

LAKSON EQUITY FUND

Half Yearly Report (December 31, 2020)



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN



CONTENTS

Fund's Information	1
Review Report of the Directors of the Management Company (English)	3
Review Report of the Directors of the Management Company (Urdu)	5
Trustee Report to the Unit Holders	8
Auditors' report to the Unit Holders on review of Interim Financial Information	9
Condensed Interim Statement of Assets and Liabilities	10
Condensed Interim Income Statement (Unaudited)	11
Condensed Interim Statement of Comprehensive Income (Unaudited)	12
Condensed Interim Statement Of Movement In Reserve Or Unit Holders' Fund (Unaudited)	13
Condensed Interim Statement of Cash Flows (Unaudited)	14
Notes to and forming part of the Condensed Interim Financial Information (Unaudited)	15



Fund's Information

Management Company

Lakson Investments Limited
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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. Gaithe Ali (upto 18-February-2021)
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. Gaithe Ali - Chairperson (upto 18-February-2021)
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 Shakra-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 half year ended December 31, 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 Statements for the half year ended December 31, 2020.

Fund Objective

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

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.

Development and Fund performance

The LEF closed 1HFY21 with a return of 23.23% vs 27.11% of the benchmark, underperforming the benchmark by 3.88%. The LEF provided a return of 5.16% (BM: 7.85%) during 2QFY21. As of December 31, 2020, the fund had 95.3% exposure in equities and 5.1% in cash. Sector allocation is skewed towards Commercial Banks (24.3%), Oil & Gas Exploration (15.2%), Chemicals (13.6%), Oil & Gas Marketing (3.9%), Construction & Materials (12.5%), Electricity (6.1%) and others (19.5%).

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 1HFY21 averaged 8.7%, ranging on the higher end of SBP's short term 7-9% range. In the monetary policy during November, SBP kept the policy rate unchanged at 7.0% (the last cut took place in June 2020). The current account balance in 1HFY21 was a surplus of US\$1,131mn, compared to a deficit of US\$2,032mn in 1HFY20. Remittances have remained above the USD2bn mark in Jul-Dec'20 led by crackdown on informal channels and travel restrictions. LSM index growth in 5MFY21 has been recorded at 7.4%. Monthly gains were driven by Food, Beverages & Tobacco (+58%) and Automobile (+45%) while Paper & board and Chemicals have also posted double digit growth. On Covid-19, Pakistan approved AstraZeneca vaccine in December for emergency use.

Equity Market Review

Overall, during the 1HFY21, KSE-100 is up by 4.39%. During this period, some prominent developments included vaccine rollouts in specific countries, a fifth consecutive month of current account surplus was recorded, political stability, and construction sector related amnesty scheme was announced by the PM which in turn led the market to exhibit robust returns. On the international front global oil prices remained elevated amid hopes for extension of existing cuts and sentiments revolving on back of positive vaccine related news. Brent crude rose by 20% during 1HFY21 to close at USD 51.8 per barrel. MSCI World Index also rose by 21.7% while MSCI Emerging Market Index increased by 28.9% during the same period. Market activity improved substantially during 1HFY21 with average daily volumes of KSE-100 index rising by 119% to 265 mn shares. Foreigners recorded a net outflow of USD 278.7 mn and on the local front, Banks/DFI's were net sellers of USD 68.8 mn. On the other hand, Companies, Individuals & Insurance were major net buyers during the period of USD 90.6mn, USD 159.1 mn and USD 82.6 mn, respectively during 1HFY21.



Future Outlook

We think the rally should continue where corporate profitability has bottomed and can only bounce from here, valuations are still at a significant discount to the mean (forward P/E of 7.4x vs. 9.0x mean) particularly as foreign selling is expected to lose steam in 2021. 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. This may lead to profit taking in high leverage stocks. Several structural reforms are underway, where circular debt settlement and tax reforms may spearhead resumption of the US\$6bn IMF Program. This should provide a boost to sentiments particularly as remittances normalize (from current pace of over US\$2bn/month) which may cause some slippage in the current account. Rollout of AstraZeneca's Covid-19 vaccine, SinoPharm and Sputnik vaccines should ease jitters arising from the ongoing second wave of infections. The next major triggers for the market are (i) resumption of the IMF program and implementation of necessary reforms, (ii) success in the upcoming talks with the FATF, and (iii) procurement of vaccine and iv) Senate elections.

Acknowledgment

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

For and on Behalf of the Board

Chief Executive Officer

Director

Dated: February 18, 2021



لیکسن ایکویٹی فنڈ

31 دسمبر 2020 کو ختم ہونے والے نصف سال کے لیے

مینیجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، لیکن ایکویٹی فنڈ ("LEF") کی مینیجمنٹ کمپنی 31 دسمبر 2020 کو ختم ہونے والے نصف سال کے لیے اپنی جائزہ رپورٹ مع عبوری 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 سیکورٹیز میں رکھتا ہے۔ مختلف شعبوں اور اسٹاکس میں اٹالے کو ہر شعبے اور اس مخصوص شعبے میں انفرادی اسٹاکس متعلقہ کمیشن 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 ریڈیہیشنز 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۔

پیش رفت اور کارکردگی کا جائزہ

LEF نے شیئ مارک منافع 27.11 کے مقابلے میں 23.23% منافع کے ساتھ شیئ مارک سے 3.88% کم تر کارکردگی کا مظاہرہ کیا۔ LEF نے مالی سال 2020 کی دوسری سہ ماہی میں 5.16% منافع فراہم کیا (شیئ مارک 7.85%)۔ 31 دسمبر 2020 کے مطابق فنڈ ایکویٹیز میں 95.3% اور کیش میں 5.1% سرمایہ کاری رکھتا ہے۔ شعبہ جاتی تفویض کا چھٹا اس طرح ہے کرسٹل بینکنگ (24.3%)، آئل اینڈ گیس ایکسپلوریشن (15.2%)، کیمیکلز (13.6%)، آئل اینڈ گیس مارکیٹنگ (3.9%)، کنسٹرکشن اینڈ میٹیریلز (12.5%)، الیکٹریسیٹی (6.1%) اور دیگر (19.5%)۔

نی شیئر آمدنی (EPU)

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

معاشی جائزہ

مالی سال 2021 کے پہلے نصف میں سی پی آئی کی اوسط 8.7 فیصد ہے، جو ایس پی پی کی قلیل مدتی حد 9%-7 کی اوپری حد کے قریب ہے۔ نومبر کے دوران مانیٹری پالیسی میں، اسٹیٹ بینک نے پالیسی کی شرح کو باغیہ تبدیلی کے 7.0% پر رکھا (آخری کوئی جون 2020 میں ہوئی تھی)۔ کرنٹ اکاؤنٹس کے بینکس میں مالی سال 2020 کے پہلے نصف میں 2,032 ملین امریکی ڈالر کے خسارے کے مقابلے میں مالی سال 2021 کے پہلے نصف میں 1,131 ملین امریکی ڈالر کا اضافہ ہوا ہے۔ غیر سرکاری جوبیلز کے خلاف کریک ڈاؤن اور سفری پابندیوں کے نتیجے میں جولائی دسمبر 2020 میں ترسیلات زر



2 ارب ڈالر کے نشان سے زیادہ رہیں۔ مالی سال 2021 کے پہلے پانچ ماہ میں ایل ایس ایم انڈیکس میں 7.4% نمو ریکارڈ کی گئی ہے۔ خوردنی اشیاء، مشروبات اور تبا کو (+58%) اور آٹو موبائل (+45%) ماہانہ نفع جات میں اضافے کا محرک بنے جبکہ ہیپری اینڈ بورڈ اور کیکلن نے بھی دو ہرے ہندسوں میں نمودار کرائی۔ کوویڈ-19 کے خوالے سے، پاکستان نے دسمبر میں ہنگامی استعمال کے لیے ایسٹرا زینیکا (AstraZeneca) ویکسین کی منظوری دی۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 2021 کے پہلے نصف میں KSE-100 میں مجموعی طور پر 4.39% اضافہ ہوا ہے۔ اس عرصے کے دوران، کچھ نمایاں پیش رفتوں میں مخصوص ممالک میں ویکسین رول آؤٹ شامل تھے، کرنٹ اکاؤنٹ کے مسلسل پانچویں مہینے میں اضافہ ریکارڈ کیا گیا، سیاسی استحکام اور وزیر اعظم کے تیسراتی شعبے سے متعلق ایجنسیوں کے اعلان کے نتیجے میں مارکیٹ نے ٹھوس منافع کا مظاہرہ کیا۔ موجودہ کٹوتیوں میں توسیع کی امیدوں اور ویکسین سے متعلق مثبت خبروں سے متعلق جذبات کے درمیان بین الاقوامی محاذ پر تیل کی قیمتوں میں اضافہ رہا۔

مالی سال 2021 کے پہلے نصف کے دوران برینٹ کروڈ 20 فیصد اضافے سے فی بیرل 51.8 امریکی ڈالر کی سطح پر بند ہوا۔ ایم ایس سی آئی ورلڈ انڈیکس میں بھی 21.7 فیصد اضافہ ہوا جبکہ اسی مدت کے دوران ایم ایس سی آئی ایئر لائن مارکیٹ انڈیکس میں 28.9 فیصد اضافہ ہوا۔ مالی سال 2021 کے پہلے نصف کے دوران مارکیٹ کی سرگرمی میں کافی حد تک بہتری واقع ہوئی جس میں KSE-100 انڈیکس کا یومیہ اوسط حجم 119 فیصد اضافے سے 265 ملین حصص تک پہنچ گیا۔ غیر ملکی سرمایہ کاروں نے 278.7 ملین ڈالر کا خالص اخراج ریکارڈ کیا اور مقامی محاذ پر، بینک/DFI's 68.8 ملین ڈالر کے خالص فروخت کنندگان رہے۔ دوسری جانب، مالی سال 2021 کے پہلے نصف کے دوران، کمپنیاں، افراد اور انشورنس بالترتیب 90.6 ملین ڈالر، 159.1 ملین ڈالر اور 82.6 ملین ڈالر کے بڑے خالص خریدار رہے۔

مستقبل کی توقعات

ہمارا خیال ہے کہ تیزی جاری رہتی چاہیے جہاں کاروباری منافع اپنی چمکی ترین سطح چھو چکا ہے اور اوپر یہاں سے بلند ہو سکتا ہے۔ مالیاتی قدریں اب بھی اوسط (9.4x) اوسط بمقابلہ 7.4x کا فارورڈ پی/ای) کے مقابلے میں نمایاں رعایت پر ہیں خاص طور پر جیسا کہ 2021 میں غیر ملکی فروخت کا زور ڈالنے کی توقع ہے۔ ہمیں لگتا ہے کہ اسٹیٹ بینک بدستور چل رہا ہے اور سود کی شرح میں تیزی سے اضافہ کرتا نظر نہیں آ رہا تاہم افراط زر کی شرح میں اضافہ (9% یا اس سے زیادہ) طلب کے مستحکم رجحانات اور اعلیٰ مالی استحکام کے ساتھ شرح سود میں اضافے کا سبب بن سکتا ہے۔ نتیجتاً یہ زیادہ گنجائش والے اسٹاکس میں منافع کمانے کا سبب بن سکتا ہے۔

متعدد ساختی اصلاحات جاری ہیں، جہاں گروتھی قرضوں کے تقصیر اور ٹیکس اصلاحات 16 ارب ڈالر کے آئی ایم ایف پروگرام کی بحالی میں مرکزی کردار ادا کر سکتی ہیں۔ اس سے جذبات کو تقویت ملنا چاہیے، خاص طور پر جب تریسلا ت زر معمول پر آ جائیں (موجودہ رفتار 2 ارب ڈالر/مہینے سے زائد سے) جس کی وجہ سے کرنٹ اکاؤنٹ میں کچھ گراؤ آ سکتی ہے۔ ایسٹرا زینیکا، سائٹوفارم اور سپونٹک کوویڈ-19 ویکسین سامنے لانے سے انٹیلیجن کی جاری دوسری لہر سے پیدا ہونے والے اندیشہ کم ہو جانے چاہئیں۔ مارکیٹ کے لئے اگلے اہم محرکات یہ ہیں (i) آئی ایم ایف پروگرام کا دوبارہ آغاز اور ضروری اصلاحات کا نفاذ (ii) ایف اے ٹی ایف کے ساتھ آئندہ بات چیت میں کامیابی، اور (iii) ویکسین کی خریداری اور (iv) بیہیت انتخابات۔



اتلہما تشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی، بینرل ڈپازیریٹری کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کا، ان کے مسلسل تعاون اور مدد پر شکر گزار ہے۔ مینجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور وائس مندرائے انتظام و انصرام کے لیے مینجمنٹ کمپنی کی ٹیم کی محنت اور کوششوں کا بھی اعتراف کرتے ہیں۔

برائے و سخائب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 18 فروری 2021

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
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Email: info@cdcpak.com

**TRUSTEE REPORT TO THE UNIT HOLDERS****LAKSON EQUITY FUND****Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Lakson Equity Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 22, 2021





INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of LAKSON EQUITY FUND ("the Fund") as at December 31, 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "condensed interim financial information"). Lakson Investments Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarter ended December 31, 2020 and December 31, 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: February 18, 2021

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer



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

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
ASSETS	Note	(Rupees)	
Bank balances	4	178,456,680	286,244,205
Investments	5	3,326,507,784	2,712,959,818
Dividend and other receivable	6	15,251,470	758,006
Mark-up accrued on bank balances		2,571,364	6,513,207
Advances, deposits and prepayments	7	2,665,711	6,436,750
Receivable against sale of investments		44,207,665	28,069,401
TOTAL ASSETS		3,569,660,674	3,040,981,387
LIABILITIES			
Payable to the Management Company	8	28,061,881	22,324,741
Remuneration payable to the Trustee	9	432,893	737,341
Annual fee payable to Securities and Exchange Commission of Pakistan	10	358,286	616,243
Accrued expenses and other liabilities	11	57,708,930	39,921,191
Payable against the purchase of equity investments		72,817,760	45,792,777
TOTAL LIABILITIES		159,379,750	109,392,293
NET ASSETS		3,410,280,924	2,931,589,094
UNIT HOLDERS' FUND (AS PER STATEMENTS ATTACHED)		3,410,280,924	2,931,589,094
CONTINGENCIES AND COMMITMENTS	13		
		----- (Number) -----	
Number of units in issue		31,482,109	33,348,429
		----- (Rupees) -----	
Net assets value per unit		108.3244	87.9078

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



Condensed Interim Income Statement (Unaudited)
For the half year and quarter ended December 31, 2020

		Half year ended December 31,		Quarter ended December 31,	
		2020	2019	2020	2019
Note		----- (Rupees) -----			
Income					
	Gain / (loss) on sale of investment at fair value through profit or loss - net	296,162,561	(56,549,075)	135,194,578	41,219,381
	Unrealized gain on revaluation of investments at fair value through profit or loss - net	5.1 392,038,457	414,661,872	29,304,718	516,484,660
		688,201,018	358,112,797	164,499,296	557,704,041
	Dividend income on investments at fair value through profit or loss	56,226,007	79,086,987	44,758,529	39,461,619
	Return / mark up on bank balances - at amortised cost	13,248,090	30,163,788	5,881,414	18,200,889
	Return / mark up on government securities - at fair value through profit or loss	223,512	-	170,273	-
	Total gain	757,898,627	467,363,572	215,309,512	615,366,549
Expenses					
	Remuneration to the Management Company	8.1 35,831,157	30,365,049	18,417,153	16,092,000
	Sindh sales tax on remuneration of the Management Company	8.2 4,658,050	3,947,456	2,394,230	2,091,960
	Remuneration to the Trustee	2,594,104	2,283,713	1,325,391	1,193,242
	Annual fee to the Securities and Exchange Commission of Pakistan	358,312	303,651	184,170	160,920
	SECP supervisory fee	1,260	1,266	1,260	1,266
	Auditors' remuneration	115,134	156,023	39,910	78,364
	Fees and subscription	340,230	317,174	174,175	163,531
	Printing charges	-	-	-	-
	Brokerage expenses	8,455,828	5,428,471	4,861,907	3,479,308
	Settlement charges	365,167	577,488	235,667	416,204
	Bank and other charges	3,928	36,259	(6,547)	17,449
		52,723,170	43,416,550	27,627,316	23,694,244
	Net income from the operating activities	705,175,457	423,947,022	187,682,196	591,672,305
	Sindh Workers' Welfare Fund (SWWF)	(14,103,509)	(8,478,940)	(3,753,644)	(8,478,940)
	Net income for the period before taxation	691,071,948	415,468,082	183,928,552	583,193,365
	Taxation	14 -	-	-	-
	Net income for the period after taxation	691,071,948	415,468,082	183,928,552	583,193,365
Allocation of net income for the period after taxation					
	Net income for the period after taxation	691,071,948	415,468,082	183,928,552	583,193,365
	Income already paid on units redeemed	(121,376,950)	(736,538)	(118,594,937)	(736,538)
		569,694,998	414,731,544	65,333,615	582,456,827
Accounting income available for distribution					
	Relating to capital gains	565,694,563	357,500,457	41,992,833	557,091,701
	Excluding capital gains	4,000,435	57,231,087	23,340,782	25,365,126
		569,694,998	414,731,544	65,333,615	582,456,827

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**Condensed Interim Statement of Comprehensive Income (Unaudited)
For the half year and quarter ended December 31, 2020**

	Half year ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	----- (Rupees) -----			
Net income for the period	691,071,948	415,468,082	183,928,552	583,193,365
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>691,071,948</u>	<u>415,468,082</u>	<u>183,928,552</u>	<u>583,193,365</u>

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

**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 half year ended December 31, 2020**

	Half year ended 31 December 2020		Half year ended 31 December 2019	
	Capital value	Undistributed income	Capital value	Undistributed income
	----- (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 5,307,960 units (2019: 5,874,221)				
Capital value	458,053,449	-	458,053,449	537,409,006
Element of income	76,374,664	-	76,374,664	33,288,412
Total proceeds on issuance of units	534,428,113	-	534,428,113	570,697,418
				-
				537,409,006
				33,288,412
				570,697,418
Redemption of 7,174,280 units (2019: 8,263,875)				
Capital value	(622,533,897)	-	(622,533,897)	(788,066,556)
Element of income	(2,897,384)	(121,376,950)	(124,274,334)	60,088,767
Total payments on redemption of units	(625,431,281)	(121,376,950)	(746,808,231)	(728,114,327)
Total comprehensive income for the period	691,071,948	691,071,948		415,468,082
				415,468,082
Net assets as at end of the period	3,331,372,197	78,908,727	3,410,280,924	3,462,598,121
				88,328,783
				3,550,926,904
Accumulated (loss) brought forward:				
Realized income / (loss) at beginning of the period	(383,727,787)			345,197,337
Unrealized (loss) at beginning of the period	(107,058,484)			(671,600,098)
				(326,402,761)
Accounting income available for distribution:				
Relating to capital gains	565,694,563			357,500,457
Excluding capital gains	4,000,435			57,231,087
Total comprehensive income for the period	569,694,998			414,731,544
				-
				88,328,783
Undistributed income at end of the period	78,908,727			88,328,783
Realized by:				
Realized (loss) at end of the period	(313,129,730)			(326,333,089)
Unrealized income at end of the period	392,038,457			414,661,872
Undistributed income at end of the period	78,908,727			88,328,783
Net assets value per unit at beginning of the period		87,9078		91,0784
Net assets value per unit at end of the period		108,3244		105,1466

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

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Statement of Cash Flows (Unaudited)
For the half year ended December 31, 2020

	Half year ended December 31,	
	2020	2019
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	691,071,948	415,468,082
Adjustments for:		
Loss on sale of investment at fair value through profit or loss - net	(296,162,561)	56,549,075
Unrealized gain on revaluation of investment at fair value through profit or loss - net	(392,038,457)	(414,661,872)
	<u>2,870,930</u>	<u>57,355,285</u>
(Increase) / decrease in assets		
Investments	74,653,052	(14,431,101)
Dividend and other receivable	(10,551,621)	(871,102)
Receivable against sale of marketable securities	(16,138,264)	(20,863,164)
Advances, deposits and prepayments	3,771,039	(111,051)
	<u>51,734,206</u>	<u>(36,276,418)</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	5,737,140	490,730
Remuneration payable to the Trustee	(304,448)	413,694
Annual fee payable to Securities and Exchange Commission of Pakistan	(257,957)	(2,944,621)
Payable against purchase of marketable securities	27,024,983	(9,440,629)
Accrued expenses and other liabilities	17,787,739	8,594,169
	<u>49,987,457</u>	<u>(2,886,657)</u>
Net cash generated flows / (used in) from operating activities	104,592,593	18,192,210
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	534,428,113	570,697,418
Amount paid against redemption of units	(746,808,231)	(728,714,327)
Net cash (used in) / generated flows from financing activities	<u>(212,380,118)</u>	<u>(158,016,909)</u>
Net decrease in cash and cash equivalents during the period	(107,787,525)	(139,824,699)
Cash and cash equivalents at beginning of the period	286,244,205	474,086,705
Cash and cash equivalents at end of the period	<u>178,456,680</u>	<u>334,262,006</u>

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

**For Lakson Investments Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**Notes to and forming part of the Condensed Interim
Financial Information (Unaudited)
For the half year ended December 31, 2020**

1. LEGAL STATUS AND NATURE OF BUSINESS

Lakson Equity Fund (the "Fund") was established under the Trust Deed executed on September 2, 2009 between the Lakson Investments Limited as its Management Company, a company incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017) and the Central Depository Company of Pakistan Limited (CDC) as its Trustee, also incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017). The Fund has been registered as a Notified Entity on September 18, 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).

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.

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

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

Title to the assets of the Fund is held in the name of CDC of Pakistan Limited as Trustee of the Fund.

The Pakistan Credit Rating Company Limited (PACRA) has maintained asset manager rating of the Management Company of the Fund to the scale AM2+¹ (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

- 2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the provisions of and directives issued under the Companies Act, 2017, along with part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed.



Where the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.

- 2.1.2 The disclosures made in this condensed interim financial information have; however, been limited based on the requirements of International Accounting Standard - 34 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2020.
- 2.1.3 The comparative statement of asset and liabilities presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2020, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2019.
- 2.1.4 This condensed interim financial information is unaudited but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 have not been reviewed.
- 2.1.5 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 December 31, 2020.

2.2 Basis of measurement

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

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency.

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

There are certain amendments which are effective from annual period beginning on or after July 1, 2020. These amendments are not likely to have an impact on the Fund's financial position. Therefore these are not stated in this condensed interim financial information.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES AND JUDGEMENTS

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020, unless otherwise stated.



- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2020.
- 3.4 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2020.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees)	
4	BANK BALANCES		
	Current Accounts	7,703	7,703
	Profit and loss sharing accounts	4.1 178,448,977	286,236,502
		<u>178,456,680</u>	<u>286,244,205</u>

- 4.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 5.50% to 9.00% (30 June 2020: 6.50% to 10.40%) per annum.

5 INVESTMENTS

At fair value through profit or loss			
Listed equity securities	5.1	<u>3,326,507,784</u>	<u>2,712,959,818</u>



5.1 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	Balance as at December 31, 2020									
	Holding as at July 01, 2020	Purchased during the reporting period	* Bonus shares received during the reporting period	Disposed during the reporting period	Holding as at December 31, 2020	Carrying value as of December 31, 2020	Market value as of December 31, 2020	Unrealised gain / (loss) - net	Market value as a percentage of net investments	Market value as a percentage of total paid up capital of the investee company
Commercial Banks										
Bank Alfalah Limited	1,310,320	770,420	-	654,137	1,326,603	72,999,079	90,871,561	17,871,682	2.73	2.66
Bank Al-Falah Limited	1,851,180	54,200	-	1,315,332	-	-	-	-	-	0.13%
Habib Bank Limited	2,002,661	890,500	-	370,100	2,523,061	270,270,138	333,750,509	63,480,371	10.03	0.17%
MCB Bank Limited	786,568	835,463	-	431,810	1,190,221	220,425,251	220,524,147	20,098,896	6.63	6.47
United Bank Limited	1,113,867	645,912	-	667,500	1,192,279	128,442,421	150,060,235	21,617,814	4.51	4.40
Bank of Punjab Limited	5,481,289	3,446,000	-	6,939,500	1,987,789	17,468,368	18,426,004	958,436	0.55	0.54
Meezan Bank Limited	1,015,750	313,500	75,655	1,085,221	323,084	76,083,040	83,742,859	7,659,819	1.01	0.99
					73,038,839	847,375,849	137,857,024	23,47	24.89	
Chemicals										
Engro Polymer & Chemicals Limited	1,616,342	1,854,300	-	1,357,300	2,113,042	85,060,212	101,340,825	16,280,613	3.05	2.97
ICI Pakistan Limited	72,700	45,150	-	31,507	86,343	60,838,533	65,628,451	4,789,918	1.97	1.92
Archeana Pakistan Limited	-	350	-	350	209,875	195,405	(14,470)	0.01	0.01	0.00%
Stara Perceolite Limited	-	1,144,000	-	397,000	2,170,000	6,031,895	4,988,530	(1,043,365)	0.15	0.15
Chemical Industries Limited	1,652,300	-	195,840	1,239,500	2,614,500	40,825,385	39,780,900	(1,044,485)	1.20	1.17
Loche Chemicals Pakistan Limited	-	2,641,500	-	-	-	-	-	-	-	-
					203,476,699	225,503,709	212,027,210	6,78	6.61	
Fertilizers										
Engro Corporation Limited (5.1)	608,148	73,500	-	83,215	598,433	176,303,309	183,934,060	7,630,751	5.53	5.39
Fauji Fertilizer Company Limited	1,469,792	433,800	-	1,200,519	690,773	65,910,348	65,224,221	(686,027)	1.96	1.92
Fauji Fertilizer Bin Qasim Limited	-	3,730,500	687,821	4,393,321	25,000	65,895	133,333,333	68,437,833	0.02	0.02
					242,778,892	248,924,938	714,302,619	724	7.29	
Insurance										
Admiral Insurance Company Limited	1,259,000	437,000	-	1,316,000	332,000	11,482,005	13,054,240	1,572,235	0.39	0.38
Pharma & Bio Tech										
The Searc Company Limited (5.1,2)	57,788	-	-	51,700	6,088	1,212,512	1,517,212	304,400	0.05	0.04
Pharmaceuticals Pakistan Limited	123,900	-	-	-	79,000	12,902,722	13,811,760	909,038	0.42	0.41
GleasonHikine Pakistan Limited	-	103,600	-	161,500	-	14,115,635	15,359,072	1,243,438	0.46	0.45
Textile Composite										
Nihath Mills Limited	1,043,200	342,000	-	656,100	729,100	60,142,251	74,200,507	14,058,256	2.23	2.18
Nihath Mills Limited	384,000	180,500	-	398,000	390,500	11,632,627	14,319,176	2,677,618	0.31	0.29
Gul Ahmed Textile Mills Limited	1,842,000	-	-	1,852,000	-	71,755,808	89,553,382	17,806,714	3	3
General										
Lucky Cement Company Limited (5.1,1)	351,610	49,900	-	127,055	274,455	13,511,338	19,045,381	5,734,043	5.74	5.60
Kohat Cement Company Limited	37,000	-	-	37,000	-	-	-	-	-	0.00%
D.G. Khan Cement Company Limited	469,500	286,563	-	385,769	362,294	36,251,469	41,511,647	5,260,178	1.25	1.22
Mapee Leat Cement Factory Limited	3,110,245	238,500	-	2,283,177	1,265,588	41,090,149	25,993,116	(15,097,067)	0.71	0.67
Cherwell Cement Company Limited	343,000	412,500	-	428,500	333,000	38,313,302	48,881,200	10,567,898	1.46	1.43
Cherwell Cement Company Limited	343,000	412,500	-	428,500	333,000	38,313,302	48,881,200	10,567,898	1.46	1.43
Fauji Cement Company Limited	3,773,000	2,764,000	-	2,456,100	3,580,900	65,256,679	77,598,103	12,341,424	2.33	2.28
					330,974,516	436,655,887	105,680,971	13,13	12.80	



Name of investee company	Balance as at December 31, 2020									
	Number of shares		Rupees			Market value as a percentage of total investments		Market value as a percentage of net assets		Per value of shares held as a percentage of total paid up capital of the investee company
	Holding as at July 01, 2020	Purchased during the period	Bonus shares received during the period	Disposed during the period	Holding as at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised gain / (loss) - net	Market value as a percentage of total investments	Market value as a percentage of net assets
Power Generation & Distribution										
Hub Power Company Limited	1,697,316	713,114	-	613,698	1,796,732	136,305,967	142,534,750	6,228,783	4.28	4.18
Kot Aldik Power Company Limited	-	3,094,540	-	501,540	2,593,000	72,188,150	68,897,600	(3,290,550)	2.07	2.02
						208,494,117	211,432,350	2,938,233	6.36	6.20
Oil and Gas Exploration Companies										
Oil and Gas Development Company Limited (S.1.1)	115,172	-	-	56,820	59,352	73,335,838	79,654,006	6,318,168	2.29	2.33
Oil and Gas Development Company Limited (S.1.2)	1,246,071	622,000	-	427,101	1,434,200	156,211,704	148,906,837	(7,304,867)	4.48	4.37
Pakistan Oilfield Limited	246,449	261,128	-	63,199	444,378	165,414,323	175,711,505	10,297,182	5.28	5.15
Pakistan Petroleum Limited (S.1.1)	658,210	1,049,100	-	243,981	1,463,329	135,695,634	132,182,509	(3,513,125)	3.97	3.88
						530,657,479	536,354,857	5,697,378	16.12	15.72
Oil and Gas Marketing Companies										
Hi-Tech Limited	94,700	-	-	731,000	-	-	-	-	-	-
Pakistan State Oil Company Limited (S.1.2)	376,507	865,516	-	605,130	596,893	113,835,039	128,511,063	14,676,024	3.86	3.77
Sui Northern Gas Pipeline Limited	1,357,383	829,717	-	1,952,231	194,869	11,630,706	8,656,081	(2,974,625)	0.26	0.25
						124,865,745	137,167,144	12,301,399	4.12	4.02
Food & Personal Care Products										
Haji Foods Limited	-	1,577,600	-	803,712	1,577,000	26,732,155	27,392,460	660,335	0.82	0.80
The Organic Meat Company Limited	-	869,712	-	-	-	26,732,155	27,392,460	660,335	1	1
						61,891,394	62,445,036	553,642	1.87	1.83
Transport										
Pakistan International Bulk Terminal	-	4,840,205	-	-	4,840,205	14,573,559	21,199,698	6,626,139	0.64	0.62
	45,550	-	-	700	44,850	100,136,059	106,079,368	5,943,309	3.19	3.11
Automobile and Parts										
Indus Motor Company Limited	63,900	49,100	-	24,450	88,550	44,004,715	48,559,365	4,554,650	1.46	1.42
Pak Suzuki Motor Company Limited	-	220,200	-	19,500	200,700	33,922,952	39,859,746	5,936,794	1.20	1.17
Agriate Industries Limited	94,259	89,300	-	8,400	170,159	17,083,726	19,478,469	2,394,743	0.6	0.6
	732,530	233,000	-	807,400	158,130	11,897,188	13,890,651	1,993,463	0.42	0.41
Tarif Glass Industries Limited	-	5,500	-	-	1,625,500	31,371,585	34,541,875	3,170,290	1.04	1.01
Shahjir Tiles & Ceramics Limited	-	233,000	-	-	1,625,500	48,258,773	48,422,526	163,753	1	1
						32,756,515	39,899,600	7,143,085	1.20	1.17
Engineering										
International Inquiries Limited	-	714,600	-	487,980	226,600	72,761,515	86,864,806	14,103,291	0.27	0.26
Agriate Industries Limited	914,900	-	-	669,900	245,000	10,554,400	12,419,700	1,865,300	0.37	0.36
Mughal Iron & Steel Industries Limited	1,127,100	725,000	-	1,688,100	164,000	52,202,412	60,991,978	8,789,566	2.10	2.05
International Steels Limited	893,500	655,500	-	770,400	748,600	58,216,449	80,452,570	22,236,121	2.42	2.36
Alpha Steel Mills Limited	2,762,500	6,594,500	-	5,904,100	3,452,900	161,230,858	211,537,994	50,307,136	6.36	6.20
						2,934,469,238	3,326,907,784	392,938,457	100	97.54
Total cost as at December 31, 2020						7,886,724,992	7,886,724,992	-		
Total as at June 30, 2020						2,820,018,302	2,712,859,818	(107,058,484)	100	88.43
Total cost as at June 30, 2020						2,786,724,992	2,786,724,992	-		



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

	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	----- (Number of shares) -----		----- (Rupees) -----	
Engro Corporation Limited	160,000	160,000	49,177,600	46,867,200
Oil and Gas Development Company Limited	70,000	70,000	7,263,900	7,630,000
Pakistan Petroleum Limited	330,000	330,000	29,808,900	28,637,400
	560,000	560,000	86,250,400	83,134,600

5.1.2 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. 3.97 million at December 31, 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.

5.1.3 Market Treasury Bills

	-----Number of treasury bills-----				Balance as at December 31, 2020			Market value as percentage of net assets of the Fund	Market value as percentage of total investment
	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at end of the period	Carrying value	Market value	Unrealized appreciation (diminution)		
Government Securities	Note								
6 Months Market Treasury Bills (face value of Rs. 100,000 each)	-	345,000	345,000	-	-	-	-	-	-
6 Months Market Treasury Bills (face value of Rs. 100,000 each)	-	114,000	114,000	-	-	-	-	-	-
					-	-	-	0.00%	0.00%

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
Note	(Rupees)	

6 DIVIDEND AND OTHER RECEIVABLE

Dividend receivable		14,683,178	187,640
Withholding tax recoverable	6.1	568,292	570,366
		15,251,470	758,006



- 6.1 Income of the Fund is exempt from taxation under Income Tax Ordinance, 2001. However, advance tax of Rs. 0.568 million as of December 31, 2020 has been deducted by the bank on profits. Management is of the view that it is recoverable and shall be received from the taxation authorities.

7 ADVANCES, DEPOSITS AND PREPAYMENTS

Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees)	
Security deposits with:		
National Clearing Company of Pakistan Limited	2,500,000	2,500,000
Central Depository Company of Pakistan Limited	100,000	100,000
National Council for Social Studies	50,000	50,000
Advance against:		
Pre-IPO Subscription	-	3,786,750
Prepayments	13,637	-
Others	2,074	-
	<u>2,665,711</u>	<u>6,436,750</u>

8 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the Management Company	8.1	6,029,219	952,104
Sindh sales tax on Management remuneration	8.2	3,483,224	2,823,199
Federal Excise Duty on Management remuneration	8.3	18,483,430	18,483,430
Sale load payable to the Management company		66,008	66,008
		<u>28,061,881</u>	<u>22,324,741</u>

- 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 December 31, 2020. Remuneration is paid to the Management company in arrears on a monthly basis.
- 8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on Management Company's remuneration. Above liability includes Rs. 2.699 million (June 30, 2020: Rs. 2.699 million) 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 December 31, 2020 would have been higher by Re. 0.0809 (June 30, 2020: Re. 0.0857) per unit. The amount is payable to the Management Company for onwards payment to the Government.
- 8.3 There is no change in the status of the appeal pending in the Supreme Court of Pakistan against the decision of Sindh High Court as more fully disclosed in the annual financial statements for the year ended June 30, 2020 regarding the FED on Management's remuneration. The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from June 13, 2013 to June 30, 2016 aggregating to Rs.18.483 million. Had the provision not been made, Net Asset Value per unit of the Fund as at December 31, 2020 would have been higher by Re. 0.5871 (June 30, 2020: Re. 0.5543) per unit.



		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees)	
9	REMUNERATION PAYABLE TO THE TRUSTEE		
	Trustee fee payable	<u>432,893</u>	<u>737,341</u>
10	ANNUAL FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	<u>358,286</u>	<u>616,243</u>
11	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Payable to Sindh Workers' Welfare Fund	11.1 52,200,403	38,096,893
	Brokerage charges payable	4,853,662	1,157,682
	Auditors' remuneration	117,190	189,166
	Fee payable to National Clearing Company of Pakistan Limited	30,000	35,000
	Fee payable to Central Depository Company Limited	24,100	22,600
	Rating fee payable	49,770	133,100
	Professional tax payable	413,805	266,750
	Other liabilities	20,000	20,000
		<u>57,708,930</u>	<u>39,921,191</u>

11.1 Provision for Sindh Workers' Welfare Fund is being made on a daily basis going forward pursuant to the Mutual Funds Association of Pakistan (MUFAP's) recommendation to all its members on January 12, 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 December 31, 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 Collective Investment Schemes (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 July 01, 2014).

Total provision for SWWF till December 31, 2020 is Rs. 52.200 million (June 30, 2020: Rs.38.097 million). Had the provision not been made, Net Asset Value per unit of the Fund as at December 31, 2020 would have been higher by Rs. 1.66 (June 30, 2020: Rs. 1.14) per unit.

12 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the quarter ended December 31, 2020 is 3.74% which includes 1.14% 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 capped up to 4.5% (December 31, 2019: 4.5%).

13 CONTINGENCIES AND COMMITMENTS

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



14 TAXATION

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

15 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

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

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	(Rupees)	
15.1 Details of balances with related parties / connected persons at the period end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration and other payables (including the Sindh Sales Tax and Federal Excise Duty amounting to Rs. 27.996 million (June 30, 2020: Rs. 22.259 million)*)	15.4 <u><u>27,995,874</u></u>	<u><u>22,258,733</u></u>
Sales load payable	<u><u>66,008</u></u>	<u><u>66,008</u></u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable (Including Sindh sales tax amounting to Rs. 432,893 (June 30, 2020: Rs.737,341)	15.4 <u><u>432,893</u></u>	<u><u>737,341</u></u>
Security deposit	<u><u>100,000</u></u>	<u><u>100,000</u></u>
Settlement charges payable	<u><u>24,100</u></u>	<u><u>22,600</u></u>



		Half year ended December 31,	
		2020	2019
		(Unaudited) (Rupees)	
15.2	Details of transaction with related parties / connected persons at the period end		
	Lakson Investments Limited - Management Company of the Fund		
	Remuneration for the period	15.4 <u>35,831,157</u>	<u>30,365,049</u>
	Sindh sales tax on remuneration of Management Company *	<u>4,658,050</u>	<u>3,947,456</u>
	Central Depository Company Limited Trustee of the Fund		
	Remuneration for the period	15.4 <u>2,594,104</u>	<u>2,283,713</u>
	Settlement charges	<u>1,500</u>	<u>155,488</u>

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



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

	Number of Units				Half year ended December 31, 2020				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 31 December 2020	Balance as at July 01, 2020	Units issued during the year	Units redeemed during the year	Balance at the year ended 31 December 2020				
Lakson Investments Limited - Management Company of the Fund	837,657	535,568	-	1,373,225	76,292,428	-	-	148,753,771				
Directors, Chief Executive and their spouse and minors	5,675,136	3,067,903	147,950	8,595,088	693,188,870	28,753,486	1,79,889,102	931,057,793				
Other key management personnel	74,086	5,727	22,674.98	57,139	8,104,483	924,991	-	6,189,500				
Associated companies / undertakings of the Management Company												
Accuracy Surgical Limited Employees Contributory Provident Fund	41,593	4,024	-	45,617	3,656,309	408,703	-	4,941,396				
Century Insurance Company Limited Gratuity Fund	33,745	10,079	-	43,825	2,966,467	1,024,499	-	4,747,284				
Century Insurance Company Limited	1,416,940	-	-	1,416,940	124,560,111	-	-	153,489,216				
Century Insurance Company Limited Employees Contributory Provident Fund	47,177	4,630	-	51,807	4,147,222	470,000	-	5,611,920				
Century Paper & Board Mills Limited Employees Contributory Provident Fund	591,116	13,593	-	604,709	51,963,710	1,380,000	-	65,504,791				
Century Paper & Board Mills Limited Employees Gratuity Fund	487,945	44,334	-	532,279	42,894,206	4,513,552	-	57,658,808				
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund	531,212	99,810	-	631,022	46,697,684	10,142,706	-	68,355,104				
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	517,985	180,800	-	698,785	45,534,928	18,377,854	-	75,695,483				
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund	234,005	36,387	-	270,391	20,570,845	3,721,839	-	29,289,997				
Gam Corporation Private Limited Employees Contributory Provident Fund	135,371	63,220	-	198,591	11,900,192	6,427,262	-	21,512,280				
Hasnain Karabahi Foundation Employees Contributory Provident Fund	17,040	1,238	2,264	16,014	1,497,929	125,692	230,195	1,734,719				
Lakson Business Solutions Limited Employees Contributory Provident Fund	1,263	-	-	1,263	110,998	-	-	136,777				
Merit Packaging Limited Employees Contributory Provident Fund	82,523	2,216	-	84,739	7,254,406	225,000	-	9,179,325				
Merit Packaging Limited Employees Gratuity Fund	38,781	-	-	38,781	3,409,112	-	-	4,200,879				
Premier Fashions (Private) Limited	115,684	-	-	115,684	10,169,550	-	-	12,493,971				
Siza Commodities (Private) Limited	5,965,024	-	3,769,321	2,199,703	524,723,750	410,000,000	238,281,538	-				
Siza Foods Private Limited Employees Contributory Provident Fund	174,289	458,479	174,289	458,479	8,534,219	6,660,700	-	17,542,460				
Siza Private Limited	304,247	320,895	-	625,142	15,321,389	50,000,000	16,963,770	49,664,439				
Siza Service (Private) Limited	24,775	6,761	-	31,536	26,745,684	34,995,618	-	67,718,128				
Siza Services Private Limited Employees Contributory Provident Fund	53,234	3,842	-	57,075	2,177,907	686,967	-	3,416,066				
Sydril Private Limited Employees Contributory Provident Fund	-	-	-	-	4,679,658	390,000	-	6,182,651				
Lakson Investments Limited Employees Contributory Provident Fund	-	30,503	-	30,503	-	3,100,000	-	3,304,167				
Connected person due to holding more than 10% units												
Sindh General Provident Investment Fund	3,794,238	-	-	3,794,238	333,543,127	-	-	411,008,569				
Sindh Province Pension Fund	5,511,586	-	-	5,511,586	484,511,387	-	-	597,039,230				



Half year ended December 31, 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 as the year ended 31 December 2019	Balance as at July 01, 2019	Units issued during the year	Units redeemed during the year
36,441	5,152	-	41,593	3,318,966	450,000	-
38,321	-	-	38,321	3,490,215	-	-
1,825,550	2,212,264	2,620,874	1,416,940	166,268,140	230,000,000	252,419,477
29,774	17,403	-	47,177	2,711,792	1,520,000	-
397,511	193,605	-	591,116	36,204,694	16,910,000	-
298,806	189,140	-	487,946	27,214,783	16,520,000	-
387,239	143,973	-	531,212	35,269,099	12,575,000	-
328,502	189,483	-	517,985	29,919,437	16,550,000	-
142,526	91,479	-	234,004	12,981,018	7,990,000	-
74,977	60,394	-	135,371	6,828,771	5,275,000	-
17,040	-	-	17,040	1,551,956	-	-
1,263	-	-	1,263	115,032	-	-
59,339	23,185	-	82,523	5,404,484	2,025,000	-
24,298	14,483	-	38,781	2,213,023	1,265,000	-
2,459,304	-	615,000	1,844,304	223,989,502	-	49,507,992
5,496	-	-	5,496	500,574	-	-
53,174	43,907	-	97,081	4,843,004	3,835,000	-
1,838,321	-	476,000	1,362,321	167,431,358	-	39,039,378
4,573,911	-	1,143,478	3,430,433	416,584,461	-	93,412,281
24,775	-	-	24,775	2,256,459	-	-
32,396	20,837	-	53,234	2,950,601	1,820,000	-
4,244,495	1,267,091	-	5,511,586	386,581,831	125,000,000	-
2,875,418	918,520	-	3,794,238	261,888,440	79,000,000	-

Associated companies / undertakings of the Management Company

Accuracy Surgical Limited Employees Contributory Provident Fund	
Century Insurance Co. Limited Gratuity Fund	
Century Insurance Company Limited	
Century Insurance Company Limited Employees Contributory Provident Fund	
Century Paper & Board Mills Limited Employees Contributory Provident Fund	
Century Paper & Board Mills Limited Employees Contributory Provident Fund	
Colgate Palmolive Pakistan Limited Employees Contributory Provident Fund	
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund	
Gam Corporation (Private) Limited Employees Contributory Provident Fund	
Hasanali Karabhai Foundation Employees Contributory Provident Fund	
Lakson Business Solutions Limited Employees Contributory Provident Fund	
Merit Packaging Limited Employees Contributory Provident Fund	
Merit Packaging Limited Employees Gratuity Fund	
Princeton Fashions (Private) Limited	
Princeton Travels Limited Employees Contributory Provident Fund	
Siza Foods Private Limited Employees Contributory Provident Fund	
Siza Private Limited	
Siza Service (Private) Limited	
Siza Services (Private) Limited Employees Contributory Provident Fund	
Hybrid Private Limited Employees Contributory Provident Fund	

Connected person due to holding more than 10% units

Sindh Province Pension Fund	
Sindh General Provident Investment Fund	



- 15.4 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.
- 15.5 Purchase and redemption of the Fund's unit by related parties / connected persons are recorded at the applicable net asset value per unit. Dividend income is recorded at the rates and amount declared by the investee company. Other transactions are at agreed rates.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the 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.

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Unobservable inputs for the asset or liability (level 3).

As at 31 December 2020 (Un-audited)					
Carrying amount			Fair Value		
Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Total
(Rupees)					

On-balance sheet financial instruments

Financial assets measured at fair value

Listed equity securities	3,326,507,784	-	3,326,507,784	3,326,507,784	-	3,326,507,784
	<u>3,326,507,784</u>	<u>-</u>	<u>3,326,507,784</u>	<u>3,326,507,784</u>	<u>-</u>	<u>3,326,507,784</u>

Financial assets not measured at fair value

Bank balances - Held at amortized cost	16.1	-	178,456,680	178,456,680	-	-
Dividend and profit receivable		-	17,822,834	17,822,834	-	-
Security deposit		-	2,650,000	2,650,000	-	-
Receivable against sale of investment		-	44,207,665	44,207,665	-	-
		-	<u>243,137,179</u>	<u>243,137,179</u>	-	-

Financial liabilities not measured at fair value

Payable to the Management Company	16.1	-	6,095,227	6,095,227	-	-
Remuneration payable to the Trustee		-	432,893	432,893	-	-
Accrued expenses and other liabilities		-	5,094,722	5,094,722	-	-
Payable against the purchase of equity investment		-	72,817,760	72,817,760	-	-
		-	<u>84,440,602</u>	<u>84,440,602</u>	-	-



As at 30 June 2020 (Audited)					
Carrying amount			Fair Value		
Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Total
----- (Rupees) -----					
On-balance sheet financial instruments					
Financial assets measured at fair value					
Listed equity securities	2,712,959,818	-	2,712,959,818	-	2,712,959,818
	<u>2,712,959,818</u>	<u>-</u>	<u>2,712,959,818</u>	<u>2,712,959,818</u>	<u>-</u>
Financial assets not measured at fair value					
Bank balances - Held at amortized cost	16.1	-	286,244,205	-	-
Dividend receivable		-	187,640	-	-
Security deposit		-	6,436,750	-	-
Receivable against sale of investment		-	28,069,401	-	-
Return receivable on bank balances		-	6,513,207	-	-
		-	<u>327,451,203</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value					
Payable to the Management Company	16.1	-	1,018,112	-	-
Remuneration payable to the Trustee		-	737,341	-	-
Accrued expenses and other liabilities		-	1,557,548	-	-
Payable against the purchase of equity investment		-	45,792,777	-	-
		-	<u>49,105,778</u>	<u>-</u>	<u>-</u>

16.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

17 IMPACT OF COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

18 DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information were authorised for issue on February 18, 2021 by the Board of Directors of the Management Company.

19 GENERAL

19.1 Figures have been rounded off to the nearest rupee, unless otherwise stated.

19.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure, the effect of which is not material.

**For Lakson Investments Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



A Lakson Group Company

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