11,900,192			13,944,962
Hasanali Karabhai Foundation Employees Contributory Provident Fund	17,040			17,040	1,497,929			1,755,313
Lakson Business Solutions Limited Employees Contributory Provident Fund	1,263			1,263	110,998			130,070
Merit Packaging Limited Employees Contributory Provident Fund	82,523			82,523	7,254,406			8,500,907
Merit Packaging Limited Employees Gratuity Fund	38,781			38,781	3,409,112			3,994,888
Premier Fashions (Private) Limited	115,684			115,684	10,169,550			11,916,949
Siza Commodities Private Limited	5,969,024			5,969,024	524,723,750			614,885,258
Siza Foods Private Limited Employees Contributory Provident Fund	97,081			97,081	8,534,219			10,000,625
Siza Private Limited	174,289		174,289	-	15,321,389		16,963,770	-
Siza Service (Private) Limited	304,247			304,247	26,745,684			31,341,304
Siza Services Private Limited Employees Contributory Provident Fund	24,775			24,775	2,177,907			2,552,130
Sybrid Private Limited Employees Contributory Provident Fund	53,234			53,234	4,679,658			5,483,748
Sindh General Provident Investment Fund (Being more than 10% unit holding)	3,794,238			3,794,238	333,543,127			390,854,714
Sindh Province Pension Fund (Being more than 10% unit holding)	5,511,586			5,511,586	484,511,387			567,763,340

	Quarter ended September 30, 2019							
	Number of Units				Rupees			
	Number of units as at 01 July 2019	Units issued during the year	Units redeemed during the year	Number of holdings at the year ended 30 September 2019	Balance as at July 01, 2019	Units issued during the year	Units redeemed during the year	Balance at the year ended 30 September 2019 (Investment at current NAV)
Lakson Investments Limited - Management Company of the Fund	837,657			837,657	76,292,428			86,289,274
Directors, Chief Executive and their spouse and minors	7,610,903	23	1,460,531	6,150,394	693,188,870	2,000	119,386,130	633,568,715
Other key management personnel	88,984	4,837		93,820	8,104,483	400,000		9,664,666
Associated companies / undertakings of the Management Company								
Century Insurance Company Limited	1,825,550		1,181,078	644,471	166,268,140		100,000,000	66,388,744
Siza Service (Private) Limited	4,573,911		1,143,478	3,430,433	416,584,461		93,412,281	353,378,151
Premier Fashions (Private) Limited	2,459,304		615,000	1,844,304	223,989,502		49,507,992	189,986,766
Siza Private Limited	1,838,321		476,000	1,362,321	167,431,358		39,039,378	140,336,390
Century Insurance Company Limited Employees Contributory Provident Fund	29,774			29,774	2,711,792			3,067,127
Century Insurance Company Limited Employees Contributory Provident Fund	38,321			38,321	3,490,215			3,947,550
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund	387,239	143,973		531,212	35,269,099	12,575,000		54,721,566
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	328,502	189,483		517,985	29,919,437	16,550,000		53,359,062
Siza Foods Private Limited Employees Contributory Provident Fund	53,174	43,907		97,081	4,843,004	3,835,000		10,000,625
Accuracy Surgical Limited Employees Contributory Provident Fund	36,441	5,152		41,593	3,318,966	450,000		4,284,594
Cyber Internet Services (Pvt.) Ltd. Employees Contributory Provident Fund	142,526	91,479		234,004	12,981,018	7,990,000		24,105,424
Gam Corporation Private Limited Employees Contributory Provident Fund	74,977	60,394		135,371	6,828,771	5,275,000		13,944,939
Lakson Business Solutions Limited Employees Contributory Provident Fund	1,263			1,263	115,032			130,105
Century Paper & Board Mills Limited Employees Contributory Provident Fund	397,511			397,511	36,204,694			40,948,713
Century Paper & Board Mills Limited Employees Contributory Provident Fund	298,806			298,806	27,214,783			30,780,824
Sybrid Private Limited Employees Contributory Provident Fund	32,396	20,837		53,234	2,950,601	1,820,000		5,483,748
Merit Packaging Limited Employees Contributory Provident Fund	59,339	23,185		82,523	5,404,484	2,025,000		8,500,950
Merit Packaging Limited Employees Gratuity Fund	24,298	14,483		38,781	2,213,023	1,265,000		3,994,952
Princeton Traveles Limited Employees Contributory Provident Fund	5,496			5,496	500,574			566,166
Siza Services Private Limited Employees Contributory Provident Fund	24,775			24,775	2,256,459			2,552,130
Hasanali Karabhai Foundation Employees Contributory Provident Fund	17,040			17,040	1,551,956			1,755,313
Sindh Province Pension Fund (Being more than 10% unit holding)	4,244,495			4,244,495	386,581,831			437,236,910

15. 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).

- nputs 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 and financial liabilities, including their levels in the fair value hierarchy.

Investments of the Fund carried at fair value are categorised as follows:

	As at September 30, 2020			
	-------------------- Un-audited --------------------			
	Level 1	**Level 2**	**Level 3**	**Total**
	-------------------- Rupees --------------------			
Financial assets at fair value trough profit and loss account	3,365,247,177	34,359,447	-	3,399,606,624

	As at June 30, 2020			
	-------------------- Audited --------------------			
	Level 1	Level 2	Level 3	Total
	-------------------- Rupees --------------------			
Financial assets at fair value trough profit and loss account	2,712,959,818	-	-	2,712,959,818

16. GENERAL

Figures have been rounded off to the nearest rupee.

17. DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorised for issue on October 22, 2020 by the Board of Directors of the Management Company.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

A Lakson Group Company

Lakson Investments Limited
Lakson Square, Building No. 2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan
T +92.21 3840.0000
F +92.21 3568.1653

Lakson Investments (DIFC) Limited
(Regulated by the DFSA)
Level 15, Gate Building
DIFC, P.O. Box 507054
Dubai, U.A.E.
T +971.4 401.9284
F +971.4 401.9578