

LAKSON TACTICAL FUND

Half Yearly Report (December 31, 2020)



LAKSON INVESTMENTS
WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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Fund's Information

Management Company	Lakson Investments Limited Head Office Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan. Phone: (9221) 3840.0000 Fax: (9221) 3568.1653 Web site: www.li.com.pk E-mail: info@li.com.pk
Board of Directors of the Management Company	Mr. Iqbal Ali Lakhani - Chairman Mr. Babar Ali Lakhani - Chief Executive Officer Mr. Jamil Ahmed Mughal Mr. Amin Mohammed Lakhani Mr. Jacques John Visser Ms. Roxanne Davies Ms. 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 Shahra-e-Faisal, Karachi, Pakistan.
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No.2, Beaumont Road, Karachi - 75530, Pakistan

Fund's Information

Bankers to the Fund

Allied Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Habib Bank AG Zurich
JS Bank Limited
Telenor Microfinance Bank Limited
United Bank Limited
NRSP Microfinance Bank Limited
National Bank of Pakistan
Mobilink Microfinance Bank Limited
Silk Bank Limited
Sindh Bank Limited
Finca Microfinance 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

Distributor

Rabia Fida
BMA Capital Management Limited

Rating

1 Year : 4-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 Tactical Fund ("LTF") is pleased to submit its review report together with Condensed Interim Financial Statements for the half year ended December 31, 2020.

Fund Objective

The investment objective of the Lakson Tactical Fund is to provide long-term capital appreciation by exclusively investing in a mix of securities comprising debt, equity, and commodities future contracts.

Principal activities

LTF 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 macro factors such as government policies, interest rates, liquidity, exchange rates and economic growth. The Fund switches exposure between domestic debt securities and domestic equities based on the forward price to earnings multiple of the equity market. Asset allocation to different sectors and stocks will be made on the basis of earnings growth and management quality. Exposure of the scheme in fixed income securities is managed through duration and yield curve management. The Fund may overweight or underweight commodities relative to its benchmark for commodities investment.

Development and Fund performance

Lakson Tactical Fund generated an absolute return of 4.33% against the benchmark return of 5.61% in the 2QFY21. This pushed the 1HFY21 return to 16.95% for the fund vs. 17.17% for the benchmark for the same period. As of December 31, 2020, LTF portfolio was invested 60% in Equities, 13% in TFCs/Sukuks and 22% in Cash.

Earning per Unit (EPU)

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

Economic Review

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.

Fixed Income Market Review

GoP raised cumulative PKR9.5tn in T-Bill auctions during CY20 vs. PKR18.5tn in CY19. The decline in treasuries during the earlier part of CY20 was mostly led by an outflow in the Special Convertible Rupee Account (SCRA) in 1HCY20 driven by declining interest rates (down 625bps to 7%) and PKR slippage. Participation also began to lose steam once expectations of a rate cut solidified shifting more towards the longer end of treasury instruments (12M T-Bills) in the early part of 2020. As interest rates came off, yields dropped sharply after inverting in 2HCY19. T-Bill yields for 3M, 6M and 12M tenors dropped to c. 6.5% in June before rising to 7.17%/7.20% and 7.29% for 3M/6M and 12M tenor in Dec'20 (having risen from 13.49%/13.29% and 13.13% in Dec'19). Recent rise in cut off yields has been led by expectations of rise in interest rates. PIBs witnessed participation of PKR964bn in CY20 vs. PKR2.2tn SPLY. Cut-off yields dropped to 8.50%, 9.53%, 9.99% for 3YR/5YR and 10YR tenors from 11.75%/11.19% and 11.0% in Dec'19.

Equity Market Review

GoP raised cumulative PKR9.5tn in T-Bill auctions during CY20 vs. PKR18.5tn in CY19. The decline in treasuries during the earlier part of CY20 was mostly led by an outflow in the Special Convertible



Rupee Account (SCRA) in 1HCY20 driven by declining interest rates (down 625bps to 7%) and PKR slippage. Participation also began to lose steam once expectations of a rate cut solidified shifting more towards the longer end of treasury instruments (12M T-Bills) in the early part of 2020. As interest rates came off, yields dropped sharply after inverting in 2HCY19. T-Bill yields for 3M, 6M and 12M tenors dropped to c. 6.5% in June before rising to 7.17%/7.20% and 7.29% for 3M/6M and 12M tenor in Dec'20 (having risen from 13.49%/13.29% and 13.13% in Dec'19). Recent rise in cut off yields has been led by expectations of rise in interest rates. PIBs witnessed participation of PKR964bn in CY20 vs. PKR2.2tn SPLY. Cut-off yields dropped to 8.50%, 9.53%, 9.99% for 3YR/5YR and 10YR tenors from 11.75%/11.19% and 11.0% in Dec'19.

Commodities Review

With demand beginning to return after April, crude oil prices increased. The WTI price climbed to USD40/bbl on July 1 and remained near that amount through most of the rest of the year. At the end of 2020, crude oil prices began to increase as markets responded to news of several COVID-19 vaccine rollouts. Gold advanced 7% over the six-month period ended in December. Meanwhile, silver rallied by 46% for the period.

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 ٹیکٹیکل فنڈ

31 دسمبر 2020 کو ختم ہونے والے نصف سال کے لیے

میٹجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، لیکسن ٹیکٹیکل فنڈ ("LTF") کی میٹجمنٹ 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۔

فنڈ کا مقصد

لیکسن ٹیکٹیکل فنڈ کی سرمایہ کاری کا مقصد، ڈیٹ (Debt)، ایکویٹی اور کموڈٹیز فیوچر کنٹریکٹس پر مشتمل مختلف طرح کی سیکیورٹیز میں سرمایہ کاری کرتے ہوئے سرمائے کی قدر میں طویل مدتی اضافہ کرنا ہے۔

اہم سرگرمیاں

LTF ایک ایلیٹ ایلیکشن اسکیم ہے جسے متعلقہ اثاثوں کی کلاسز کے متوقع منافع جات اور میٹجمنٹ کمپنی کی صوابدیدی بنیاد پر ڈیٹ (Debt)، ایکویٹی پر مبنی انسٹرومنٹس اور کموڈٹیز کے درمیان سرمایہ کاری کے ردوبدل کی اجازت ہے اس صوابدیدی کا اطلاق اقتصادی ماحول کے تجربے کے بعد کیا جائے گا جس میں افراط زر، کرنسی کی قدر میں کمی، شرح سود، GDP کی نمو، حکومتی پالیسیز، عالمی اقتصادی ڈینا، کموڈٹیز کی قیمتیں اور رسد/طلب کا تحریک شامل ہے۔ گلسڈ انکم سیکیورٹیز میں اسکیم کی سرمایہ کاری کا انتظام و انصرام کو حکومتی سیکیورٹیز کی مختلف میچورٹیز کے درمیان منتقلی کے ذریعے دورانیے اور yield curve میٹجمنٹ کے ذریعے کیا جائے گا۔

ایکویٹی میں سرمایہ کاری کا انتظام و انصرام ان بنیادی اقدار کے تعین کے لیے نیچے سے اوپر کی طرف تجربے کے ذریعے کیا جائے گا جو فنڈ کو پرکشش منافع کمانے کے قابل بنائیں۔ حکومتی سیکیورٹیز کی مختلف میچورٹیز کے درمیان منتقلی کے ذریعے دورانیے اور yield curve میٹجمنٹ کے ذریعے کیا جائے گا۔ فنڈ کموڈٹیز میں سرمایہ کاری کے لیے شیئنگ مارک کو متعلقہ کموڈٹیز کے مطابق اوورویٹ یا انڈروویٹ کر سکتا ہے۔

پیش رفت اور کارکردگی کا جائزہ

لیکسن ٹیکٹیکل فنڈ نے مالی سال 2021ء کی دوسری سہ ماہی میں شیئنگ مارک منافع %5.61 کے مقابلے میں %4.33 مطلق منافع پیش کیا۔ اس سے مالی سال 2021 کے پہلے نصف کا فنڈ کا منافع اسی مدت کے شیئنگ مارک منافع %17.17 کے مقابلے میں %16.95 تک پہنچ گیا۔ 31 دسمبر 2020 کے مطابق LTF پورٹ فولیو نے ایکویٹی میں %60، TFCs/سکوکس میں %13 اور کیس میں %22 سرمایہ کاری کی۔

ٹی شیئر آمدنی (EPU)

ٹی شیئر آمدنی (EPU) ظاہر نہیں کی گئی ہے کیوں کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے موزوں اوسط پوائنٹس 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 بی پی کی قلیل مدتی حد 9-7 کی اوپری حد کے قریب ہے۔ نومبر کے دوران ماہیٹری پالیسی میں، اسٹیٹ بینک نے پالیسی کی شرح کو بغیر تبدیلی کے 7.0% پر رکھا (آخری کوئی جون 2020 میں ہوئی تھی)۔ کرنٹ اکاؤنٹس کے بیلنس 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 رسمی چینلوں کے خلاف کریڈٹ 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 ایشیا، مشروبات اور تباکو (+58%) اور آٹوموبائل (+45%) ماہانہ نفع جات میں اضافے کا محرک بنے جبکہ پیپر اینڈ بورڈ اور کیمیکلز نے بھی دوہرے ہندسوں میں نمودار کرائی۔ کووڈ-19 کے حوالے سے، پاکستان نے دسمبر میں ہنگامی استعمال کے لیے ایسٹرازییکا (AstraZeneca) ویکسین کی منظوری دی۔

گلسڈ آگم مارکیٹ کا جائزہ

حکومت پاکستان نے سال 2019 کے دوسرے نصف میں 18.5 ٹریلین روپے کے مقابلے میں سال 2020 کے پہلے نصف میں T بلز کی بنیاد میں مجموعی طور پر 9.5 ٹریلین روپے اکٹھے کیے۔ سال 2020 کے ابتدائی حصے کے دوران مالی ذخائر میں کمی کی سب سے بڑی وجہ شرح سود میں کمی (625 بنیادی پوائنٹس کی کمی کے ساتھ 7% تک) کے نتیجے میں سال 2020 کی پہلی سہ ماہی میں اسٹیبل کنورٹبل روپیہ اکاؤنٹ (SCRA) سے سرمایہ کا اخراج اور روپے کی قدر میں گراؤ تھی۔ کوئی کی توقعات مستحکم ہونے سے بھی سرمایہ کاری کا زور ڈالنا جو 2020 کے ابتدائی حصے میں طویل مدتی مالیاتی تمسکات (12 ماہ کے ٹی بلز) کی طرف زیادہ منتقل ہو گئی۔ سال 2019 کے دوسرے نصف میں واپسی کے بعد جیسے ہی شرح سود میں کمی آئی۔ منافع تیزی سے گرا۔ دسمبر 2020 میں 3/6 ماہ کی مدتوں کے لیے ٹی بلز کے منافع جات 7.20%/7.17%/ اور 7.29% تک اضافے سے پہلے جو 13 ماہ 6 اور 12 ماہ کے لیے ٹی بلز کے منافع جات 6.5% تک گر گئے (جو دسمبر 2019 میں 13.29%/13.49% اور 13.13% تھے)۔ حتمی منافع جات میں حالیہ اضافہ شرح سود میں اضافے کی توقعات کا نتیجہ ہے۔ گزشتہ سال اسی مدت میں 2.2 ٹریلین روپے کے مقابلے میں سال 2020 میں PIB میں 964 ارب روپے سرمایہ کاری دیکھنے میں آئی۔ دسمبر 2019 میں 3 سالہ، 5 سالہ اور 10 سالہ میعادوں کے لیے حتمی منافع جات 11.19%/11.75% اور 11.0% سے 8.50%، 9.53% اور 9.99% تک گر گئے۔

ایلیٹری 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 بیٹرفٹوں 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 ایجنسی اسکیم کے اعلان کے نتیجے میں مارکیٹ نے ٹھوس منافع کا مظاہرہ کیا۔ موجودہ کوئیوں میں توسیع کی امیدوں اور ویکسین سے متعلق مثبت خبروں سے متعلق جذبات کے درمیان الاقوامی محاذ پر تیل کی قیمتوں میں اضافہ رہا۔

مالی سال 2021 کے پہلے نصف کے دوران برینٹ کروڈ 20 فیصد اضافے سے فی بریل 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 ایمریکنگ 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 پیمائش 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 کر دیا اور مقامی مجاذ 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 بائرنس 90.6 ملین ڈالر، 159.1 ملین ڈالر اور 82.6 ملین ڈالر کے بڑے خالص خریدار رہے۔

کوڈ شیئر کا جائزہ

اپریل کے بعد طلب میں واپسی کے آغاز کے ساتھ ہی خام تیل کی قیمتوں میں اضافہ ہوا۔ یکم جولائی کو ڈی بیوٹی آئی کی قیمت 40 امریکی ڈالر/bbl تک پہنچ گئی اور باقی سال کے دوران بھی اس رقم کے قریب ہی رہی۔ 2020 کے آخر میں، خام تیل کی قیمتوں میں اضافہ ہونا شروع ہوا جب مارکیٹس نے متعدد کوڈ۔19 ویکسین رول آؤٹ ہونے کی خبروں پر رد عمل دیا۔ سونے کی قیمتوں میں دسمبر میں ختم ہونے والی چھ ماہ کی مدت کے دوران 7% اضافہ ہوا۔ دیریں اٹنا، چاندنی کی قیمت میں 46 فیصد اضافہ ہوا۔

مستقبل کی توقعات

ہمارا خیال ہے کہ تیزی جاری رہتی چاہیے جہاں کاروباری منافع اپنی چلی ترین سطح چھو چکا ہے اور اور یہاں سے بلند ہو سکتا ہے۔ مالیاتی قدریں اب بھی اوسط (9.4x) اوسط بمقابلہ 7.4x کارورڈی/پی/ای کے مقابلے میں نمایاں رعایت پر ہیں خاص طور پر جیسا کہ 2021 میں غیر ملکی فروخت کا زور ٹوٹنے کی توقع ہے۔ ہمیں لگتا ہے کہ اسٹیٹ بینک بدستور تحمل پر قائم رہے گا اور سود کی شرح میں تیزی سے اضافہ کرنا 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 گردش قرضوں کے تصفیے اور ٹیکس اصلاحات 6 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 ترسیلات زر معمول پر آجائیں (موجودہ رفتار 2 ارب ڈالر/مہینہ سے زائد سے) جس کی وجہ سے کرنٹ اکاؤنٹ میں کچھ گراؤ آ سکتی ہے۔ ایسٹریزیچک، سائٹوفارم اور سپونٹک کوویڈ 19- ویکسین سامنے لانے سے انفیکشن کی جاری دوسری لہر سے پیدا ہونے والے اندیشے 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) سینیٹ انتخابات۔

اظہار تشکر

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

برائے و خجانب 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
Karachi - 74400, Pakistan.
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TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON TACTICAL 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 Tactical 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.

As already highlighted in our previous trustee report dated September 29, 2020 the fund continue to hold investment of Rs.35.492 million in TFC of Silk Bank Limited having rating of BBB+ as of December 31, 2020 which is lower than the minimum rating allowed under the Constitutive Document of the Fund. However, at the time of purchase, this term finance certificate was compliant with the minimum rating allowed under the Constitutive Document of the Fund. The matter has also been reported to the commission.


Badiuddin Akber

Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 22, 2021



INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of Lakson Tactical Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Lakson Tactical Fund ("the Fund") as at 31 December 2020 and the related condensed interim income statement, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flows and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred to as the "condensed interim financial information"). Management Company is responsible for the preparation and presentation of the 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 as applicable in Pakistan 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 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim financial information for the quarter ended 31 December 2020, have not been reviewed and we do not express a conclusion thereon.

The engagement partner on the engagement resulting in this independent auditors' review report is Amyr Pirani.

Date:

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyr Pirani

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

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	----- (Rupees) -----	-----
Assets	Note	
Bank balances	7	140,456,095
Investments	8	64,761,550
Dividend receivables		442,581,713
Profit accrued	9	792,090
Receivable against sale of investments		16,287
Deposits, prepayments and other receivables	10	2,928,252
Total assets		4,050,530
		-
		4,357,638
		3,371,956
		<u>630,285,033</u>
		<u>519,139,675</u>
Liabilities		
Payable to the Management Company	11	2,823,578
Remuneration payable to the Trustee		219,584
Annual fee payable to Securities and Exchange Commission of Pakistan		58,093
Payable against purchase of securities		2,500,687
Accrued expenses and other liabilities	12	7,428,898
Total liabilities		13,030,840
		2,086,036
		196,229
		125,836
		4,509,211
		5,577,276
		<u>12,494,588</u>
Contingencies and commitments	14	
Net assets		<u>617,254,194</u>
Unit holders' fund		<u>506,645,087</u>
		(Number)
Number of units in issue		<u>6,033,441</u>
		<u>5,791,696</u>
		(Rupees)
Net assets value per unit		<u>102.3055</u>
		<u>87.4778</u>

The annexed notes from 1 to 19 form an integral part of these 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

	Note	Half year ended		Quarter ended	
		December 31, 2020	2019	December 31, 2020	2019
Income		----- (Rupees) -----			
Gain on sale of investments held at fair value through profit or loss - net		33,912,412	1,874,808	11,942,747	10,250,505
Unrealized gain on revaluation of investments held at fair value through profit or loss - net	8.1 to 8.4	45,501,128	60,719,322	7,855,345	81,734,696
		79,413,540	62,594,130	19,798,092	91,985,201
Dividend income on investments held at fair value through profit or loss		5,929,960	13,064,828	4,740,228	7,099,088
Return / Mark up on:					
Bank balances and term finance deposit - at amortised cost		5,249,230	16,611,729	557,100	9,159,582
Government and other debt securities at fair value through profit or loss		5,123,276	3,110,476	4,605,066	1,219,258
		10,372,506	19,722,205	5,162,166	10,378,840
Exchange loss on foreign currency deposits - at amortised cost		(38,153)	(26,276)	(27,248)	(7,719)
Total income		95,677,853	95,354,887	29,673,238	109,455,410
Expenses					
Remuneration to the Management Company	11.1	4,091,015	4,793,604	2,099,800	2,574,993
Sindh Sales tax on remuneration to the Management Company	11.2	531,832	623,169	272,974	334,750
Remuneration to the Trustee		656,450	784,875	339,664	403,780
Annual fee to the Securities and Exchange Commission of Pakistan		58,093	69,458	30,599	35,733
Auditors' remuneration		244,711	181,949	153,003	92,410
Fees and subscription		264,656	359,646	132,328	178,850
Printing charges		5,085	-	-	-
Brokerage, custody, settlement and bank charges		1,046,779	965,183	494,630	647,498
SECP Supervisory Fee		1,260	1,257	630	629
Total expenses		6,899,881	7,779,141	3,523,088	4,268,643
Net income from the operating activities		88,777,972	87,575,746	26,150,150	105,186,767
Sindh Workers' Welfare Fund (SWWF)	12.1	(1,775,559)	(1,751,515)	(523,003)	(1,751,515)
Net income for the period before taxation		87,002,413	85,824,231	25,627,147	103,435,252
Taxation	15	-	-	-	-
Net income for the period after taxation		87,002,413	85,824,231	25,627,147	103,435,252
Allocation of net income for the period after taxation					
Net income for the period after taxation		87,002,413	85,824,231	25,627,147	103,435,252
Income already paid on units redeemed		(1,868,991)	-	(669,181)	-
		85,133,422	85,824,231	24,957,966	103,435,252
Accounting income available for distribution					
- Relating to capital gains		77,578,200	62,594,130	19,166,107	91,985,201
- Excluding capital gains		7,555,222	23,230,101	5,791,859	11,450,051
		85,133,422	85,824,231	24,957,966	103,435,252

The annexed notes from 1 to 19 form an integral part of these 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 after taxation	87,002,413	85,824,231	25,627,147	103,435,252
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>87,002,413</u>	<u>85,824,231</u>	<u>25,627,147</u>	<u>103,435,252</u>

The annexed notes from 1 to 19 form an integral part of these 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	599,038,917	(92,393,831)	850,911,523	(94,323,800)
		506,645,086		756,587,723
Issuance of 410,037 units (2019: 666,643 units)				
- Capital value	35,869,175	35,869,175	59,783,557	59,783,557
- Element of income	4,328,377	4,328,377	6,532,708	6,532,708
Total proceeds on issuance of units	40,197,552	40,197,552	66,316,265	66,316,265
Redemption of 168,292 units (2019: 1,715,224 units)				
- Capital value	(14,721,866)	(14,721,866)	(156,702,159)	(156,702,159)
- Element of income	(1,868,991)	(1,868,991)	-	-
Total payments on redemption of units	(14,721,866)	(16,590,857)	(156,702,159)	(156,702,159)
Total comprehensive income for the period	-	87,002,413	-	85,824,231
Net assets as at end of the period	624,514,603	(7,260,409)	760,525,629	(8,499,569)
		617,254,194		752,026,060
Undistributed income brought forward:				
- Realized loss at beginning of the period		(92,393,868)		19,456,897
- Unrealized (loss) / income at beginning of the period		-		(113,780,697)
		(92,393,868)		(94,323,800)
Accounting income available for distribution:				
Relating to capital gains	77,578,200		62,594,130	
Excluding capital gains	7,555,222		23,230,101	
	85,133,422		85,824,231	
Total comprehensive income for the period	-	-	-	-
Undistributed loss at end of the period		(7,260,446)		(8,499,569)
Represented by:				
- Realized loss at end of the period		(52,761,574)		(69,218,891)
- Unrealized income at end of the period		45,501,128		60,719,322
Undistributed loss at end of the period		(7,260,446)		(8,499,569)
Net assets value per unit at beginning of the period		87.4778		89.6785
Net assets value per unit at end of the period		102.3055		101.7890

The annexed notes from 1 to 19 form an integral part of these 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	87,002,413	85,824,231
Adjustments for:		
Unrealized gain on revaluation of investment at fair value through profit and loss - net	(45,501,128)	(60,719,322)
	41,501,285	25,104,910
(Increase) / decrease in assets		
Investments	4,925,838	166,904,685
Profit accrued	1,122,278	(1,146,286)
Dividend receivables	(775,803)	859,417
Receivable against sale of investments	4,357,638	-
Deposits, prepayments and other receivables	420,362	25,663
	10,050,313	166,643,479
(Decrease) / increase in liabilities		
Remuneration payable to the Management Company	737,542	57,001
Remuneration payable to the Trustee	23,355	(1,344)
Annual fee payable to Securities and Exchange Commission of Pakistan	(67,743)	(929,291)
Payable against purchase of securities	(2,008,524)	-
Accrued expenses and other liabilities	1,851,622	1,804,665
	536,252	931,031
Net cash flows from operating activities	52,087,850	192,679,420
CASH FLOWS FROM FINANCING ACTIVITIES		
Received on issuance of units	40,197,552	66,316,265
Paid against redemption of units	(16,590,857)	(156,702,159)
Net cash generated from financing activities	23,606,695	(90,385,894)
Net increase in cash and cash equivalents during the period	75,694,545	102,293,526
Cash and cash equivalents at beginning of the period	64,761,550	85,286,659
Cash and cash equivalents at end of the period	140,456,095	187,580,184

The annexed notes from 1 to 20 form an integral part of these 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

- 1.1 The Lakson Tactical Fund (the "Fund") was established under the Trust Deed executed on 30 May 2011 between the Lakson Investments Limited as its Management Company, a company incorporated under the repealed Companies 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 7 July 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).
- 1.2 The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore. while the head office is in the Lakson Square Building No. 2, Karachi.
- 1.3 The Fund is an open end mutual fund and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund is categorised as "Asset Allocation Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and is authorised to invest within the prescribed limits as mentioned in the offering documents of the fund in listed equity securities, Government securities, debt securities, deposits with banks, preference shares, placement of funds with financial institutions, reverse repo, margin trading system, money market placement, commercial paper, unlisted equity securities only if an application for listing of such securities has been accepted by the stock exchange, future contract of equity and commodity both and any other instruments authorized by the SECP in Pakistan. Further, as allowed by SECP and State Bank of Pakistan, the Fund can invest abroad up to 30% of the aggregated funds mobilized (including foreign currency funds) subject to a maximum limit of USD 15 million. The investments authorized outside Pakistan include exchange traded funds based on equities / debt with exposure in the commodities, index tracker funds tracking different commodities indices, actively managed commodities based funds, equities and debt securities of companies with exposure in commodities, future contracts of different commodities and foreign currency deposits etc.

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

- 1.4 Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale AM2+¹ (stable outlook) vide its report dated 29 August 2019 (2019: AM2+ as on 27 February 2019).

On 21 October 2020: VIS Credit Rating Company assigned following rankings to the Fund based on the performance review for the year ended 30 June 2020:

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

- 1.5 During the current period, the Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 'Interim Financial Reporting issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

- 2.2 The comparative balance sheet presented in these condensed interim financial information as at 31 December 2020 has been extracted from the audited financial statements of the Company for the year ended 30 June 2020, whereas the comparative income statement, statement of comprehensive income, the cash flow statement and statement of movement in unitholders' fund for the six months period ended 31 December 2019 have been extracted from the unaudited condensed interim financial information for the period then ended.
- 2.3 These condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2020. However, selected explanatory notes are included to explain events and transactions that are significant.
- 2.4 These condensed interim financial information are being submitted to the unit holders as required under Regulation 38(2)(f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited. However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause 5.19.13 of the Pakistan Stock Exchange Limited (PSX) Rule Book.
- 2.5 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial information give a true and fair view of the state of the Fund's affairs as at 31 December 2020.

2.6 Basis of measurement

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

2.7 Functional and presentation currency

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

3 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 31 December 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 economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts 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.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

4 SIGNIFICANT ACCOUNTING POLICIES AND THEIR IMPACT OF NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS THEREON

4.1 The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

4.2 New standards, interpretations and amendments adopted by the fund

There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after 1 July 2020 but are considered not to be relevant or do not have any significant effect on the fund's operations and therefore are not detailed in these condensed interim financial information.

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

In addition certain IFRS, amendments and interpretations to approved accounting standards are not yet effective. However, these are not likely to have any effect on the Fund's financial statements.

5 USE OF ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. 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.

6 FINANCIAL RISK MANAGEMENT

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

7	BANK BALANCES	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
			----- (Rupees) -----	-----
	Local Currency			
	In profit and loss sharing accounts	7.1	139,705,385	63,972,688
	In current account		8,503	8,503
	Foreign Currency			
	In current account	7.2	742,207	780,359
			<u>140,456,095</u>	<u>64,761,550</u>

7.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 5.00% to 9.00% (30 June 2020: 6.50% to 11.10%) per annum.

7.2 This represents USD denominated current account maintained in a foreign country.

8 INVESTMENTS

At fair value through profit or loss

	Term finance certificates	8.1	45,197,242	45,633,566
	Sukuk certificates	8.2	34,309,793	39,545,058
	Government securities	8.3	24,710,000	24,887,500
	Listed equity securities	8.4	378,939,967	332,515,589
			<u>483,157,002</u>	<u>442,581,713</u>

8.1 Term Finance Certificates

At fair value through profit or loss

Note	Date of Maturity	Mark-up rate	Holding as at 01 July 2020	Purchases during the period	Disposed / matured during the period	Holdings as at December 31, 2020	Carrying value before revaluation as of 31 December 2020	Market value as of the year ended 31 December 2020 (after revaluation)	Unrealised diminution	Credit rating	Market value as % of total investments	Market value as % of net assets	Face value as % of size of the issue
						----- (Rupees) -----							
	-----Number certificates-----												
Silk Bank Limited	8.1.1	10-Aug-25	6 months KIBOR + 1.85%	8,000	-	8,000	35,881,328	35,492,452	(388,876)	BBB+ (dated 01 Mar 2020)	7.35%	5.75%	2.00%
Bank Al-Habib Limited	8.1.2	6-Dec-28	6 months KIBOR + 1.00%	2,000	-	2,000	9,746,238	9,704,790	(41,448)	AA (dated 29 June 2020)	2.01%	1.57%	0.25%
Total as at 31 December 2020							45,627,566	45,197,242	(430,324)		9.35%	7.32%	2.25%
Total cost as at 31 December 2020							49,968,000						
Total as at 30 June 2020							44,766,083	45,633,566	867,483				
Total cost as at 30 June 2020							49,974,000						

8.1.1 This represents investments in Term Finance Certificates of Silk Bank Limited carrying an effective profit rate of 6 months Karachi Inter Bank Offered Rates (KIBOR) per annum plus 1.85% receivable semi-annually in arrears. The instrument is structured to redeem 0.14% of the issue amount during the first 7 years of issue while the remaining 99.86% in the last 2 equal semi annual instalments of 49.93% each from 10 February 2018 to 10 August 2025. These are secured by first pari passu charge on the bank's assets with 25% margin. Total face value of the individual investment is Rs. 5,000 (Rs. 40 million in total), whereas at the year end total face value of the principal amount was Rs. 39.98 million.

8.1.1.1 The Securities & Exchange Commission of Pakistan vide circular No. 16 of 2010 dated July 7, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	% of Net Assets	% of Gross Assets
Silkbank Limited - PPTFC - 08 years (Face value of Rs. 5,000 each)	Rating is below minimum investment grade of A- as prescribed in clause No. 2.4 of the offering document	Term finance certificates	35,492,452	-	35,492,452	5.75%	5.63%

At the time of purchase, this term finance certificate was in compliance with the aforementioned circular. However, subsequently it was downgraded to BBB+ from A-. The Management Company of the fund has also received letter from SECP dated 5 October 2020 advising them to endeavour to regularize the non-compliance as soon as possible. Arrangements have been made to dispose off these investments.

- 8.1.2 This represents investments in Term Finance Certificates of Bank Al-Habib Limited carrying an effective profit rate of 6 months Karachi Inter Bank Offered Rates (KIBOR) per annum plus 1.00% receivable semi-annually in arrears. The instrument is structured to redeem 0.36% of the issue amount during the first 9 years of issue while the remaining 99.64% in the last 2 equal semi annual instalments of 49.82% each from 06 June 2019 to 06 December 2028. These are secured by first pari passu charge on the bank's assets with 25% margin. Total face value of the individual investment is Rs. 2,000 (Rs. 9.99 million in total).

8.2 Sukuk certificates - at fair value through profit or loss

Note	Date of Maturity	Mark-up rate	Holding as at 01 July 2020	Purchases during the period	Disposed / matured during the period	Holdings at December 31, 2020	Carrying value before revaluation as of 31 December 2020	Market value as of the year ended 31 December 2020 (after revaluation)	Unrealized diminution	Credit rating	Market value as % of total investments	Market value as % of net assets	Face value as % of size of the issue
Dawood Hercules Corporation Limited 8.2.1	15-Nov-22	3 months KIBOR + 1.00%	110	-	-	110	6,676,469	6,672,310	(4,159)	AA (dated 26 Jun 2020)	1.38%	1.08%	1.83%
Dawood Hercules Corporation Limited 8.2.2	01-Mar-23	3 months KIBOR + 1.00%	390	-	-	390	27,868,589	27,637,483	(231,106)	AA (dated 26 Jun 2020)	5.72%	4.48%	6.50%
							<u>34,545,058</u>	<u>34,309,793</u>	<u>(235,265)</u>		<u>7.10%</u>	<u>5.56%</u>	<u>8.33%</u>
							<u>33,900,000</u>						
							<u>38,789,439</u>	<u>39,545,058</u>	<u>755,619</u>				
							<u>38,900,000</u>						

- 8.2.1 This represents investment in sukuk certificates of Dawood Hercules 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 1.1 million each and the last two semi-annual instalments on May 2022 and November 2022 at Rs. 2.2 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.

- 8.2.2 This represents investment in sukuk certificates of Dawood Hercules 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 3.9 million each and the last two semi-annual instalments on September 2022 and March 2023 at Rs. 7.8 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.

8.3 Government securities - at fair value through profit or loss

Note	Date of Maturity	Mark-up rate	Holding as at 01 July 2019	Purchases during the period	Disposed / matured during the period	Holdings as at December 31, 2019	Carrying value as of the year ended 31 December 2019 before revaluation	Market value as of the year ended 31 December 2019	Unrealized diminution	Market value as % of total investments (based on market value)	Market value as % of net assets (based on market value)
10 years Pakistan Investment Bond 8.3.1	31-May-28	7.30%	250,000	-	-	250,000	24,887,500	24,710,000	(177,500)	5.11%	0.04%
							<u>24,887,500</u>	<u>24,710,000</u>	<u>(177,500)</u>	<u>5.11%</u>	<u>0.04%</u>
							<u>25,000,000</u>				
							<u>24,542,500</u>	<u>24,887,500</u>	<u>345,000</u>		
							<u>25,000,000</u>				

8.4 Equity Securities
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							Market value as a percentage of net assets		Per value of shares held as a percentage of total paid up capital of the company	
	Holding as at July 01, 2020	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at December 31, 2020	Carrying value before revaluation as of December 31, 2020	Market value as of 31 December 2020 (after revaluation)	Unrealised gain / (loss) - net	Market value as a percentage of net assets		
Commercial Banks											
Bank Al Habib Limited	162,800	49,500	-	63,268	151,032	8,379,288	10,511,827	2,132,539	2.18	1.70	0.0136%
Habib Bank Limited - 8.4.1	241,360	69,700	-	37,000	274,060	29,036,454	36,252,657	7,216,203	7.50	5.87	0.0187%
The Bank of Punjab	625,584	-	-	387,000	238,584	2,004,106	2,211,674	207,568	0.46	0.36	0.0009%
MCB Bank Limited	95,000	-	-	45,800	49,200	22,902,446	25,221,240	2,318,794	5.22	4.09	0.0113%
United Bank Limited	121,300	16,200	7,480	102,755	42,225	2,642,575	4,409,979	1,767,404	0.91	0.71	0.0020%
Nissan Bank Limited	144,847	52,100	-	69,900	127,047	13,608,021	15,990,135	2,382,114	3.31	2.59	0.0104%
United Bank Limited						78,972,890	94,597,512	16,024,622	19.58	15.33	0.0616%
Insurance											
Admiral Insurance Company Limited	168,300	12,200	-	138,500	42,000	1,408,546	1,051,440	242,894	0.34	0.27	0.0012%
Chemicals											
ICI Pakistan Limited	9,250	5,650	-	5,150	9,550	6,708,030	7,258,860	550,830	1.50	1.18	0.0103%
Engro Polymer & Chemicals Limited	193,578	214,000	-	162,800	244,778	9,930,974	11,639,403	1,698,429	2.41	1.88	0.0269%
Lotte Chemical Pakistan Limited	126,500	31,100	-	294,500	53,396	4,542,090	4,438,170	(106,920)	0.92	0.72	0.0194%
Diason Oxychem Limited	-	114,500	18,496	127,000	34,000	1,458,085	1,932,935	474,850	0.40	0.31	0.0050%
Shara Periodic Limited	-	-	-	80,300	80,300	1,667,800	1,667,800	-	0.36	0.33	0.0081%
Fertilizers											
Engro Corporation Limited - 8.4.1	76,407	7,400	-	19,500	64,307	18,448,398	19,765,400	817,002	4.09	3.20	0.0112%
Fajri Fertilizer Bin Qasim Limited	173,898	255,500	481	80,000	175,881	3,886,648	4,455,839	469,191	0.92	0.72	0.0188%
Fajri Fertilizer Company Limited	-	26,500	-	17,089	73,809	8,038,738	7,954,026	(84,712)	1.65	1.59	0.0058%
Pharma & Bio Tech											
The Searle Company Limited - 8.4.2	7,279	-	-	7,200	79	15,739	19,689	3,950	0.00	0.00	0.0000%
Ferozsons Laboratories Limited	15,900	5,950	-	1,150	12,046	2,126,671	2,210,784	184,113	0.48	0.37	0.0038%
GleasonSmithKline Pakistan Limited	-	-	-	9,804	-	2,142,410	2,330,473	188,063	0.48	0.38	0.0038%
Textile Composite											
Nishat	127,087	33,900	-	39,000	81,987	6,955,520	8,343,187	1,578,297	1.73	1.35	0.0233%
Gul Ahmed Textile Mills Limited	229,000	20,000	-	198,400	50,600	1,507,711	1,859,550	351,839	0.38	0.30	0.0118%
Nishat (Dhunan) Limited	56,000	-	-	56,000	-	8,273,231	10,103,367	1,830,136	2.11	1.65	0.0251%
Cement											
Kohat Cement Company Limited	6,410	3,200	-	6,410	30,665	14,624,380	21,906,381	6,672,001	4.29	3.44	0.0404%
49	209,600	190,888	-	250,400	149,688	4,862,442	6,737,807	1,875,495	1.39	1.09	0.0366%
Mafra Leaf Cement Factory Limited	45,103	30,000	-	50,768	24,335	1,981,245	2,513,806	532,561	0.52	0.41	0.0107%
Pioneer Cement Company Limited	387,200	271,966	-	254,900	404,206	7,397,292	8,759,144	1,461,852	1.81	1.42	0.0293%
Fajri Cement Company Limited	54,300	31,700	-	44,500	4,176,335	4,176,335	4,175,070	578,735	0.98	0.77	0.0095%
D.G. Khan Cement Company Limited	40,940	44,500	-	48,190	37,650	4,339,697	5,504,054	1,164,357	1.14	0.89	0.0198%
Power Generation & Distribution											
Kohat Power Company Limited	201,182	73,648	-	74,500	200,300	15,147,322	15,892,179	744,857	3.29	2.57	0.0154%
Haddu Power Company Limited	-	330,000	-	36,500	284,500	8,101,395	7,738,400	(362,995)	1.60	1.25	0.0223%
Kot Addu Power Company	-	-	-	35,900	284,500	23,248,717	23,630,579	381,862	4.89	3.83	0.0478%

Name of investee company	Balance as at December 31, 2020										
	Holding as at July 01, 2020	Purchased during the period	Bonus shares/letter of right received during the period	Disposed during the period	Holding as at December 31, 2020	Carrying value before revaluation as of 31, December 2020	Market value as of 31, December 2020 (after revaluation)	Unrealised gain / (loss) - net	Market value as a percentage of total investments	Market value as a percentage of net assets of investee company	Per value of shares held as a percentage of total paid up capital of the investee company
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	14,106	-	-	7,750	6,356	7,860,148	8,515,896	655,748	1.76	1.38	0.0048%
Oil & Gas Development Company Limited - 84.1	150,503	50,022	-	38,800	161,725	17,448,284	16,782,203	(666,081)	3.47	2.72	0.0038%
Pakistan Oilfields Limited	29,556	25,836	-	6,000	49,792	18,334,358	19,688,255	1,353,897	4.07	3.19	0.0175%
Pakistan Petroleum Limited	84,321	97,140	-	16,800	164,921	15,108,531	14,889,214	(219,317)	3.08	2.41	0.0081%
						387,253,294	392,826,668	5,573,374	41.29	32.78	0.0243%
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited - 84.2	35,644	83,941	-	49,350	70,235	13,331,234	15,121,596	1,790,362	3.13	2.45	0.0150%
Attock Petroleum Limited	11,500	-	-	11,500	-	-	-	-	-	-	0.0000%
Sui Northern Gas Pipelines Limited	164,697	947,900	-	237,775	217,112	1,230,348	964,447	(265,901)	0.20	0.16	0.0034%
Hi-Tech Lubricants Limited	104,000	-	-	104,000	-	-	-	-	-	-	0.0000%
						10,551,582	16,086,043	5,534,461	3.33	2.61	0.0208%
Food & Personal Care Products											
Fajal Foods Limited	-	173,500	-	-	173,500	2,937,865	3,013,695	75,830	0.62	0.49	0.0216%
Automobile Assemblers											
Pak Suzuki Motor Company Limited	-	22,600	-	-	22,600	4,885,472	5,468,070	642,598	1.13	0.89	0.0275%
Hindustan Motor Company Limited	7,660	6,000	-	3,660	9,970	16,132,587	17,411,731	1,279,144	3.60	2.82	0.0461%
						13,818,059	15,929,841	2,143,662	3.73	2.91	0.0368%
Automobile Parts & Accessories											
Agriauto Industries Limited (Face value of Rs.5 each)	12,400	10,500	-	2,800	20,100	4,056,700	4,708,425	651,725	0.97	0.76	0.0431%
Thal Limited (Face value of Rs.5 each)	6,616	-	-	3,200	3,416	1,109,995	1,614,675	504,680	0.33	0.26	0.0082%
						5,166,695	6,323,100	1,156,405	1.31	1.02	0.0512%
Transport											
Pakistan International Bulk Terminal Limited	-	545,515	-	-	545,515	6,962,086	7,015,323	53,237	1.45	1.14	0.0305%
Engineering											
Alpha Steel Industries Limited	85,494	-	-	60,400	25,094	803,008	988,955	185,947	0.20	0.16	0.0044%
International Steels Limited	108,000	61,000	-	84,800	84,200	5,586,734	7,849,966	2,263,232	1.62	1.27	0.0194%
Steel Mills Limited	1,000	1,000	-	1,000	-	-	-	-	-	-	0.0000%
Mughal Iron And Steel Industries Ltd	136,688	78,200	-	197,188	18,200	1,201,230	1,379,285	177,055	0.20	0.12	0.0072%
Alpha Steel Mills Limited	352,500	612,500	-	592,000	372,000	6,198,923	8,690,900	2,491,977	1.80	1.41	0.0487%
						17,418,050	23,358,426	5,940,376	4.83	3.78	0.0988%
Glass and Ceramics											
Shubir Tiles & Ceramics Limited	-	196,500	-	-	196,500	3,803,000	4,176,625	372,625	0.86	0.68	0.1201%
Tariq Glass Industries Ltd	88,500	25,500	-	96,122	17,878	1,782,865	1,766,625	(16,240)	0.16	0.13	0.0030%
						5,166,865	5,943,250	776,385	0.19	0.93	0.1838%
Total as at 31 December 2020						332,587,590	378,939,967	46,344,217	78.43	61.39	
Total cost as at 31 December 2020						356,725,610					
Total as at 30 June 2020						343,814,382	333,515,589	(11,298,793)	74.43		65.02
Total cost as at 30 June 2020						369,828,986					

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

	31 December 2020 (Number of shares)	30 June 2020	31 December 2020 (Rupees)	30 June 2020
Engro Corporation Limited	20,000	20,000	6,147,200	5,858,400
Habib Bank Limited	50,000	50,000	6,614,000	4,843,500
Oil & Gas Development Company Limited	75,000	75,000	7,782,750	8,175,000
	<u>145,000</u>	<u>145,000</u>	<u>20,543,950</u>	<u>18,876,900</u>

8.4.2 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 the 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 79 shares in case of The Searl Company Limited and 815 shares in the case of Pakistan State Oils Limited have been withheld by CDC. Market value of these shares as at 31 December 2020 amounted to Rs. 19,689 and Rs. 175,470 respectively, and are included in the Fund's investments in these financial statements.

	December 31, 2020 (Unaudited) (Rupees)	June 30, 2020 (Audited)	
9 PROFIT ACCRUED			
Profit accrued on :			
- Profit and loss sharing bank accounts	1,018,145	1,099,178	
- Term finance certificates & Sukuk certificates	1,741,530	2,776,763	
- Government securities	168,577	174,590	
	<u>2,928,252</u>	<u>4,050,530</u>	
10 DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES			
Security deposit to:			
- Central Depository Company of Pakistan Limited	100,000	100,000	
- National Clearing Company of Pakistan Limited	2,500,000	2,500,000	
Prepayments	13,638	-	
Withholding tax recoverable	327,136	327,136	
Advance against book building	-	432,000	
Other receivable	10,820	12,820	
	<u>2,951,594</u>	<u>3,371,956</u>	
11 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	11.1	776,913	124,222
Sales tax payable on remuneration to the Management Company	11.2	357,629	272,778
Federal excise duty payable on remuneration to the Management Company	11.3	1,686,556	1,686,556
Sale load payable to the Management Company		2,480	2,480
		<u>2,823,578</u>	<u>2,086,036</u>

- 11.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding 2% per annum of the average annual net assets of the Fund. However, the Management Company is currently charging a fee at the rate of 10% of the gross earnings of the scheme for the period ended 31 December 2020. The fee is subject to a minimum of 1% and maximum of 2% of the average annual net assets of the Fund. Currently the effective rate of Management Company remuneration for the half year ended December 2020 is 1.41% of the average annual net assets. Remuneration is paid to the Management company in arrears on a monthly basis.
- 11.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2020: 13%) on Management Company's remuneration. Above liability includes Rs. 256,629 (30 June 2020: Rs. 256,629) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 11.3 below. Had the provision relating to FED not been made, Net Asset Value per unit of the Fund as at 31 December 2020 would have been higher by Re. 0.04 (30 June 2020: 0.04) per unit.
- 11.3 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 provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on 4 September 2013.

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

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

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period up to 30 June 2016 aggregating to Rs. 1.686 million. Had the provision not been made, NAV per unit of the Fund as at 30 June 2019 would have been higher by Re. 0.28 (30 June 2020: Re. 0.29) per unit.

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

12 ACCRUED EXPENSES AND OTHER LIABILITIES

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees)	
Payable to Sindh Workers' Welfare Fund	12.1	6,004,379	4,228,819
Brokerage charges payable		363,832	366,632
Auditors' remuneration		278,840	216,637
Fee payable National Clearing Company of Pakistan		282,563	292,893
Fee payable to Central Depository Company Limited		99,373	60,727
Other liabilities		27,000	27,000
Dividend Payable		-	106,211
Mutual Fund rating fee		128,357	128,357
Professional tax payable		244,554	150,000
		<u>7,428,898</u>	<u>5,577,276</u>

- 12.1 Provision for Sindh Workers' Welfare Fund is being made on a daily basis pursuant to MUFAP's recommendation to all its members on 12 January 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to certain 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 31 December 2020 is Rs. 6.00 million. Had the provision not been made, Net Asset Value per unit of the Fund as at 31 December would have been higher by Re. 0.99 (30 June 2020: Re. 0.73) per unit.

13 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the half year ended 31 December 2020 is 2.99% (31 December 2019: 2.74%) which includes 0.83% (31 December 2019: 0.59%) representing government levies (comprising of Sindh 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% (31 December 2019: 4.5%) (excluding government levies).

14 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.

15 TAXATION

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units

shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in these condensed interim financial information.

16 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, Habib Bank AG Zurich 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 31 December 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)
Note	----- (Rupees) -----	
16.1 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. 2.04 million (30 June 2020: Rs. 1.96 million)*	11	2,821,098
Sales load payable	11	2,480
		<u>2,823,578</u>
Central Depository Company Limited - Trustee of the Fund		
Remuneration payable (including Sindh sales tax amounting to Rs. 25,261 (30 June 2020: Rs. 22,574)		196,229
Security deposit	10	100,000
Settlement charges payable	12	60,727
		<u>357,256</u>
Habib Bank AG Zurich - Custodian		
Bank balance	7.2	780,359
		<u>780,359</u>

		Half year ended December 31,	
		2020	2019
		----- (Unaudited) -----	-----
		----- (Rupees) -----	-----
16.2	Details of transactions with related parties / connected persons at the period end		
Lakson Investments Limited - Management Company of the Fund			
	Remuneration for the period	11.1	<u>4,091,015</u>
	Sindh sales tax on remuneration of Management Company *	11.2	<u>4,793,604</u>
			<u>531,832</u>
			<u>623,169</u>
Central Depository Company Limited - Trustee of the Fund			
	Remuneration for the period		<u>656,450</u>
	Settlement charges		<u>784,875</u>
			<u>38,646</u>
			<u>36,386</u>

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

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

	Number of Units				Rupees			
	Number of units as at 01 July 2020	Units issued during the period	Units redeemed during the period	Number of units as at 31 December 2020	Balance as at 01 July 2020	Units issued during the period	Units redeemed during the period	Balance as at 31 December 2020
Directors, Chief Executive and their spouse and minors Other key management personnel	122,389 15,838	11,487	5,424 11,542	116,965 15,783	10,706,322 1,385,474	- 1,156,034	500,000 1,155,000	11,966,165 1,614,671
Lakson Investments Limited - Management Company	1,572,891	1	-	1,572,892	137,593,034	-	-	160,915,491
Associated companies / undertakings of the Management Company								
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,467	-	-	5,467	478,262	-	-	559,328
Lakson Investments Limited Employees Contributory Provident Fund Trust	2,997	28,714	-	31,710	262,155	2,795,000	-	3,244,156
Century Insurance Company Limited Employees Contributory Provident Fund Trust	48,071	1,977	-	50,048	4,205,178	192,522	-	5,120,216
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	143,147	58,012	-	201,159	12,522,152	5,646,723	-	20,579,626
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	102,715	53,830	-	156,546	8,985,314	5,286,778	-	16,015,468
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust	19,099	-	3,414	15,685	1,670,748	-	332,244	1,604,633
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	604,981	20,083	-	625,064	52,922,399	1,954,817	-	63,947,504
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	513,464	179,859	-	693,323	44,916,741	17,664,227	-	70,930,779
SIZA Services (Private) Limited Employees Contributory Provident Fund Trust	27,134	3,086	-	30,220	2,373,630	300,353	-	3,091,655
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	243,569	24,386	-	267,955	21,306,921	2,395,072	-	27,413,287
Mert Packaging Limited Employees Contributory Provident Fund Trust	93,667	-	1	93,666	8,193,749	-	-	9,582,507
Mert Packaging Limited Employees Gratuity Fund Century Paper & Board Mills Limited Employees	39,234	-	1	39,233	3,432,142	-	-	4,013,796
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	601,988	-	-	601,988	52,660,592	-	-	61,586,690
Century Paper & Board Mills Limited Employees Gratuity Fund	501,874	24,987	-	526,861	43,902,821	2,453,971	-	53,900,806
Century Insurance Company Limited Premier Fashions (Private) Limited	614,359	-	-	614,359	53,742,748	-	-	62,852,275
Premier Fashions (Private) Limited Gratuity Fund	111,176	-	111,176	-	9,725,401	-	11,047,304	-
Sybird (Private) Limited Employees Contributory Provident Fund Trust	55,584	920	-	56,504	4,862,385	89,555	-	5,780,698
Century Insurance Company Limited Gratuity Fund Accuracy Surgical Limited - Employees Contributory Provident Fund Trust	40,704 56,453	2,697 -	- 11,516	43,401 44,937	3,560,714 4,938,391	262,500 -	- 1,120,886	4,440,167 4,597,342

Above related parties / connected person held 96% of the unites of the fund (30 June 2020: 96%).

	Number of Units				Rupees			
	Number of units as at 01 July 2019	Units issued during the period	Units redeemed during the period	Number of units as at 31 December 2019	Balance as at 01 July 2019	Units issued during the period	Units redeemed during the period	Balance as at 31 December 2019
Directors, Chief Executive and their spouse and minors	144,776	-	39,810	104,966	12,983,295	-	3,600,000	10,684,367
Other key management personnel	17,558	-	-	17,558	1,574,551	-	-	1,787,184
Lakson Investments Limited - Management Company	1,500,388	-	-	1,500,388	134,552,545	-	-	152,722,994
Associated companies / undertakings of the Management Company								
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,258	-	-	5,258	471,530	-	-	535,207
Princeton Travels (Private) Limited Employees Contributory Provident Fund Trust	5,729	-	-	5,729	513,753	-	-	583,132
Lakson Investments Limited Employees Contributory Provident Fund Trust	2,838	-	-	2,838	254,508	-	-	288,877
Century Insurance Company Limited Employees Contributory Provident Fund Trust	43,994	1,491	-	45,486	3,945,325	130,000	-	4,629,932
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	117,549	17,898	-	135,446	10,541,594	1,560,000	-	13,786,962
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	82,849	14,341	-	97,190	7,429,768	1,250,000	-	9,892,881
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust	18,089	-	-	18,089	1,622,179	-	-	1,841,243
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	572,438	-	-	572,438	51,335,351	-	-	58,267,857
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	485,844	-	-	485,844	43,569,767	-	-	49,453,582
SIZA Services (Private) Limited Employees Contributory Provident Fund Trust	25,674	-	-	25,674	2,302,449	-	-	2,613,379
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	210,848	19,619	-	230,466	18,908,504	1,710,000	-	23,458,941
Merit Packaging Limited Employees Contributory Provident Fund Trust	88,628	-	-	88,628	7,948,034	-	-	9,021,365
Merit Packaging Limited Employees Gratuity Fund	35,652	1,491	-	37,123	3,195,580	130,000	-	3,778,712
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	546,488	23,118	-	569,606	49,008,214	2,015,000	-	57,979,606
Century Paper & Board Mills Limited Employees Gratuity Fund	442,122	32,755	-	474,877	39,648,818	2,855,000	-	48,337,250
Century Insurance Company Limited Premier Fashions (Private) Limited Siza Commodities (Private) Limited	1,387,758	545,374	1,387,758	545,375	124,452,025	55,746,265	127,746,265	55,513,130
Siza Commodities (Private) Limited	975,107	-	-	975,107	87,446,133	-	-	99,255,166
Hybrid (Private) Limited Employees Contributory Provident Fund Trust	1,062,202	-	-	1,062,202	95,256,682	-	-	108,120,479
Century Insurance Company Limited Gratuity Fund	47,917	4,704	-	52,620	4,297,089	410,000	-	5,356,187
Accuracy Surgical Limited - Employees Contributory Provident Fund Trust	32,663	5,851	-	38,515	2,929,208	510,000	-	3,920,365
	53,443	-	-	53,443	4,792,689	-	-	5,439,911

Above related parties / connected person held 67% of the unites of the fund (30 June 2019: 68%).

16.4 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.

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

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

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

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

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy.

31 December 2020							
Carrying amount				Fair Value			
Manadatory at fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Total	
(Rupees)							
On-balance sheet financial instruments							
Financial assets measured at fair value							
Term finance certificates	45,197,242	-	45,197,242	-	45,197,242	45,197,242	
Sukuk certificates	34,309,793	-	34,309,793	-	34,309,793	34,309,793	
Government securities	24,710,000	-	24,710,000	-	24,710,000	24,710,000	
Listed equity securities	378,939,967	-	378,939,967	378,939,967	-	378,939,967	
	483,157,002	-	483,157,002	378,939,967	104,217,035	483,157,002	
Financial assets not measured at fair value							
Bank balances - Held at amortized cost	-	140,456,095	140,456,095	-	-	-	
Markup accrued	-	2,928,252	2,928,252	-	-	-	
Advances, deposits and other receivables	-	2,610,820	2,610,820	-	-	-	
Dividend receivables	-	792,090	792,090	-	-	-	
	-	146,787,257	146,787,257	-	-	-	
Financial liabilities not measured at fair value							
Payable to the Management Company	-	779,393	779,393	-	-	-	
Remuneration payable to the Trustee	-	219,584	219,584	-	-	-	
Accrued expenses and other liabilities	-	1,424,519	1,424,519	-	-	-	
Payable against purchase of securities	-	2,500,687	2,500,687	-	-	-	
	-	2,423,496	4,924,183	-	-	-	



		30 June 2020						
		Carrying amount			Fair Value			
On-balance sheet financial instruments		Mandatory at fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Total
		----- (Rupees) -----						
Financial assets measured at fair value								
Term finance certificates		45,633,566	-	-	45,633,566	-	45,633,566	45,633,566
Sukuk certificates		39,545,058	-	-	39,545,058	-	39,545,058	39,545,058
Government securities		24,887,500	-	-	24,887,500	-	24,887,500	24,887,500
Listed equity securities		332,515,589	-	-	332,515,589	332,515,589	-	332,515,589
		442,581,713	-	-	442,581,713	332,515,589	110,066,124	442,581,713
Financial assets not measured at fair value								
17.1	Term deposit receipts - Held at amortised cost	-	-	-	-	-	-	-
	Bank balances - Held at amortized cost	-	64,761,550	-	64,761,550	-	-	-
	Dividend receivables	-	16,287	-	16,287	-	-	-
	Markup accrued	-	4,050,530	-	4,050,530	-	-	-
	Deposits and other receivables	-	3,044,820	-	3,044,820	-	-	-
	Receivable against sale of investments	-	4,357,638	-	4,357,638	-	-	-
		-	71,873,187	-	71,873,187	-	-	-
Financial liabilities not measured at fair value								
17.1	Payable to the Management Company	-	-	126,702	126,702	-	-	-
	Remuneration payable to the Trustee	-	-	196,229	196,229	-	-	-
	Accrued expenses and other liabilities	-	-	1,348,457	1,348,457	-	-	-
	Payable against purchase of securities	-	-	4,509,211	4,509,211	-	-	-
		-	-	1,671,388	1,671,388	-	-	-

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

18 GENERAL

Figures have been rounded off to the nearest rupee.

19 DATE OF AUTHORIZATION OF ISSUE

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

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

Chief Executive Officer

Chief Financial Officer

Director



A Lakson Group Company

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