LAKSON ISLAMIC TACTICAL FUND

Quarterly Report (September 30, 2020)

LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

CONTENTS

Fund's Information

Management Company	Lakson Investments Limited Head Office Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan. Phone: (9221) 3840.0000 Fax: (9221) 3568.1653 Web site: www.li.com.pk E-mail: info@li.com.pk
Board of Directors of the Management Company	Mr. Iqbal Ali Lakhani - Chairman Mr. Babar Ali Lakhani - Chief Executive Officer Mr. Jamil Ahmed Mughal Mr. Amin Mohammed Lakhani Mr. Jacques John Visser Ms. Roxanne Davies Ms. Gaite Ali Ms. Kathleen Kennedy Townsend
Chief Financial Officer & Company Secretary of the Management Company	Mr. Salman Shafiq Hashmi
Audit Committee	Mr. Jacques John Visser - Chairman Mr. Amin Mohammed Lakhani Mr. Iqbal Ali Lakhani Mr. Jamil Ahmed Mughal
Human Resource and Remuneration Committee	Ms. Gaite Ali - Chairman Mr. Babar Ali Lakhani Mr. Iqbal Ali Lakhani
Trustee	Central Depository Company of Pakistan Limited CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, Pakistan.
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No.2, Beaumont Road, Karachi - 75530, Pakistan
Bankers to the Fund	Habib Bank AG Zurich Habib Metropolitan Islamic Bank Limited Bank Islami Pakistan Limited Al Baraka Bank (Pakistan) Limited Dubai Islamic Bank Pakistan Limited
Legal Adviser	Fazleghani Advocates F-72/I, Block 8, KDA-5, Kehkashan, Clifton, Karachi, Pakistan.

Shari'ah Adviser	Al Hilal Shariah Advisors
Registrar	Lakson Investments Limited Lakson Square Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan
Distributor	Rabia Fida BMA Capital Management Limited
Rating	1 Year ranking : 5-Star 3 Year ranking : 4-Star 5 Year ranking : 2-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 Islamic Tactical Fund ("LITF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended September 30, 2020

Fund Objective

The investment objective of the LITF is to provide long-term capital appreciation by exclusively investing in Shari'ah Compliant avenues including equities, fixed income instruments and emerging market securities.

Principal activities

LITF is an open-end asset allocation fund and is listed on Pakistan Stock Exchange Limited. The Fund is managed using an active investment management style which focuses on an analysis of the macro factors such as government policies, global economic data, commodities prices and supply/demand dynamics. The Fund switches exposure between equities and fixed income based on the outlook of the investments team. Exposure of the Scheme in fixed income securities is managed through duration and yield curve management.

Fund performance

LITF provided return of 10.65% for Q1FY21 against the Benchmark return of 10.08%. As of September 30, 2020, the Fund had 49.5% exposure in Equities, 45.8% in Cash, and 2.9% in Sukuk on a total asset basis.

Earning per Unit (EPU)

EPU has not been disclosed as we feel the determination of weighted average units for calculating EPU is not practicable for open end funds.

Economic Review

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.

Fixed Income Market Review

The Government of Pakistan raised PKR1.9tn in three Treasury Bills auction during 3QCY20 - similar to 2QCY20 - but lower vs. PKR6.1tn in 3QCY19 with SBP's appetite remaining limited. Cut of yields at the end of the quarter stood at 7.13%/7.18% and 7.31% for 3M/6M and 12M tenors at the end of Sep'20 vs. 6.85%, 6.66% and 6.85% at the end of June'20. The SBP decided to maintain rates at 7.0% in Sep'20. In the PIBs auction, bids accepted by SBP declined to PKR249bn in 3QCY20 vs. PKR963bn in SPLY (and PKR399bn in 2QCY20). Cut off yields for 3YR, 5YR and 10YR tenors declined to 8.2%, 8.45% and 8.99% during the quarter (vs. 7.97%, 8.44% and 8.99% at the end of June'20).

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.

Emerging Market Review

The MSCI Emerging Markets Index increased 9.7% during the quarter. EM equities rose over a volatile quarter and pulled ahead of developed market stocks. Following the end of country wide lockdowns, continued policy easing, and progress in corona virus vaccine trials fueled an initial rally. Though sadly sentiments were diverted amid fresh COVID-19 outbreaks and heightened US-China tensions ahead of the US presidential election. Through the uncertainty EM currencies broadly strengthened themselves against the US dollar. Asian Markets like Taiwan, India, South Korea, and China soared on the back of strong investor interest in technology heavyweights. In India, better-than-expected corporate results were able to cushion the market against COVID-19's sustained spread.

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.

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 اسلامک ٹیکٹیکل فنڈ
30 ستمبر 2020ء کوختم ہونے والی مدت کے لیے
مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

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

فنڈ کا مقصد

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

نمایاں سرگرمیاں

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

فنڈ کی کارکردگی

لیکسن اسلامک ٹیکٹیکل فنڈ نے بینچ مارک منافع %10.08 کے مقابلے میں مالی سال 2021 کی پہلی سہ ماہی کے لیے %10.65 منافع فراہم کیا۔
30 ستمبر 2020 کے مطابق فنڈ مجموعی اثاثوں کی بنیاد پر ایکویٹی میں %49.5، کیش میں %45.8 اور صکوک میں %2.9 سرمایہ کاری رکھتا ہے۔

فی یونٹ آمدنی (EPU)

فی یونٹ آمدنی (EPU) ظاہر نہیں کی گئی ہے کیوں کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے تخمینہ شدہ 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 %9-7 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 بلند ترین 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 جا رہی ہے۔

فکسڈ انکم مارکیٹ کا جائزہ

حکومت پاکستان نے سال 2020 کی دوسری سہ ماہی کی طرح سال 2020 کی تیسری سہ ماہی کے دوران ٹریژری بلوں کی نیلامی میں 1.9 ٹریلین روپے جمع کیے، تاہم سال 2019 کی تیسری سہ ماہی میں روپے کے مقابلے میں کم جب کہ اسٹیٹ بینک آف پاکستان کی طلب محدود رہی۔ سہ ماہی کے اختتام پر جون 2020 کے اختتام پر 6.85%، 6.66% اور 6.85% کے مقابلے میں ستمبر 2020 کے اختتام پر سہ ماہی/ششماہی اور بارہ ماہی میعادوں کے لیے حتمی آمدن سہ ماہی کے آخر میں بالترتیب 7.18%/7.13% اور 7.31% فیصد رہی۔ اسٹیٹ بینک آف پاکستان نے ستمبر 2020 میں شرح 7.0% پر برقرار رکھنے کا فیصلہ کیا۔ پی آئی بی کی نیلامی میں اسٹیٹ بینک آف پاکستان کی طرف سے قبول کردہ بولیاں گزشتہ سال اسی مدت میں 963 ارب روپے (اور 2019 کی دوسری سہ ماہی میں 399 ارب روپے) کے مقابلے میں سال 2020 کی تیسری سہ ماہی میں 249 ارب روپے تک گر گئیں۔
پی کے آر 249bn سے 3QCY20 بمقابلہ PKR963bn سے SPLY (اور 2QCY20 میں PKR399bn) سے انکار ہو گئیں۔
سہ ماہی کے دوران 3 سالہ، 5 سالہ اور 10 سالہ میعادوں کے لیے حتمی آمدن (جون 2020 کے اختتام پر 7.97%، 8.44% اور 8.99% کے مقابلے میں) 8.2%، 8.45% اور 8.99% تک گر گئی۔

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 کیلنڈر 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 کیلنڈر سال 2020 کی تیسری سہ ماہی میں تجارتی سرگرمی تیزی پکڑنے لگی۔ گزشتہ سال اسی مدت میں 49 ملین ڈالر کے مقابلے میں کیلنڈر سال 2020 کے 9 ماہ میں KSE آل شیئرز ADTO میں اوسطاً 94 ملین ڈالر تک اضافہ ہوا۔ عالمی سطح پر رسک دور کرنے کے جذبات کے نتیجے میں کیلنڈر سال 2020 کے 9 ماہ میں 387 ملین ڈالر کے خالص FIPI کا انخلا ہو (کیلنڈر 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۔

ایمرجنگ مارکیٹ کا جائزہ

MSCI ایمرجنگ مارکیٹس انڈیکس میں سہ ماہی کے دوران 9.7 فیصد اضافہ ہوا ہے۔ ایک غیر مستحکم سہ ماہی میں EM ایکویٹیز میں اضافہ ہوا اور وہ ڈیویلپڈ مارکیٹس اسٹاک سے آگے بڑھ گئیں۔ ملک بھر میں لاک ڈاؤن کے خاتمے کے بعد، پالیسی میں نرمی، اور کورونا وائرس ویکسین کی آزمائش میں پیشرفت نے ابتدائی تیزی کو ہوا دی۔ تاہم افسوس کووڈ-19 کے تازہ پھیلاؤ اور امریکی صدارتی انتخابات سے قبل امریکا چین تناؤ میں اضافہ کے دوران جذبات کے رخ میں تبدیلی آئی۔ غیر یقینی صورتحال کے ذریعے EM کرنسیوں نے امریکی ڈالر کے مقابلے میں بڑے پیمانے پر خود کو مضبوط کیا۔ تائیوان، ہندوستان، جنوبی کوریا، اور چین جیسی ایشین مارکیٹس میں ٹیکنالوجی ہیوی ویٹ میں سرمایہ کاروں کی زبردست دلچسپی کی بدولت تیز رفتار اضافہ ہوا۔ انڈیا میں، توقع سے بہتر کارپوریٹ نتائج کووڈ-19 کے مسلسل پھیلاؤ کے خلاف مارکیٹ کو مضبوط بنانے میں کامیاب رہے۔

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 (61.2%:2009) جہاں ترقی یافتہ معیشتوں میں 7% جب کہ ترقی پزیر اور ابھرتی معیشتوں میں 2.5% کی 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 جا رہے ہیں۔

جون 2020 کے وسط میں پاکستان اپنی بلند ترین 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 آخر مئی سے اسمارٹ لاک ڈاؤن میں تبدیل کردیا 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 آرہے ہیں۔

تاہم کسی قابل 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 ہوسکتی ہے۔ ترسیلات زر کے معمول پر آنے (موجودہ رفتار 2 ارب ڈالر/ ماہانہ سے) کی وجہ سے کرنٹ اکاؤنٹ میں کچھ گراوٹ آسکتی 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 ہوجانی چاہیے جس سے انفیکشن کی جاری دوسری لہر سے پیدا ہونے والے جھٹکے برداشت کرنا آسان ہوجائے گا۔

اظہارِ 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 شکرگزار ہے۔ مینجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مندانہ انتظام وانصرام کے لیے مینجمنٹ کمپنی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے ومنجانب بورڈ

چیف ایگزیکٹیو آفیسر

ڈائریکٹر

تاریخ: 22 اکتوبر 2020

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

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees)	
ASSETS			
Bank balances	5	**110,905,698**	38,410,455
Investments	6	**126,817,476**	110,204,844
Dividend receivables		**382,031**	2,846
Deposit, prepayments and other receivables		**3,881,958**	3,778,734
Receivable against Settlement		**1,283,940**	2,197,465
TOTAL ASSETS		**243,271,103**	154,594,344
LIABILITIES			
Payable to the Management Company	7	**1,517,089**	1,343,076
Payable to the Trustee		**42,075**	62,590
Annual fee payable to Securities and Exchange Commission of Pakistan		**8,557**	29,212
Accrued expenses and other liabilities	8	**4,762,744**	1,092,725
Payable against Settlement		**2,223,550**	1,815,456
TOTAL LIABILITIES		**8,554,015**	4,343,059
NET ASSETS		**234,717,088**	150,251,285
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		**234,717,088**	150,251,285
CONTINGENCIES AND COMMITMENTS	11		
		(Number of units)	
Number of units in issue		**2,547,013**	1,804,011
		(Rupees)	
Net assets value per unit		**92.1538**	83.2873

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

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

	Note	2020	2019
		(Rupees)	
INCOME			
Capital gain / (loss) on sale of held for trading investments - net		**6,384,863**	(971,619)
Unrealised gain / (loss) on revaluation of held for trading investments - net	6	**8,415,826**	(5,142,433)
		14,800,689	(6,114,052)
Dividend income		**444,170**	1,181,832
Mark up on:			
- Banks		**791,779**	1,166,039
- Sukuks		**165,466**	334,526
- Commercial Paper		**248,257**	-
Exchange gain (loss) / gain on foreign currency deposits		**(157)**	(971)
Total income		**16,450,204**	(3,432,626)
EXPENSES			
Remuneration to the Management Company	7	**590,573**	430,125
Sindh Sales tax on remuneration to the Management Company		**76,775**	55,916
Remuneration to the Trustee		**96,690**	75,561
Annual fee to Securities and Exchange Commission of Pakistan		**8,557**	6,686
Shariah Advisor Fee		**40,290**	47,290
Brokerage, Settlement, Bank and other charges		**238,699**	118,021
Auditors' remuneration		**70,547**	67,057
Rating fee		**47,760**	47,760
Fees and subscription		**130,710**	120,151
Printing charges		-	-
Total expenses		**1,300,601**	968,567
Net income / (loss) from operating activities		**15,149,603**	(4,401,193)
Sindh Workers' Welfare Fund	8.1	**(302,992)**	-
Net income / (loss) for the period before taxation		**14,846,611**	(4,401,193)
Taxation	12	-	-
Net income / (loss) for the period after taxation		**14,846,611**	(4,401,193)
Allocation of net income for the period:			
Net income for the period		**14,846,611**	-
Income already paid on units redeemed		**(530)**	-
Accounting income available for distribution		**14,846,081**	-
-Related to capital gains - net		**14,800,689**	-
-Excluding capital gains		**45,392**	-
		14,846,081	-

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

For Lakson Investments Limited
(Management Company)

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

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

	2020	2019
	(Rupees)	
Net income / (loss) for the period	**14,846,611**	(4,401,193)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	**14,846,611**	(4,401,193)

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

For Lakson Investments Limited
(Management Company)

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

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

	2020			2019		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	---------------------------(Rupees)---------------------------					
Net assets at beginning of the period	**180,160,010**	**(29,908,725)**	**150,251,285**	168,874,818	(31,635,899)	137,238,919
Issuance of 744,769 units (2019: 47,502 units)						
- Capital value	**62,029,828**	**-**	**62,029,828**	3,909,997	-	3,909,997
- Element of loss	**7,747,350**	**-**	**7,747,350**	(157,496)	-	(157,496)
Total proceeds on issuance of units	**69,777,178**	**-**	**69,777,178**	3,752,501	-	3,752,501
Redemption of 1,767 units (2019: 5,423 units)						
- Capital value	**(157,456)**	**-**	**(157,456)**	(446,347)	-	(446,347)
- Element of income	**-**	**(530)**	**(530)**	26,335	-	26,335
Total payments on redemption of units	**(157,456)**	**(530)**	**(157,986)**	(420,012)	-	(420,012)
Distribution to the unit holders in cash	**-**	**-**	**-**		-	-
Accounting income for the period	**-**	**14,846,454**	**14,846,454**	-	-	-
Exchange (loss) on foreign currency deposits	**-**	**(157)**	**(157)**	-	-	-
Total comprehensive income for the period	**-**	**14,846,611**	**14,846,611**	-	(4,401,193)	(4,401,193)
Net assets as at end of the period	**249,779,732**	**(15,062,644)**	**234,717,088**	172,207,307	(36,037,092)	136,170,215
Undistributed income brought forward:						
- Realized (loss)		**(31,165,057)**			(12,303,548)	
- Unrealized (loss)		**1,256,332**			(19,332,351)	
		(29,908,725)			(31,635,899)	
Accounting income available for distribution:						
Relating to capital gains		**14,800,689**			-	
Excluding capital gains		**45,392**			-	
		14,846,081			-	
Total comprehensive income / (loss) for the period		**14,846,611**			(4,401,193)	
Undistributed (loss) / income at end of the period		**(15,062,114)**			(36,037,092)	
Undistributed (loss) / income carried forward						
- Realized (loss) / Income		**(23,477,940)**			(30,894,659)	
- Unrealized gain / (loss)		**8,415,826**			(5,142,433)	
		(15,062,114)			(36,037,092)	
Net assets value per unit at beginning of the period			**83.2873**			82.3129
Net assets value per unit at end of the period			**92.1538**			79.6615

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

For Lakson Investments Limited
(Management Company)

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

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

	2020	2019
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**14,846,611**	(4,401,193)
Adjustments for non-cash charges and other items:		
Capital loss on sale of investments - net	**(6,384,863)**	971,619
Unrealised loss in the fair value of investments classified as 'held for trading' - net	**(8,415,826)**	5,142,433
	45,922	1,712,859
(Increase) / Decrease in assets		
Investments - net	**(1,811,943)**	(1,042,557)
Mark-up receivable	**(379,185)**	(1,188,785)
Prepayment	**913,525**	(1,482,565)
Payable against Settlement	**(103,224)**	(105,894)
	(1,380,827)	(3,819,801)
(Decrease) / Increase in liabilities		
Payable to the Management Company	**174,013**	4,068
Payable to the Trustee	**(20,515)**	(40,249)
Annual fee payable to Securities and Exchange Commission of Pakistan	**(20,655)**	(149,587)
Accrued expenses and other liabilities	**3,670,019**	77,594
Payable against Settlement	**408,094**	614,040
	4,210,956	505,866
Net cash (used in) / generated from operating activities	**2,876,051**	(1,601,076)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	**69,777,178**	3,752,501
Cash paid on redemption of units	**(157,986)**	(420,012)
Net cash generated / (used in) financing activities	**69,619,192**	3,332,489
Net (decrease) / increase in cash and cash equivalents during the period	**72,495,243**	1,731,413
Cash and cash equivalents at the beginning of the period	**38,410,455**	40,838,183
Cash and cash equivalents at the end of the period	**110,905,698**	42,569,596

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

The Lakson Islamic Tactical Fund (formerly Lakson Asset Allocation Emerging Markets Fund) (the "Fund") was established under the Trust Deed executed on 30 May 2011 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 by the Securities and Exchange Commission of Pakistan (SECP) on 7 July 2011 in accordance with the Non-Banking Finance Companiesand Notified Entities Regulations, 2008 (NBFC Regulations).

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

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

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

Further, as allowed by SECP and the State Bank of Pakistan, the Fund can invest abroad up to 30% of the aggregated funds mobilized (including foreign currency funds) subject to a maximum limit of USD 15 million. The investments authorized outside Pakistan include exchange traded funds based on equities / debt with exposure in the commodities, index tracker funds tracking different commodities indices, actively managed commodities based funds, equities and debt securities of companies with exposure in commodities, future contracts of different commodities and foreign currency deposits etc.

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

Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 28 August 2020 (2019: AM2+ as on 29 August 2019).

On 21 October 2020, VIS assigned following rankings to the Fund based on the performance review for the period ended 30 June 2020:

1 Year ranking : MFR 5-Star
3 Year ranking : MFR 4-Star
5 Year ranking : MFR 2-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.

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

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

2.4 Basis of measurement

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

2.5 Functional and presentation currency

This 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.

2.6 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.

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. FINANCIAL RISK MANAGEMENT

The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2020.

	Note	**September 30, 2020 (Unaudited)**	June 30, 2020 (Audited)
		(Rupees)	
5. BANK BALANCES			
In local currency			
PLS savings accounts	5.1	**110,865,910**	38,370,509
In foreign currency			
Current account		**39,788**	39,946
		110,905,698	38,410,455

5.1 These carry mark-up at rates ranging from 4.5% to 7.0% (June 30, 2020: 4.5% to 7.0%) per annum.

6. INVESTMENTS

	Note	September 30, 2020	June 30, 2020
At fair value through income statement - held for trading			
Listed equity securities	6.1	**119,727,072**	92,684,013
Sukuk certificates	6.2	**7,090,404**	7,769,087
		126,817,476	100,453,100
At amortise cost			
Commercial Papers	6.3	-	9,751,744
		126,817,476	110,204,844

6.1 Shares of listed company

At fair value through profit or loss

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

Name of the Investee Company	Holding as at July 01, 2020	Purchased during the year	*Bonus shares / letter of right received during the year	Disposed during the year	Holding as at September 30, 2020	Carrying value before revaluation as of 30 Sep 2020 before revaluation	Market value as of 30 September 2020 (revised carrying value)	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	% of holding in investee company
	---------- Number of Shares ----------					---------- (Rupees) ----------			---------- (%) ----------		
Commercial Banks											
Meezan Bank Limited	53,448	28,000	3,414	36,800	48,062	3,217,855	3,951,177	733,322	3.12	1.68	0.0040%
Chemicals											
Engro Polymer & Chemical	85,215	8,600	-	61,762	32,053	954,963	1,290,454	335,491	1.02	0.55	0.0035%
Descon Oxychem Limited	-	65,150	-	-	65,150	3,031,613	2,925,887	(105,726)	2.31	1.25	0.0043%
Sitara Peroxide Limited	-	65,500	-	-	65,500	1,770,100	1,437,725	(332,375)	1.13	0.61	0.0709%
ICI Pakistan Limited	4,070	2,850	-	2,070	4,850	3,380,092	3,509,412	129,320	2.77	1.50	0.0053%
						9,136,768	**9,163,478**	**26,710**	**7.23**	**3.90**	
Fertilizers											
Engro Fertilizers Limited	-	-	-	-	-	-	-	-	-	-	0.0000%
Fauji Fertilizer	38,100	12,800	-	3,700	47,200	5,166,446	5,097,128	(69,318)	4.02	2.17	0.0003%
Engro Corporation Limited (6.1.1)	33,828	-	-	6,700	27,128	7,946,334	8,166,342	220,008	6.44	3.48	0.0047%
						13,112,780	**13,263,470**	**150,690**	**10.46**	**5.65**	
Pharma & Bio Tech											
The Searl Company (6.1.2)	3,184	-	-	3,178	6	1,195	1,538	301	0.00	0.00	0.0001%
Glaxosmithkline Pakistan	6,800	3,850	-	700	9,950	1,771,728	1,827,119	55,391	1.44	0.78	0.0021%
Ferzsons Laboratories Limited	469	-	-	469	-	-	-	-	-	-	0.0000%
						1,772,923	**1,828,657**	**55,692**	**1.44**	**0.78**	
Textile Composite											
Nishat Mills Limited (6.1.1)	60,299	15,700	-	20,000	55,999	4,789,275	5,659,819	870,544	5.14	2.41	0.0159%
Cement											
D.G Khan Cement Company limited	23,500	-	-	14,500	9,000	767,970	927,990	160,020	0.73	0.40	0.0021%
Kohat Cement Company Limited	2,900	-	-	2,900	-	-	-	-	-	-	0.0000%
Fauji Cement Company Limited	169,300	125,500	-	27,500	267,300	4,831,723	5,313,924	482,201	4.19	2.26	0.0123%
Cherat Cement Company Limited	17,850	17,500		9,350	26,000	3,042,875	3,035,760	(7,115)	2.39	1.29	0.0122%
Pioneer Cement Company Limited	19,581	19,000	-	10,400	28,181	2,361,195	2,556,017	194,822	2.02	1.09	0.0086%
Lucky Cement Company Limited	19,180	200	-	3,900	15,480	7,168,058	10,016,644	2,848,586	7.90	4.27	0.0059%
Maple Leaf Cement Limited	91,500	88,200	-	46,400	133,300	4,394,240	4,784,137	389,897	3.77	2.04	0.0379%
						22,566,061	**26,634,472**	**4,068,411**	**21.00**	**11.35**	
Power Generation & Distribution											
Hub Power Company Limited	88,100	10,000	-	26,000	72,100	5,308,295	5,656,966	348,671	4.46	2.41	0.0056%

Name of the Investee Company	Holding as at July 01, 2020	Purchased during the year	*Bonus shares / letter of right received during the year	Disposed during the year	Holding as at September 30, 2020	Carrying value before revaluation as of 30 Sep 2020 before revaluation	Market value as of 30 September 2020 (revised carrying value)	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	% of holding in investee company
	------------ Number of Shares ------------					------------ (Rupees) ------------			------------ (%) ------------		
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	6,606	-	-	2,600	4,006	4,954,020	5,486,297	532,277	4.33	2.34	0.0050%
Pakistan Oilfield Limited	-	7,120	-	-	7,120	3,009,071	2,999,870	(9,201)	2.37	1.28	0.0025%
Pakistan Petroleum Limited (6.1.1)	36,774	38,900	-	9,700	65,974	6,132,197	6,073,474	(58,723)	4.79	2.59	0.0014%
Oil and Gas Development Company Ltd (6.1.1)	67,325	21,700	-	12,300	76,725	8,419,708	7,948,710	(470,998)	6.27	3.39	0.0018%
						22,514,996	**22,508,351**	**(6,645)**	**17.75**	**9.59**	
Oil and Gas Marketing Companies											
Attock Petroleum Limited	5,000	-	-	5,000	-	-	-	-	-	-	0.0000%
Pakistan State Oil Company Limited (6.1.2)	15,707	45,125	-	1,540	59,292	11,363,746	11,870,258	506,512	9.36	5.06	0.0033%
Sui Northen Gas Pipline Limited	71,992	18,000	-	49,700	40,292	2,268,986	2,490,449	221,463	1.96	1.06	0.0064%
						13,632,732	**14,360,707**	**727,975**	**11.32**	**6.12**	
Automobile Assemblers											
Indus Motors Company Limited	3,380	600	-	1,495	2,485	2,620,456	3,181,148	560,692	2.51	1.36	0.0023%
Automobile and Parts											
Agriauto Industries Limited (face value - 5 Rs.)	4,900	5,300	-	470	9,730	1,986,202	2,344,930	358,728	1.85	1.00	0.0034%
Engineering											
International Industries Limited	-	56,948	-	-	56,948	8,234,933	8,254,043	19,110	6.51	3.52	0.0475%
Mughal Iron and Steel Industries	57,350	-	-	57,350	-	-	-	-	-	-	0.0023%
International Steels Limited	46,500	15,000	-	23,600	37,900	2,389,236	2,919,854	530,618	2.30	1.24	0.0018%
						10,624,169	**11,173,897**	**549,728**	**8.81**	**4.76**	
Food And Personal Care Products											
The Organic Meat Company Limited	-	40,476	-	40,476	-	-	-	-	-	-	0.0000%
Glass and Ceremics											
Tariq Glass industries Limited (6.1.3)	31,500	-	-	31,500	-	-	-	-	-	-	0.0000%
Total as at 30 September 2020						**111,282,512**	**119,727,072**	**8,444,518**	**95**	**51**	
Total cost as at 30 September 2020						**113,849,270**					
Total as at 30 June 2020						91,570,086	92,684,013	1,113,885	90	78	
Total cost as at 30 June 2020						106,975,657					

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

	30 Sep 2020	30 Jun 2020	**30 Sep 2020**	30 Jun 2020
	------(Number of shares)------		--------(Rupees)--------	
Oil and Gas Development Company Limited	**5,000**	5,000.00	**518,000**	545,000
Engro Corporation Limited	**7,300**	7,300	**2,197,519**	2,138,316
Nishat Mills Limited	**10,000**	10,000	**1,010,700**	780,100
Pakistan Petroleum Limited	**300**	300	**27,618**	26,034
	22,600	22,600	**3,753,837**	3,489,450

6.1.2 Finance act, 2014 had introduced tax on bonus shares issued by the companies. Most of the equity funds including the Fund have challenged the applicability of withholding tax provision on bonus shares before Honourable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. In the Fund's case, tax in the shape of 147 shares of Pakistan State Oils Limited (30 June 2020: 147 shares) and 6 shares of The Searle Company Limited (30 June 2020: 6 shares) ave been withheld by CDC. Market value of these shares as at 30 September 2020 amounted to Rs. 31,087 (30 June 2020: Rs. 24,540) and are included in the Fund's investments in these financial statements.

Name of Security	Date of Maturity	Mark-up rate	Holding as at 01 July 2020	Purchases during the period	Disposed / matured during the period	Holding as at 30 September 2020	Carrying value as of the period ended 30 September 2020 before revaluation	Market value as of the period 30 September 2020 (after revaluation)	Unrealised depreciation	Credit rating	Market value as % of total investments	Market value as % of net assets	Face value as % of size of the issue
			------------Number of certificates------------				---------------(Rupees)---------------						
Dawood Hercules Corporation Limited 6.2.1	15-Nov-22	3 months KIBOR + 1.00%	35	-	-	35	2,474,331	2,481,841	7,510	AA	1.96%	1.06%	0.58%
Dawood Hercules Corporation Limited 6.2.2	01-Mar-23	3 months KIBOR + 1.00%	65	-	-	65	4,644,765	4,608,563	(36,202)	AA	3.63%	1.96%	1.08%
			Total as at 30 September 2020				**7,119,096**	**7,090,404**	**(28,692)**		**5.59%**	**3.02%**	**1.67%**
			Total Cost as at 30 September 2020				**7,650,000**						
			Total as at 30 June 2019				9,661,199	9,626,640	(34,559)				
			Total Cost as at 30 June 2019				9,650,000						

6.2.1 This represents investment in sukuk certificates of Dawood Herculas Corporation Limited carrying an effective profit rate of 3 months Karachi Inter-bank Offer Rate (KIBOR) per annum plus margin of 1.0% per annum receivable quarterly in arrears. The principal is redeemable in eight semi-annual instalments starting from the eighteenth (18th) month from the date of issue, i.e. from May 2019 to November 2022 in the six semi-annual instalments of Rs 0.35 million each and the last two semi-annual instalments on May 2022 and November 2022 at Rs. 0.70 million each. These sukuk certificates are secured by way of first pari passu charge against ordinary shares of Engro Corporation Limited with 50% margin and charge over all of the assets of investee company with a 25% margin.

6.2.2 This represents investment in sukuk certificates of Dawood Herculas Corporation Limited carrying an effective profit rate of 3 months Karachi Inter-bank Offer Rate (KIBOR) per annum plus margin of 1.0% per annum receivable quarterly in arrears. The principal is redeemable in eight semi-annual instalments starting from the eighteenth (18th) month from the date of issue, i.e. from September 2019 to March 2023 in the six semi-annual instalments of Rs 0.65 million each and the last two semi-annual instalments on September 2022 and March 2023 at Rs. 1.3 million each. These sukuk certificates are secured by way of first pari passu charge against ordinary shares of Engro Corporation Limited with 50% margin and charge over all of the assets of investee company with a 25% margin.

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees)	
7. PAYABLE TO MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	**188,758**	37,765
Sindh Sales tax payable on remuneration to the Management Company	7.3	**191,398**	171,379
Federal excise duty payable on remuneration to the Management Company	7.4	**1,132,564**	1,132,564
Sales load payable		**4,369**	4,368
		1,517,089	1,346,076

7.1 The Management Company is entitled to remuneration for services rendered to the Fund under theprovisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of anamount not exceeding 2% per annum of the average annual net assets of the Fund. However, the Management Company is currently charging a fee at 10% of the gross earnings of the scheme for the year ended 30 June 2019. The fee is subject to a minimum of 1% and a maximum of 2% of the average annual net assets of the Fund. Currently the effective rate of Management Company remuneration for the period ended 30 September 2020 is 1.37% (30 June 2020: 1.28%) of the average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2020: 13%) on Management Company's remuneration. Above liability includes Rs. 166,859 (30 June 2020: Rs. 166,470) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 8.3 below. Had the provision relating to FED not been made, Net Asset Value per unit of the Fund as at 30 September 2020 would have been higher by 0.066 (30 June 2020: 0.092) per unit. This amount ispayable to management company for onwards payment to the Government.

7.3 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincialsales tax, further levy of FED may result in double taxation, which does not appear to be the spirit ofthe 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. 1.132 million. Had the provision not been made, NAV per unit of the Fund as at 30 September 2020 would have been higher by Re. 0.44 (30 June 2020: Re. 0.63) per unit.

The amount is payable to the management company for onwards payment, if any, to the Government.

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
		(Rupees)	
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Charity Payable		**103,365**	103,365
Auditors' remuneration		**87,530**	194,579
Payable to Sindh workers' welfare fund	10.1	**672,553**	369,561
Professional tax Payable		**118,183**	150,000
Brokerage charges payable		**3,429,560**	38,566
Withholding tax payable (subsequently paid)		**65,270**	-
Fee payable to Shariah Advisor		**31,050**	29,181
Fee payable to National Clearing Company of Pakistan		**30,000**	30,000
Other liabilities		**20,000**	20,000
Rating Fee Payable		**191,673**	143,913
Fee payable to Central Depository Company		**13,560**	13,560
		4,762,744	1,092,725

8.1 Sindh Workers' Welfare Fund

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 the 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 excluded from 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 2020 is Rs. 0.673 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. 0.26 per unit. (30 June 2020: 0.20)

9. 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 3.76% which includes 1.01% 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%).

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. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments ast at September 30, 2020.

12. 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.

13. 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:

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
13.1 Balance as at period / year ended	**(Rupees)**	
Lakson Investments Limited - Management Company of the Fund		
Payable to management company	**1,512,720**	1,341,708
Sales load payable	**4,369**	4,369
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	**42,075**	62,590
Settlement charges payable	**13,560**	13,560

	September 30, 2020	2019
13.2 Transactions during the period	**(Unaudited)**	
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration for the period	**590,573**	430,125
Sindh sales tax on remuneration of Management Company *	**76,775**	55,916
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	**96,690**	75,561
Settlement Charges	-	5,000

13.3 Unit Holders' Fund

	Period ended September 30, 2020							
	Number of Units				Rupees			
	Number of Units as at July 01, 2020	Units issued during the period	Units redeemed during the period	Number of units as at September 30, 2020	Balance as at July 01, 2020	Units issued during the period	Units redeemed during the period	Balance as at September 30, 2020
Lakson Investments Limited	544,261	-	-	544,261	45,330,054	-	-	50,155,747
Directors, Chief Executive, their spouse and minors	106,644	-	-	106,644	8,882,066	-	-	9,827,622
Associated companies / undertakings of the Management Company								
Accuray Surgical Limited Employees Contributory Provident Fund	21,021	13,826	-	34,847	1,750,795	1,295,720	-	3,211,314
Century Insurance Co. Ltd., GF	15,018	8,656	-	23,675	1,250,837	811,228	-	2,181,711
Century Insurance Company Limited Employees Contributory Provident Fund Trust	18,171	11,494	-	29,666	1,513,452	1,077,197	-	2,733,821
Century Paper & Board Mills Limited ECPFT	223,660	145,048	-	368,708	18,627,997	13,587,282	-	33,977,824
Century Paper & Board Mills Limited EGF	184,948	117,481	-	302,429	15,403,859	11,004,934	-	27,870,021
Colgate Palmolive Pakistan Limited ECPFT	222,560	152,310	-	374,870	18,536,430	14,273,725	-	34,545,698
Colgate Palmolive Pakistan Limited EGF	188,363	129,069	-	317,432	15,688,232	12,095,682	-	29,252,531
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	87,881	56,007	-	143,889	7,319,388	5,248,736	-	13,259,884
Gam Corporation Private Limited Employees Contributory Provident Fund	52,834	30,668	-	83,502	4,400,400	2,874,023	-	7,694,997
Hasanali Karabhai Foundation ECPF Trust	6,920	4,688	-	11,608	576,368	439,291	-	1,069,699
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,573	-	-	5,573	464,197	-	-	513,614
Lakson Investments Limited ECPFT	2,956	-	-	2,956	246,207	-	-	272,417
Merit Packaging Limited Employees Contributory Provident Fund Trust	34,301	23,083	-	57,384	2,856,848	2,163,225	-	5,288,167
Merit Packaging Limited Employees Gratuity Fund	14,505	9,554	-	24,059	1,208,092	895,344	-	2,217,131
Siza Foods Private Limited Employees Contributory Provident Fund Trust	37,917	21,888	-	59,805	3,157,988	2,051,270	-	5,511,275
Siza Services Private Limited Employees Countributory Provident Fund Trust	9,854	6,593	-	16,447	820,711	617,851	-	1,515,639
Sybrid (Private) Limited ECPFT	20,150	12,636	-	32,787	1,678,260	1,184,214	-	3,021,408

	Period ended September 30, 2019							
	Number of Units				Rupees			
	Number of Units as at July 01, 2019	Units issued during the period	Units redeemed during the period	Number of units as at September 30, 2019	Balance as at July 01, 2019	Units issued during the period	Units redeemed during the period	Balance as at September 30, 2019
Lakson Investments Limited	517,823	-	-	517,823	42,623,493	-	-	47,719,357
Directors, Chief Executive, their spouse and minors	99,573	-	-	99,573	8,196,139	-	-	9,176,030
Associated companies / undertakings of the Management Company								
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,349	-	-	5,349	440,291	-	-	492,931
Lakson Investments Limited Employees Contributory Provident Fund Trust	2,791	-	-	2,791	229,735	-	-	257,201
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	41,865	-	-	41,865	3,446,043	-	-	3,858,036
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	30,389	-	-	30,389	2,501,384	-	-	2,800,438
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	209,949	-	-	209,949	17,281,468	-	-	19,347,559
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	177,690	-	-	177,690	14,626,138	-	-	16,374,770
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	77,142	-	-	77,142	6,349,760	-	-	7,108,908
Accuracy Surgicals Limited Employees Contributory Provident Fund Trust	19,842	-	-	19,842	1,633,267	-	-	1,828,533
Merit Packaging Limited Employees Contributory Provident Fund Trust	32,358	-	-	32,358	2,663,474	-	-	2,981,906
Merit Packaging Limited Employees Gratuity Fund	13,240	-	-	13,240	1,089,850	-	-	1,220,147
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	200,100	-	-	200,100	16,470,823	-	-	18,439,997
Century Paper & Board Mills Limited Employees Gratuity Fund	162,443	-	-	162,443	13,371,127	-	-	14,969,716
Century Insurance Company Limited Employees Contributory Provident Fund Trust	16,003	-	-	16,003	1,317,214	-	-	1,474,694
Sybrid Private Limited Employees Contributory Provident Fund Trust	17,406	-	-	17,406	1,432,766	-	-	1,604,061
Princeton Traveles Limited Employees Contributory Provident Fund Trust	2,104	-	-	2,104	173,211	-	-	193,919
Siza Services Pvt Liimited Employees Contributory Provident Fund Trust	9,296	-	-	9,296	765,148	-	-	856,626
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust	6,536	-	-	6,536	538,019	-	-	602,342
Century Insurance Company Limited Employees Gratuity Fund	14,167	-	-	14,167	1,166,109	-	-	1,305,524

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

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.

Financial assets which are traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short-term in nature or periodically repriced.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" 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 (level 1);

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

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

The following table shows the carrying amounts and fair values of financial assets 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
Assets	-------------------- Rupees --------------------			
Financial assets at fair value through profit or loss	119,727,072	7,090,404	-	126,817,476

	As at June 30, 2020			
	-------------------- Audited --------------------			
	Level 1	Level 2	Level 3	Total
Assets	-------------------- Rupees --------------------			
Financial assets at fair value through profit or loss	92,684,013	17,520,831	-	110,204,844

15. DATE OF AUTHORIZATION FOR ISSUE

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

16. GENERAL

Figures have been rounded off to the nearest rupee.

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