

LAKSON INCOME FUND
Quarterly Report (March 31, 2022)



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
Chief Financial Officer & Company Secretary of the Management Company	Mr. Junaid Arshad
Audit Committee	Mr. Jacques John Visser - Chairman Mr. Amin Mohammed Lakhani Mr. Iqbal Ali Lakhani Mr. Jamil Ahmed Mughal
Human Resource and Remuneration Committee	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	Yousuf Adil Chartered Accountants Cavish Court, A-35 Shahrah-e-Faisal, K.C.H.S.U Block 7 & 8 Bangalore Town, Karachi, Pakistan.

Bankers to the Fund

AlBaraka Bank Pakistan limited
Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Faysal Bank Limited
FINCA Microfinance Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
National Bank of Pakistan
MCB Bank Limited
Silk Bank Limited
Sindh Bank Limited
Soneri Bank Limited
Telenor Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited
NRSP Microfinance Bank Limited
Mobilink 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

Adam Securities
Amir Noorani
BMA Capital Management Limited
Elixir Securities (Pvt.) Limited
Ismail Iqbal Securities
Metro Capital Pvt. Limited
Pearl Securities Pvt. Limited
Rabia Fida
Topline Securities (Pvt.) Limited
Vector Capital (Pvt.) Limited
Pyramid Financial Consultants

Rating by PACRA

A+(f) : Fund Stability Rating
AM2+ : Asset Manager Rating

Review Report of the Directors' of the Management Company For the period ended March 31, 2022

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Income Fund ('LIF') is pleased to submit the review report together with the condensed interim financial statements for the nine months ended March 31, 2022.

Fund Objective

The investment objective of the Scheme is to provide competitive total returns through investment in a diversified portfolio of fixed income securities. The Scheme shall invest in various fixed income securities with a mix of short term, medium term, and longer-term maturities depending on the assessment by the Management Company of interest rate trends and prospective returns.

Fund Profile

The Fund is an open-end income fund and is listed on Pakistan Stock Exchange Limited. LIF invests in Investment-grade Debt Securities, Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts, and other fixed income instruments. The overall duration of the portfolio is kept below 4 years while at least 25% of Net Assets are kept in the form of cash or Treasury Bills of maximum 90 days maturity. LIF is managed through a team-driven, top-down process utilizing active sector rotation, duration and yield curve management. Economic conditions are constantly monitored to forecast interest rate changes. The added value for LIF comes from identifying opportunities to shift investments between various maturities and between different instruments. LIF is allowed to borrow up to 10% of Net Assets to meet redemptions however LIF did not utilize this facility during the period under review.

Fund performance

The LIF yielded an annualized return of 9.63% in the 9MFY22 compared to the Benchmark return of 9.62% p.a. The LIF posted flattish performance. As of March 31, 2022, the LIF portfolio was invested 36% in cash, 25% in PIBs, 31% in TFCs, and 4% in Commercial paper while the weighted average maturity of the LIF portfolio stood at 1415 days. The fund size of the LIF as of March 31, 2022, is PKR 2,878 million.

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

Despite monthly inflation rising by 12.7% in March, the Central Bank decided to keep the policy rate unchanged in the March MPC meeting. During the 9M period, inflation grew by double-digits to 10.7% vs. 8.4% in the same period last year. This was primarily due to sharp increase in international oil, food and other commodity prices.

On the external front, the Current Account Deficit widened to a whopping US\$12bn, from a surplus of US\$1bn in the same period last year. However, the CAD in February 2022 clocked in at US\$0.5bn, lowest in the last 10 months. The Current Account Deficit is largely attributed to the surge in petroleum product imports amid global surge in commodity prices. On the other hand, the trade deficit continued to surge in March to US\$3.6bn, compared with US\$3.3bn last year. This took 9MFY22 trade deficit to a staggering US\$35.5bn vs. US\$20.8bn in the same period last year, on account of sharp 49.1% yoy rise in imports to US\$58.9bn.

The growth in imports has overshadowed the stellar growth in exports during the period to US\$23.3bn. The exports growth is largely led by the growth in Textile exports which have clocked in at a record high US\$14.3bn. Apart from Textiles, other products have also witnessed similar yoy growth.

Remittance inflows rose to a record high of US\$2.8bn in March. Cumulatively total remittance grew to US\$23bn in 9MFY22, up by 7.1% yoy. The 'business friendly, growth focused budget' announced

by the government in June 2021, eventually led to the overheating of the economy, which resulted in the tightening on both the fiscal and monetary fronts.

Fixed Income Market Review

In March 2022, the government raised PKR193bn in PIB auctions against a target of PKR100bn, following the SBP's decision to keep the policy rate unchanged. The cut-off yield for three-year PIBs soared by 115bps to 11.85%, five-year PIB yield up by 100bps to 11.75% and 10-year paper were up 88bps to 11.74%. The SBP attracted total bids of PKR589bn.

During March 2022 T-bill cut off yields increased significantly, amid worsening macroeconomic outlook, following the PM's relief package on petroleum products. Cut off yields rose to 11.82%, 12.37% and 12.45% for 3M, 6M and 12M tenors. During the 9M period, T-bill yields averaged 9.02%, 9.48% and 9.78% for the 3M, 6M and 12M tenors, vs. 7.42%, 7.77% and 7.29% in 9MFY21.

Future Outlook

The Policy Rate has risen from 7% to 12.25% over the past 6 months. Concerns have mounted over rising commodity prices which have led to a worsening of the Current Account Deficit and increased inflation. The rise in energy prices and widening spreads for petroleum products will put further pressure on local petroleum prices which are currently subsidized. We see these rising further and fueling inflation for the remainder of the calendar year. The Current Account Deficit is expected to be above 5% of GDP on a 12 month forward basis which is troubling as it raises concerns over financing the balance of payments.

In a historic move, Imran Khan became the first Prime Minister to be de-seated through a Motion of No Confidence. Shahbaz Sharif has been sworn in as the PM and faces tough decisions ahead of negotiations to resume the IMF program in order to plug the BOP gap. The present government will have a tough balancing act between enacting tough measures to stabilize the economy while maintaining their popularity with the masses. The FY23 budget is upcoming May and the direction of the equity markets may be determined by the policy decisions taken over the next few months and the trend of commodity prices following the Russia - Ukraine war.

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

Director

Chief Executive Officer

Dated: April 29, 2022

لیکسن انکم فنڈ
 31 مارچ 2022 کو ختم ہونے والی مدت کے لیے
 مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انویسٹمنٹس لمیٹڈ کا بورڈ آف ڈائریکٹرز، لیکسن انکم فنڈ ("LIF") کی مینجمنٹ کمپنی 31 مارچ 2022 کو ختم ہونے والی نو ماہ کی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

فنڈ کا مقصد

اس اسکیم کی انویسٹمنٹ کا مقصد فکسڈ انکم سیکورٹیز کے متنوع پورٹ فولیو میں انویسٹمنٹ کے ذریعے مسابقتی مجموعی منافع جات فراہم کرنا ہے۔ یہ اسکیم مینجمنٹ کمپنی کی طرف سے انٹرسٹ ریٹ ٹریڈرز اور مکمل منافع جات کے حوالے سے مینجمنٹ کمپنی کی تشخیص کے لحاظ سے مختصر مدتی، وسط مدتی اور طویل مدتی میچورٹیز کے امتزاج کے ساتھ مختلف فکسڈ انکم سیکورٹیز میں سرمایہ کاری کرے گی۔

فنڈ کا تعارف

LIF ایک اوپن اینڈ انکم فنڈ ہے جو انویسٹ گریڈڈ ہائیڈریٹ سیکورٹیز، گورنمنٹ سیکورٹیز، سرٹیفکیٹس آف انویسٹمنٹس، Clean Placements، ٹرم ڈپازٹس، ریٹیننٹس اور دیگر فکسڈ انکم انسٹرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کا مجموعی دورانیہ 4 سال سے کم رکھا جاتا ہے اور خالص اثاثوں کا کم از کم 25% کیش یا زیادہ سے زیادہ 90 دن کی میچورٹی والے ٹریڈری بلز کی شکل میں رکھا جاتا ہے۔ LIF کا نظم و نسق ٹیم کے بل پر پیش قدمی کرنے والی، اوپر سے نیچے تک شہنوں کی تواتر سے استعمال کے عمل کو استعمال کرنے والی، دورانیے اور پیداوار میں توازن پر یقین رکھنے والی مینجمنٹ چلاتی ہے۔ انٹرسٹ ریٹ میں تبدیلیوں کی پیش گوئی کے لیے معاشی صورت حال کی مسلسل نگرانی کی جاتی ہے۔ LIF کی قدر و قیمت میں اصل اضافہ مختلف میچورٹیز اور مختلف انسٹرومنٹس کے درمیان انویسٹمنٹس کی منتقلی کے مواقع کی شناخت سے آتا ہے۔ LIF کو ریڈیمنشنز کی تکمیل کے لیے خالص اثاثوں کے 10% تک قرض لینے کی اجازت ہے، تاہم LIF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کردگی

LIF نے سالانہ شیڈیو مارک منافع 9.62% کے مقابلے میں مالی سال 2022 کے پہلے 9 ماہ میں 9.63% سالانہ منافع پیش کیا۔ LIF کی کارکردگی لگ بھگ ہموار رہی۔ 31 مارچ 2022 کے مطابق LIF پورٹ فولیو کے 36% کی کیش میں، 25% کی PIBs میں، 31% کی TFCs میں اور 4% کی کمرشل پیپرز میں سرمایہ کاری کی گئی، جبکہ LIF پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی 1415 دن ہے۔ 31 مارچ 2021 کے مطابق LIF کے فنڈ کا حجم 2,878 ملین روپے ہے۔

فی شیئر آمدنی (EPU)

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

قابل عمل نہیں ہے۔

معاشی جائزہ

مارچ میں ماہانہ افراط زر میں 12.7 فیصد اضافے کے باوجود، مرکزی بینک نے مارچ کے MPC اجلاس میں پالیسی ریٹ کو برقرار رکھنے کا فیصلہ کیا۔ 9 ماہ کی مدت کے دوران، افراط زر بڑھ کر دو ہرے ہندسوں میں 10.7% ہو گیا جو پچھلے سال کی اسی مدت میں 8.4% تھا۔ اس کی بنیادی وجہ تیل، خوراک اور دیگر اجناس کی بین الاقوامی قیمتوں میں تیزی سے اضافہ تھا۔

خارجی محاذ پر، کرنٹ اکاؤنٹ خسارہ بڑھ کر 12 ارب امریکی ڈالر تک پہنچ گیا، جو پچھلے سال کی اسی مدت میں 1 ارب امریکی ڈالر کا سرپلس تھا۔ تاہم، فروری 2022 میں کرنٹ اکاؤنٹ خسارہ 0.5 بلین امریکی ڈالر رہ گیا، جو پچھلے 10 مہینوں میں سب سے کم ہے۔ کرنٹ اکاؤنٹ خسارے کی بڑی وجہ اجناس کی قیمتوں میں عالمی اضافے کے درمیان پیٹرولیم مصنوعات کی درآمدات میں اضافہ ہے۔ دوسری طرف، تجارتی خسارہ گزشتہ سال 3.3 ارب امریکی ڈالر کے مقابلے میں مسلسل اضافے کے ساتھ مارچ میں 3.6 ارب امریکی ڈالر تک پہنچ گیا۔ اس سے مالی سال 2022 کے پہلے نو ماہ کا تجارتی خسارہ برآمدات میں سالانہ بنیاد پر 49.1% کے تیز رفتار اضافے کے ساتھ 58.9 ارب امریکی ڈالر تک پہنچنے کی وجہ سے پچھلے سال کی اسی مدت میں 20.8 ارب امریکی ڈالر کے مقابلے میں حیران کن اضافے کے ساتھ 35.5 ارب امریکی ڈالر تک پہنچ گیا۔

درآمدات میں اس اضافے نے اس مدت کے دوران برآمدات میں 23.3 ارب امریکی ڈالر کی شاندار نمو کو بھی پیچھے چھوڑ دیا ہے۔ برآمدات میں اضافے کی بڑی وجہ ٹیکسٹائل کی برآمدات میں ہونے والا اضافہ ہے جس نے 14.3 ارب امریکی ڈالر کی ریکارڈ بلندی حاصل کی ہے۔ ٹیکسٹائل کے علاوہ، دیگر مصنوعات نے بھی اسی طرح کی سالانہ نمو دکھائی ہے۔

ترسیلات زر کی آمد مارچ میں 2.8 ارب امریکی ڈالر کی بلند ترین سطح پر پہنچ گئی۔ مالی سال 2022 کے پہلے نو ماہ میں مجموعی طور پر کل ترسیلات زر سالانہ بنیاد پر 7.1% اضافے کے ساتھ 23 ارب امریکی ڈالر ہو گئیں۔ جون 2021 میں حکومت کی طرف سے اعلان کردہ 'کاروبار دوست، ترقی پر مرکوز بجٹ' بالآخر معیشت میں اعتماد سے زیادہ گرمی کا باعث بنا، جس کا نتیجہ خزانہ جاتی اور مالیاتی، دونوں محاذوں پر ترقی کی صورت میں سامنے آیا۔

فلسفہ انکم مارکیٹ کا جائزہ

اسٹیٹ بینک آف پاکستان کی طرف سے پالیسی ریٹ جوں کا توں رکھنے کے فیصلے کے بعد مارچ 2022 میں حکومت پاکستان نے 100 ارب روپے کے ہدف کے مقابلے میں 193 ارب روپے PIB کی نیلامیوں سے جمع کیے۔ تین سالہ PIBs کے حتمی منافع جات میں 115 بنیادی پوائنٹس اضافے کے ساتھ 11.85%، پانچ سالہ PIBs کے منافع میں 100 بنیادی پوائنٹس کے ساتھ 11.75% اور 10 سالہ تمسکات میں 88 بنیادی پوائنٹس کے ساتھ 11.74% تک تیز رفتار اضافہ ہوا۔ اسٹیٹ بینک آف پاکستان 589 ارب روپے کی مجموعی پیشکشیں راغب کرنے میں کامیاب رہا۔

پیٹرولیم مصنوعات پر وزیراعظم کے امدادی ٹیکس کے بعد، ملٹی میڈیاتی مجموعی اقتصادی توقعات مارچ 2022 کے دوران ٹی بل کے حتمی منافع جات میں نمایاں اضافہ ہوا۔ سدماہی، ششماہی اور بارہ ماہی میعادوں کے لیے حتمی منافع جات بالترتیب 11.82%، 12.37% اور 12.45% تک بڑھ گئے۔ نو ماہ کی مدت کے دوران سدماہی، ششماہی اور بارہ ماہی میعادوں کے لیے ٹی بلز کے اوسط منافع جات مالی سال 2021 کے پہلے 9 ماہ میں 7.42%، 7.77% اور 7.29% کے مقابلے میں 9.02%، 9.48% اور 9.78% رہے۔

مستقبل کی توقعات

گزشتہ 6 ماہ کے دوران پالیسی ریٹ 7% سے بڑھ کر 12.25% ہو گیا ہے۔ اجناس کی بڑھتی ہوئی قیمتوں پر تھوڑی بڑھ گئی ہے جس کی وجہ سے کرنٹ اکاؤنٹ خسارے میں بگاڑ ہوا ہے اور افراط زر میں اضافہ ہوا ہے۔ توانائی کی قیمتوں میں اضافہ اور پیٹرولیم مصنوعات کی قیمت خرید اور قیمت فروخت کے فرق میں اضافہ مقامی پیٹرولیم کی قیمتوں پر مزید باؤ ڈالے گا جو فی الحال رعایت یافتہ ہیں۔ ہم سال کے بقیہ حصے میں ان میں مزید اضافہ اور ہنگامی کو ہوا دیتے دیکھ رہے ہیں۔ کرنٹ اکاؤنٹ خسارہ آئندہ 12 ماہ کی بنیاد پر جی ڈی پی کے 5% سے زیادہ ہونے کی توقع ہے جو پریشان کن ہے جیسا کہ اس سے ادائیگیوں کے توازن کے لیے سرمایے کی فراہمی پر تھوڑی بڑھ رہی ہے۔

عمران خان ایک تاریخی اقدام میں عدم اعتماد کی تحریک کے ذریعے ہٹائے جانے والے پہلے وزیراعظم بن گئے۔ شہباز شریف نے وزیراعظم کی حیثیت سے حلف اٹھایا ہے اور BOP کا خلا دور کرنے کے لیے آئی ایم ایف پروگرام کو دوبارہ شروع کرنے کے لیے مذاکرات سے قبل انہیں سخت فیصلوں کا سامنا ہے۔ موجودہ حکومت عوام میں اپنی مقبولیت برقرار رکھنے اور معیشت مستحکم کرنے کے سخت اقدامات کرنے کے درمیان ایک کٹھن توازن قائم کرے گی۔ مالی سال 2023 کا بجٹ آئندہ مئی میں ہے اور ایکویٹی مارکیٹوں کی سمت کا تعین اگلے چند مہینوں میں کیے گئے پالیسی فیصلوں اور روس یوکرین جنگ کے بعد اجناس کی قیمتوں کے رجحان سے کیا جاسکتا ہے۔

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۔ منجھٹ کمیٹی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مندانہ انتظام و انصرام کے لیے منجھٹ کمیٹی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و مخائب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 29 اپریل 2022

LAKSON INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
For the Nine Months and Quarter ended March 31, 2022

		March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
	Note	----- (Rupees) -----	
ASSETS			
Bank balances	5	1,062,184,896	2,962,897,726
Investments	6	1,776,510,973	2,054,507,346
Receivable from Margin Trading System		-	83,186,083
Mark-up receivable		50,489,625	53,670,199
Deposits and other receivables		20,017,130	176,321,874
		2,909,202,624	5,330,583,228
LIABILITIES			
Payable to the Management Company	7	21,595,433	24,347,791
Payable to the Trustee		240,315	351,056
Annual fee payable to the Securities and Exchange Commission of Pakistan		659,365	729,584
Payable against purchase of investments		-	152,218,844
Accrued expenses and other liabilities	8	9,204,117	52,661,124
TOTAL LIABILITIES		31,699,230	230,308,399
NET ASSETS		2,877,503,394	5,100,274,829
UNIT HOLDERS' FUND (as per statement of movement in Unit Holders' Fund)			
		2,877,503,394	5,100,274,829
CONTINGENCIES AND COMMITMENTS			
	10	(Number of units)	
Number of units in issue		26,535,929	50,434,103
(Rupees)			
Net assets value per unit		108.4380	101.1275

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

LAKSON INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
For the Nine Months and Quarter ended March 31, 2022

		Nine months ended March 31,		Quarter ended March 31,	
		2022	2021	2022	2021
	Note	------(Rupees)-----			
Income					
Mark-up income		277,683,159	199,585,881	77,353,875	64,395,852
Income from Margin Trading System		1,104,733	21,780,257	116,169	20,523,840
Dividend Income		10,649,050	3,332,250	-	3,332,250
Capital (loss) / gain on sale of investments - net		3,333,382	(14,014,666)	(107,872)	(6,390,684)
Unrealised (diminution) / appreciation in the fair value of in classified as 'held for trading' - net	6.1 to 6.9	30,729,732	10,199,164	17,781,932	18,619,677
		323,500,056	220,882,886	95,144,104	100,480,935
Expenses					
Remuneration to the Management Company		39,845,655	28,067,253	8,688,414	12,383,154
Sales tax on remuneration to the Management Company		5,241,238	3,648,740	1,190,876	1,609,808
Remuneration to the Trustee		2,794,167	2,178,596	676,710	902,746
Annual fee to the Securities and Exchange Commission of Pakistan		659,390	514,123	159,695	213,037
Annual SECP Supervisory fee on PSX Listing Fee		1,871	1,871	614	614
Auditors' remuneration		357,866	352,441	97,839	82,023
Fees and subscription		970,653	513,036	173,144	50,154
Printing charges		20,000	-	20,000	-
Brokerage, custody, settlement and bank charges		1,642,744	6,754,015	266,487	5,600,031
Others		2,975,000	-	-	-
		54,508,584	42,030,074	11,273,779	20,841,566
Net income from operating activities		268,991,471	178,852,812	83,870,324	79,639,369
Reversal / (provision) for Sindh Workers' Welfare Fund	8.1	25,648,166	(3,577,056)	-	(1,592,787)
Net income for the period before taxation		294,639,637	175,275,755	83,870,324	78,046,581
Taxation	11	-	-	-	-
Net income for the period after taxation		294,639,637	175,275,755	83,870,324	78,046,581
Allocation of net income for the period					
Net income for the period after taxation		294,639,637	175,275,755	83,870,324	78,046,581
Less: Income already paid on units redeemed		(113,467,814)	(49,072,574)	(47,505,762)	(38,864,257)
		181,171,823	126,203,181	36,364,563	39,182,324
Accounting income available for distribution					
Relating to capital gains		25,700,472	-	14,451,007	-
Excluding capital gains		155,471,352	126,203,181	21,913,556	39,182,324
Accounting income available for distribution		181,171,823	126,203,181	36,364,563	39,182,324

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

LAKSON INCOME FUND**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****For the Nine Months and Quarter ended March 31, 2022**

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2022	2021	2022	2021
	------(Rupees)-----			
Net income for the period after taxation	294,639,637	175,275,755	83,870,324	78,046,581
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>294,639,637</u>	<u>175,275,755</u>	<u>83,870,324</u>	<u>78,046,581</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

LAKSON INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN RESERVE UNIT HOLDERS' FUND (UN-AUDITED)
For the Nine Months ended March 31, 2022

	Nine Months ended March 31, 2022			Nine Months ended March 31, 2021		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees) -----					
Net assets at beginning of the period (audited)	5,064,663,876	35,610,953	5,100,274,829	3,031,746,212	28,787,675	3,060,533,887
Issuance of 35,817,250 units (2021: 51,117,300 units)	3,622,108,956	-	3,622,108,956	5,403,695,996	-	5,403,695,996
Element of (loss) / income	114,217,672		114,217,672	134,422,641		134,422,641
	3,736,326,628	-	3,736,326,628	5,538,118,637	-	5,538,118,637
Redemption of 59,715,424 units (2021: 44,392,887 units)	(6,038,871,501)		(6,038,871,501)	(4,725,167,946)		(4,725,167,946)
Element of loss	(101,398,386)	(113,467,814)	(214,866,200)	(66,785,776)	(49,072,574)	(115,858,350)
	(6,140,269,887)	(113,467,814)	(6,253,737,701)	(4,791,953,722)	(49,072,574)	(4,841,026,296)
Total comprehensive income for the period	-	294,639,637	294,639,637	-	175,275,755	175,275,755
Net assets at end of the period (un-audited)	2,660,720,617	216,782,777	2,877,503,394	3,777,911,127	154,990,856	3,932,901,984
Undistributed income brought forward						
Realised gain		30,241,737			21,964,401	
Unrealised (loss) / gain		5,369,216			6,823,274	
		35,610,953			28,787,675	
Accounting income available for distribution						
Relating to capital gains		25,700,472			-	
Excluding capital gains		155,471,352			126,203,181	
		181,171,823			126,203,181	
Distribution during the period						
Nil (2018: Rs. 5.0027per unit declared on July 03,2018)					-	
Undistributed income carried forward		216,782,777			154,990,856	
Undistributed income carried forward comprises of:						
Realised income		186,053,045			144,791,693	
Unrealised (loss)		30,729,732			10,199,164	
		216,782,777			154,990,856	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			101.1275			100.8591
Net assets value per unit at end of the period			108.4380			106.0966

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

LAKSON INCOME FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the Nine Months ended March 31, 2022

	Nine months ended March 31, 2022 2021 ------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	294,639,637	175,275,755
Adjustments for non-cash charges and other items:		
Unrealised diminution / (appreciation) in the fair value of investments classified as 'held for trading' - net	(30,729,732)	(10,199,164)
	263,909,906	165,076,592
(Increase) in assets		
Investments - net	308,726,106	170,396,821
Receivable against Margin Trading System	83,186,083	(13,198,216)
Mark-up receivable	3,180,573	20,004,136
Deposits and other receivables	156,304,744	(120,467,312)
	551,397,506	56,735,429
(Decrease) / Increase in liabilities		
Payable to the Management Company	(2,752,358)	4,310,982
Payable to the Trustee	(110,741)	(40,295)
Annual fee payable to Securities and Exchange Commission of	(70,219)	19,715
Payable against purchase of investments	(152,218,844)	4,746,600
Accrued expenses and other liabilities	(43,457,007)	5,935,824
	(198,609,169)	14,972,826
Net cash (used in) from operating activities	616,698,243	236,784,847
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issue of units	3,736,326,628	5,538,118,637
Cash paid on redemption of units	(6,253,737,701)	(4,841,026,296)
Cash dividend paid	-	-
Net cash generated from financing activities	(2,517,411,073)	697,092,341
Net (decrease) / Increase in cash and cash equivalent during the period	(1,900,712,830)	933,877,188
Cash and cash equivalent at the beginning of the period	2,962,897,726	883,217,038
Cash and cash equivalent at the end of the period	1,062,184,896	1,817,094,226

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

LAKSON INCOME FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

The Lakson Income Fund (the "Fund") was established under the Trust Deed executed on 18 August 2009 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on 18 September 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). 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 Pakistan Stock Exchange Limited. 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 "Income Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and it primarily invests in Government Securities, Certificates of Investment, Certificates of Deposits, Term Deposit Receipts, Commercial Papers, Reverse Repo, Preference Shares, Spread Transactions and Corporate Debt Securities, etc. subject to the guidelines issued by SECP from time to time.

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

The Pakistan Credit Rating Agency Limited (PACRA) has maintained A+(f) (Fund Stability Rating) to the Fund on 09 March 2022 and has also maintained asset manager rating of the Company to AM2+ (stable outlook), on 27 August 2021 (2020: AM2+ as on 28 August 2020).

The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trust Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Trusts including Collective Investment Scheme, private Funds etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. For this purpose, Re-Statd Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds alongwith necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 'Interim Financial Reporting issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The NBFC Rules, the NBFC Regulations, and requirements of trust.

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

- 2.1 The comparative statement of asset and liabilities presented in these condensed interim financial information as at 30 June 2021 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 nine months period ended 31 Mar 2021 have been extracted from the unaudited condensed interim financial information for the period then ended.
- 2.2 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 2021. However, selected explanatory notes are included to explain events and transactions that are significant.
- 2.3 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.
- 2.4 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial information give a true and fair view of the state of the Fund's affairs as at 31 March 2022.

2.4 Basis of measurement

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

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

2.5 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees, which is the functional and presentation currency of the Fund.

2.6 SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to financial statements as at and for the year ended June 30, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted for the preparation of the 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, 2021.

4. FINANCIAL RISK MANAGEMENT

The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2021.

	Note	March 31, 2022 (Unaudited)	June 30, 2021 (Audited)
5. BANK BALANCES			
In local currency			
In profit and loss sharing accounts	5.1	1,062,177,422	2,962,890,252
In current accounts		7,474	7,474
		<u>1,062,184,896</u>	<u>2,962,897,726</u>

- 5.1 These accounts carry profit rates ranging between 5.5% to 12% (June 30, 2021: 5.50% to 11.10%) per annum.

6. INVESTMENTS - financial assets at fair value through profit or loss - held for trading

Government securities			
Market Treasury Bills	6.1	-	149,589,150
Pakistan Investment Bonds - Fixed Rate	6.2	739,821,125	743,969,375
Term Finance Certificate - Unlisted	6.4	910,148,144	537,969,002
Listed Equity Securities (Spread Transactions)	6.8	-	398,189,620
		<u>1,649,969,269</u>	<u>1,829,717,147</u>
Loans and receivable			
Commercial Papers	6.6	126,541,704	24,790,199
Term Deposit Receipts	6.7	-	200,000,000
		<u>126,541,704</u>	<u>224,790,199</u>
		<u>1,776,510,973</u>	<u>2,054,507,346</u>

6.1 Market Treasury Bills

Name of security	Note	(Number of Treasury Bills)				Balance as at March 31, 2022			Market value as a percentage of net assets of Fund	Market value as a percentage of total investments
		Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value before revaluation	Market value after revaluation	Unrealised gain / (loss)		
(Rupees)										
Treasury Bills - 03 months (face value of Rs. 100,000 each)		1,500	71,850	73,350	-	-	-	-	-	-
Treasury Bills - 06 months (face value of Rs. 100,000 each)		-	52,400	52,400	-			-	-	-
Total as at March 31, 2022						-	-	-	-	-
Total as at June 30, 2021						149,588,276	149,589,150	874	3%	7%

6.2 Pakistan Investments Bonds

Name of security	Note	----- (Number of Pakistan Investment Bonds) -----				Balance as at March 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		Number of holdings at the beginning of the year	Acquired during the year	Disposed / matured during the year	Number of holdings at the end of the year	Carrying value before revaluation	Market value after revaluation	Unrealised gain / (loss)		
----- (Rupees) -----										
3 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.2.1	1,250	-	-	1,250	126,405,750	123,118,625	(3,287,125)	4.28%	6.93%
3 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.2.2	650	-	-	650	64,499,804	64,447,500	(52,304)	2.24%	3.63%
3 years Pakistan Investment Bond (face value of Rs. 100,000 each)		-	17,980	17,980	-	-	-	-	0.00%	0.00%
10 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.2.3	2,000	-	-	2,000	200,939,614	200,820,000	(119,614)	6.98%	11.30%
10 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.2.4	3,500	-	-	3,500	352,030,000	351,435,000	(595,000)	12.21%	19.78%
Total as at March 31, 2022						743,875,168	739,821,125	(4,054,043)	25.71%	41.64%
Total as at June 30, 2021						744,852,665	743,969,375	(883,290)	14.59%	36.21%

- 6.2.1** This represents investments in 3 years Pakistan Investment Bond carrying an effective profit rate of 8.11% and having maturity on September 19, 2022. The face value of Pakistan Investment Bond as at March 31, 2022 amounted to Rs. 125 million. Profit is receivable on semi annual basis.
- 6.2.2** This represents investments in 3 years Pakistan Investment Bond carrying an effective profit rate of 7.62% and having maturity on October 23, 2023. The face value of Pakistan Investment Bond as at March 31, 2022 amounted to Rs. 65 million. Profit is receivable on semi annual basis.
- 6.2.3** This represents investments in 10 years Pakistan Investment Bond carrying an effective profit rate of 7.94% and having maturity on July 25, 2029. The face value of Pakistan Investment Bond as at March 31, 2022 amounted to Rs. 200 million. Profit is receivable on semi annual basis.
- 6.2.4** This represents investments in 10 years Pakistan Investment Bond carrying an effective profit rate of 7.89% and having maturity on August 22, 2029. The face value of Pakistan Investment Bond as at March 31, 2022 amounted to Rs. 350 million. Profit is receivable on semi annual basis.

6.3 Term Finance Certificates - listed

		----- (Number of certificates) -----				Balance as at March 31, 2022			Market value as a percentage of net assets of Fund	Market value as a percentage of total investments	Face value as percentage of size of the issue
Name of Security	Note	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value before revaluation	Market value after revaluation	Unrealised gain / (loss)			
----- (Rupees) -----											
Commercial Banks											
Soneri Bank Limited TFC - II 08 years (face value of Rs. 5000 each)		-	24,000	24,000	-	-	-	-	0.00%	0.00%	0.75%
Total as at March 31, 2022						-	-	-	0.00%	0.00%	0.75%
Total as at June 30, 2021						-	-	-	-	-	-

6.4 Term Finance Certificates - Un-listed

		----- (Number of certificates) -----				Balance as at March 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments	Face value as percentage of size of the issue
Name of security	Note	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value before revaluation	Market value after revaluation	Unrealised gain / (loss)			
----- (Rupees) -----											
Commercial Bank											
Silk Bank Limited PPTFC - 08 years (face value of Rs. 5,000 each)	6.4.1	16,000	-	-	16,000	70,827,654	71,935,200	1,107,546	2.50%	4.05%	4.00%
BAHL Tier-II TFCs 10 years (face value of Rs. 5,000 each)	6.4.2	38,000	20,000	-	58,000	292,454,156	302,396,688	9,942,532	10.51%	17.02%	2.50%
Samba Bank Limited TFC (face value of Rs. 100,000 each)	6.4.3	2,400	500	-	2,900	290,695,616	314,090,763	23,395,147	10.92%	17.68%	4.80%
JS Bank Limited TFC Tier-II 7 year (face value of Rs. 100,000 each)	6.4.4	-	1,250	-	1,250	125,000,000	125,000,000	-	4.34%	7.04%	6.25%
Investment Company											
Jahangir Siddiqui Company Limited PPTFC (face value of Rs. 5,000 each)	6.4.5	15,000	-	-	15,000	26,386,943	26,725,493	338,550	0.93%	1.50%	5.00%

Microfinance Bank

NRSP Microfinance Bank Limited Tier-II
(face value of Rs. 100,000 each)

6.4.6

-

700

-

700

70,000,000

70,000,000

-

2.43%

3.94%

9.09%

Total as at March 31, 2022

875,364,369 910,148,144 34,783,775 32% 47.29% 22.55%

Total as at June 30, 2021

532,920,989 537,969,002 5,048,013 11% 26.18% 15.42%

- 6.4.1** This represents investment in unlisted Term Finance Certificates (TFCs) issued by Silk Bank Limited. Total size of the issue is Rs. 2,000 million and the term of the TFCs is eight years commencing from the date of issue of TFCs which was August 2017 and ending on August 2025. Profit on the instrument shall be payable semi-annually in arrears on the outstanding balance and the first such profit payment shall fall due 6 months from the issue date and subsequently every six months thereafter. Profit rate shall be the average six months KIBOR + 1.85% per annum. The instrument is structured to redeem 0.14% of the issue amount during the first 7 years and remaining 99.86% in the last two semi annual instalments of 49.93% each. The instrument is unsecured and subordinated to all other indebtedness of the Silk Bank Limited. The rating of the instrument is BBB+.

- 6.4.1.1** The Securities & Exchange Commission of Pakistan (SECP) 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. The Securities and Exchange Commission of Pakistan (SECP) its letter, dated 05 October 2020, in response to the Management Company request for the relaxation towards rating, had advised the company to endeavor to regularize the non compliance as soon as possible.

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
Silk bank 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	79,928,000	7,992,800	71,935,200	2.50%	4.05%

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 October 05, 2020 advising them to endeavor to regularize the non-compliance as soon as possible.

- 6.4.2** This represents investment in unlisted Term Finance Certificates (TFCs) issued by Bank AL Habib Limited and carry rate of mark-up equal to the base rate of 3 months Karachi Inter Bank Offer Rate (KIBOR) per annum (plus margin of 1%) receivable quarterly in arrears with no floor or cap and will mature in December 2028. The principal is redeemable in 8 equal semi annually installments effective from 6 June 2020. These term finance certificates are unsecured. The rating of the instrument is AA+.
- 6.4.3** This represents TFCs issued by Samba Bank Limited and carry a mark-up equal to 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 1.35% receivable semi-annually in arrears with no floor or cap and will mature in March 31. The principal is to be redeemed in 20 semi-annual installments with 0.36% being redeemed in the initial 18 installments, whereas the remainder being redeemed equally in the last two installments. The rating of the instrument is AA+.
- 6.4.4** This represents investment in unlisted Term Finance Certificates (TFCs) issued by JS Bank Limited and carry rate of mark-up equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum (plus margin of 2.00%) receivable semi-annually in arrears with no floor or cap and will mature in December 2028. The principal is redeemable in 8 equal semi annually installments effective from 6 June 2020. These term finance certificates are unsecured. The rating of the instrument is A+.
- 6.4.5** This represents investment in unlisted Term Finance Certificates (TFCs) issued by Jahangir Siddiqui Company Limited and carry rate of mark-up equal to the base rate of 6 months Karachi Inter Bank Offer Rate (KIBOR) per annum (plus margin of 1.40%) receivable semi-annually in arrears with no floor or cap and will mature in July 2022. The principal is redeemable in 8 equal semi annually installments effective from 19 July 2018. These term finance certificates are unsecured. The rating of the instrument is AA.
- 6.4.6** This represents investment in unlisted Term Finance Certificates (TFCs) issued by NRSP Microfinance Bank Limited and carry rate of mark-up equal to the base rate of 3 months Karachi Inter Bank Offer Rate (KIBOR) per annum plus margin of 3% receivable quarterly in arrears with no floor or cap and will mature in July 2028. The principal is to be redeemed in last 4 equal installments effective from 09 October 2027. These term finance certificates are unsecured. The rating of the instrument is A-.

6.5 Listed Equity Securities (Spread Transactions)

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

	(Number of Shares)				Balance as at March 31, 2022			Market value as percentage of net assets	Market value as percentage of total investment
	Number of holdings at the beginning of the period	Acquired during the period	Disposed during the period (on maturity)	Number of holdings at the end of the period	Carrying value before revaluation	Market value after revaluation	Unrealised gain / (loss)		
	(Rupees)								
Commercial Banks									
Bank of Punjab	-	255,500	255,500	-	-	-	-	0.00%	0.00%
United Bank Limited		10,000	10,000	-	-	-	-	0.00%	0.00%
Cement									
Pioneer Cement Limited	-	36,500	36,500	-	-	-	-	0.00%	0.00%
D.G. Khan Cement Company Limited	-	20,000	20,000	-	-	-	-	0.00%	0.00%
Lucky Cement Limited		4,500	4,500	-	-	-	-	0.00%	0.00%
Chemicals									
Ghani Global Holdings Limited	347,500	1,488,500	1,836,000	-	-	-	-	0.00%	0.00%
Engro Polymer and Chemicals Limited		203,000	203,000	-	-	-	-	0.00%	0.00%
Engineering									
International Steels Limited	-	45,000	45,000	-	-	-	-	0.00%	0.00%
International Industries Limited		185,000	185,000	-	-	-	-	0.00%	0.00%
Agha Steel Industries Limited		55,000	55,000	-	-	-	-	0.00%	0.00%
Food and Personal Care Products									
Unity Foods Limited	269,500	3,773,500	4,043,000	-	-	-	-	0.00%	0.00%
The Organic Meat Company Limited		807,000	807,000	-	-	-	-	0.00%	0.00%
Glass & Ceremics									
Tariq Glass Industries Limited		15,000	15,000	-	-	-	-	0.00%	0.00%
Oil & Gas Exploration Companies									
Pakistan Petroleum Limited		120,000	120,000	-	-	-	-	0.00%	0.00%
Oil and Gas Development Company Limited		304,000	304,000	-	-	-	-	0.00%	0.00%
Oil & Gas Marketing Companies									
Sui Northern Gas Pipelines Limited		1,189,500	1,189,500	-	-	-	-	0.00%	0.00%
Pakistan State Oil Company Limited		86,000	86,000	-	-	-	-	0.00%	0.00%
Power Generation & Distribution									
Kot Addu Power Company Limited		50,000	50,000	-	-	-	-	0.00%	0.00%
K-Electric Limited	2,800,000	440,000	3,240,000	-	-	-	-	0.00%	0.00%
Hub Power Company Limited		460,000	460,000	-	-	-	-	0.00%	0.00%
Refinery									
Chenergyco PK Limited	1,746,000	100,000	1,846,000	-	-	-	-	0.00%	0.00%
National Refinery Limited		120,000	120,000	-	-	-	-	0.00%	0.00%
Technology & Communication									
TRG Pakistan Limited	1,835,000	3,083,500	4,918,500	-	-	-	-	0.00%	0.00%
Avanceon Limited	36,000	115,000	151,000	-	-	-	-	0.00%	0.00%
Hum Network Limited	2,224,500	-	2,224,500	-	-	-	-	0.00%	0.00%
Textile Composite									
Nishat Mills Limited	-	15,000	15,000	-	-	-	-	0.00%	0.00%
Nishat Chunian Limited		301,000	301,000	-	-	-	-	0.00%	0.00%
Azgard Nine Limited		300,000	300,000	-	-	-	-	0.00%	0.00%
Fertilizers									
Fauji Fertilizer Company Limited	100,000	385,500	485,500	-	-	-	-	0.00%	0.00%
Engro Fertilizers Limited		380,000	380,000	-	-	-	-	0.00%	0.00%
Pharmaceuticals									
The Searl Company Limited	-	115,000	115,000	-	-	-	-	0.00%	0.00%
Total as at March 31, 2022					-	-	-	0.00%	0.00%
Total as at June 30, 2021					397,487,956	398,189,620	701,664	7.81%	19.38%

Loss on future contracts (derivative contracts)

As at March 31, 2022

As at June 30, 2021

-

111,050

6.6 Term Deposit Receipts

March 31, 2022
(Unaudited)
(Rupees)

June 30, 2021
(Audited)

U-Microfinance Bank Limited

- 200,000,000

- 200,000,000

6.7 Commercial Paper

Maturity date	Mark-up rate	Number of holdings at the beginning of the period	Acquired during the year	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value before revaluation	Market value after revaluation	Unrealised gain / (loss)	Market value as a percentage of net assets of Fund	Market value as a percentage of total investments
		(Number)				(Rupees)				
K-Electric CP-14 (6 Months)	10-Aug-21	7.96%	25	-	25	-	-	-	-	0.00%
K-Electric CP-2 (6 Months)	22-Feb-22	8.01%	-	370	370	-	-	-	0.00%	0.00%
Mughal Iron CP (1 Year)	21-Jul-22	9.57%	-	130	-	130	126,541,704	126,541,704	4.40%	7.12%
Total as at March 31, 2022							126,541,704	126,541,704	4.40%	7.12%
Total as at June 30, 2021							24,790,199	24,790,199	0.49%	1.21%

		March 31, 2022 (Unaudited)	June 30, 2021 (Audited)
	Note		
7 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	2,678,663	5,114,377
Sindh Sales Tax on Management remuneration		2,730,277	685,403
Federal Excise Duty on Management remuneration	7.3	16,183,842	18,545,360
Sale Load payable to Management Company		2,651	2,651
		<u>21,595,433</u>	<u>24,347,791</u>

7.1 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 1.5% per annum of the average daily net assets of the Fund. Currently, the remuneration of the Management Company has been charged at the rate of 1.10% of the average daily net assets of the Fund. The remuneration is paid to the Management Company monthly in arrears.

- As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective from June 13, 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 September 04, 2013.

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 1, 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 is carrying provision for FED for the period up to June 30, 2016 aggregating to Rs. 18.55 million. Had the provision not been retained, net asset value per unit of the Fund as at March 31, 2022 would have been higher by Rs. 0.71 (2020: Rs. 0.37) per unit.

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

		March 31, 2022 (Unaudited)	June 30, 2021 (Audited)
	Note		
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		354,692	325,632
Payable to Sindh Workers' Welfare Fund	8.1	-	25,648,166
Brokerage payable		972,743	142,343
Payable to NCCPL		1,179,973	1,023,147
CDC Charges Payable		450,398	-
Printing and stationary payable		4,955	20,550
Withholding tax payable		923,109	21,546,922
Rating fee payable		207,371	-
Others		5,110,876	3,954,364
		<u>9,204,117</u>	<u>52,661,124</u>

8.1 Payable to Sindh Workers' Welfare Fund

The Government of Sindh introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The MUFAP, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles, therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them.

During the current period, SRB through its letter to MUFAP has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

The Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 25.65 million charged till August 12, 2021.

9 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the nine months period ended 31 March 2022 is 1.70% which includes 0.19% representing government levies (comprising of Workers Welfare Fund and SECP fee, etc.). As per NBFC Regulation the total expense ratio of the income scheme shall be capped up to 2.5%.

10 CONTINGENCIES AND COMMITMENTS

10.1 There are no contingencies outstanding as at March 31, 2022 and June 30, 2021

11 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 during the year by the Fund to the unit holders.

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, being the Custodian, SIZA Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company, Key Management personnel and other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at March 31, 2022.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively. Other transactions are in normal course of business, at contracted rates and terms determined in accordance with the market rates.

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

	March 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees)	
12.1 Balance as at period / year end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable	2,678,663	5,114,377
Sindh Sales Tax and FED on Management remuneration	18,914,119	19,230,763
Sales load payable	2,651	-
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	240,315	351,056
Security deposit	100,000	100,000

12.2 Unit Holders' Fund

Nine Months ended March 31, 2022								
-----Number of units-----					-----Rupees-----			
Number of units as at July 01, 2021	Units issued during the period	Refund / Adjustment of Units as element of income	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2021	Units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
Lakson Investments Limited - Management Company	7,875,320	147,105	3,666,007	4,356,419	796,411,423	-	-	462,201,198
Directors, Chief Executive and their spouse and minors	31,355,748	841,642	20,025,827	12,171,563	3,170,928,406	21,000,000	895,424,299	1,291,361,443
Other key management personnel	-	-	-	-	-	-	-	-
Associated companies								
Accuray Surgical Limited Employees Contributory Provident Fund	79,613	5,916	-	32,036	53,494	8,051,064	1,183,363	5,675,482
Alan Private Limited	26,854	-	-	26,854	2,715,678	-	-	2,849,118
Century Insurance Company Limited - Gratuity Fund	127,516	47,121	-	55,879	118,758	12,895,374	4,925,774	12,599,807
Century Insurance Company Limited	109,155	1,362,520	-	837,071	634,605	11,038,572	93,941,441	44,516,077
Century Insurance Company Limited Employees Contributory Provident Fund Trust	166,337	11,862	-	15,413	162,786	16,821,245	1,240,000	17,271,088
Century Paper & Board Mills Limited ECPF	1,521,895	243,825	-	683,280	1,082,439	153,905,437	17,395,832	42,702,488
Century Paper & Board Mills Limited - Employees Gratuity Fund	1,410,190	257,992	-	656,443	1,011,739	142,608,989	20,036,434	43,327,966
Colgate Palmolive Pakistan Limited	1,986,901	122,521	-	2,109,422	-	200,930,331	-	224,746,323
Colgate Palmolive Pakistan Limited ECPF	1,258,187	105,978	-	992,982	371,183	127,237,306	1,800,000	59,104,641
Colgate Palmolive Pakistan Limited - Employees Gratuity Fund	1,593,954	113,448	-	1,182,074	525,328	161,192,583	2,400,000	91,050,812
Cyber Internet Services (Pvt) Limited Employees CPFT	862,306	323,358	-	516,726	668,938	87,202,850	33,795,000	54,013,055
Gam Corporation Private Limited Employees Contributory Provident Fund	562,630	168,030	-	216,349	514,311	56,897,365	17,565,000	22,550,000
Hasanali & Gulbano Lakhani Foundation	613,600	158,799	-	167,417	604,983	62,051,834	-	64,186,632
Hasanali Karabhai Foundation ECPF Trust	36,571	-	-	11,644	24,927	3,698,334	930,000	980,000
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	244	5,067	-	5,311	24,675	-	-	563,479
Lakson Investments Limited ECPF	97,744	-	-	2,781	94,963	9,884,606	300,000	10,075,235
Merit Packaging Limited Employees Contributory Provident Fund Trust	56,775	125,374	-	73,051	109,098	5,741,514	13,400,000	1,707,537
Merit Packaging Limited Employees Gratuity Fund	88,373	61,666	-	75,279	74,760	8,936,941	3,353,962	7,601,115
Premier Fashions Private Limited	-	987,791	-	987,791	-	102,500,000	102,828,539	-
Siza Commodities Private Limited	-	2,775,937	-	2,417,231	358,706	-	288,800,000	255,300,000
Siza Private Limited	-	1,743,330	-	1,743,330	-	180,900,000	182,206,757	-
Siza Services Private Limited	-	2,601,986	-	2,143,149	458,837	-	270,000,000	225,000,000
Siza Foods Private Limited Employees Contributory Provident Fund Trust	485,455	152,154	-	259,468	378,141	49,092,851	15,905,430	26,343,087
Siza Services Private Limited Employees Contributory Provident Fund Trust	99,437	32,668	-	39,103	93,003	10,055,815	3,415,000	4,020,000
Sybird (Private) Limited ECPF	63,719	205,268	-	81,695	187,292	6,443,743	9,032,031	5,756,558
Sybird Private Limited	115,673	-	-	115,037	636	11,697,721	-	67,442

Nine Months ended March 31, 2021								
-----Number of units-----					-----Rupees-----			
Number of units as at July 01, 2020	Units issued during the period	Refund / Adjustment of Units as element of income	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2020	Units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
Lakson Investments Limited - Management Company	1,297,806	2,639,617	-	3,937,423	130,895,564	275,000,000	-	417,747,162
Directors, Chief Executive and their spouse and minors	15,525,959	10,903,692	9,289,576	17,140,074	1,565,934,252	534,523,411	264,662,150	1,818,503,593
Other key management personnel	-	4,815	4,815	-	-	500,000	501,150	-
Associated companies								
Accuray Surgical Limited Employees Contributory Provident Fund	-	53,144	-	53,144	-	5,548,432	-	5,638,368
Alan (Private) Limited	25,365	-	-	25,365	2,558,341	-	-	2,691,193
Century Insurance Co. Ltd., GF	-	86,887	-	86,887	-	9,056,710	-	9,218,458
Century Insurance Company Limited	-	140,424	-	112,148	28,276	14,775,100	11,823,996	2,999,990
Century Insurance Company Limited Employees Contributory Provident Fund Trust	-	114,769	-	114,769	-	11,962,254	-	12,176,603
Century Paper & Board Mills Limited ECPF	-	998,979	-	998,979	-	104,230,736	-	105,988,224
Century Paper & Board Mills Limited EGF	-	810,696	-	810,696	-	84,562,027	-	86,012,045
Colgate Palmolive (Pakistan) Limited	4,214,489	-	4,214,489	-	425,069,600	-	437,279,328	-
Colgate Palmolive Pakistan Limited ECPF	-	875,961	-	875,961	-	91,311,368	-	92,936,506
Colgate Palmolive Pakistan Limited EGF	-	1,157,374	-	1,157,374	-	120,822,405	-	122,793,464
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	-	671,259	-	671,259	-	69,982,142	-	71,218,315
Gam Corporation Private Limited Employees Contributory Provident Fund	-	489,946	-	489,946	-	50,964,076	-	51,981,627
Hasanali & Gulbano Lakhani Foundation	45,974	-	-	45,974	4,636,918	3,621,295	-	4,877,708
Hasanali Karabhai Foundation ECPF Trust	-	37,902	14,105	23,797	-	319,392	1,492,000	2,524,808
Lakson Business Solution Limited ECPF	5,066	-	-	5,066	510,915	-	-	537,446
Lakson Investments Limited ECPF	-	73,304	-	73,304	-	7,618,782	-	7,777,272
Merit Packaging Limited Employees Contributory Provident Fund Trust	-	143,171	80,510	62,661	-	14,920,919	8,500,000	6,648,123
Merit Packaging Limited Employees Gratuity Fund	-	72,851	5,043	67,808	-	7,592,206	535,000	7,194,158
Siza Foods Private Limited Employees Contributory Provident Fund Trust	-	405,604	-	405,604	-	42,193,850	-	43,033,178
Siza Services Private Limited Employees Contributory Provident Fund Trust	-	90,446	-	90,446	-	9,420,378	-	9,596,000
Sybird (Private) Limited	600	-	-	600	60,558	-	-	63,702
Sybird (Private) Limited ECPF	-	115,038	-	115,038	-	12,021,882	-	12,205,124
Connected person due to holding more than 10% units								
English Biscuit Manufacturers (Private) Limited	4,269,789	-	-	4,269,789	430,647,086	-	-	453,010,106

12.3 Other transactions during the period

	Nine months ended		Quarter Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Un-audited) -----			
	----- (Rupees) -----			
Lakson Investments Limited - Management Company of the Fund				
Remuneration to the Management Company	39,845,655	28,067,253	8,688,414	12,383,154
Sindh sales tax on remuneration of Management Company	5,241,238	3,648,740	1,190,876	1,609,808
	45,086,893	31,715,993	9,879,290	13,992,962
Central Depository Company of Pakistan Limited - Trustee of the Fund				
Remuneration for the period	2,794,167	2,178,596	676,710	902,746
Settlement Charges	467,458	467,458	412,113	412,113

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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

March 31, 2022 (Un-Audited)							
Note	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments	1,649,969,269	-	1,649,969,269	-	1,649,969,269	-	1,649,969,269
Financial assets not measured at fair value							
Bank balances	-	1,062,184,896	1,062,184,896	-	-	-	-
Commercial paper	-	126,541,704	126,541,704	-	-	-	-
Mark-up receivable	-	50,489,625	50,489,625	-	-	-	-
Deposits and other receivables	-	3,210,414	3,210,414	-	-	-	-
	-	1,242,426,639	1,242,426,639	-	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	-	21,595,433	21,595,433	-	-	-	-
Payable to the Trustee	-	240,315	240,315	-	-	-	-
Accrued expenses and other liabilities	-	8,996,746	8,996,746	-	-	-	-
	-	30,832,494	30,832,494	-	-	-	-
June 30, 2021 (Audited)							
Note	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments	1,829,717,147	-	1,829,717,147	398,189,620	1,431,527,527	-	1,829,717,147
Financial assets not measured at fair value							
Term deposit receipt	-	200,000,000	200,000,000	-	-	-	-
Commercial paper	-	24,790,199	24,790,199	-	-	-	-
Bank balances	-	2,973,292,308	2,973,292,308	-	-	-	-
Receivable from Margin Trading System	-	83,186,083	83,186,083	-	-	-	-
Mark-up accrued	-	22,803,371	22,803,371	-	-	-	-
Deposits and other receivables	-	186,667,203	186,667,203	-	-	-	-
	-	3,490,739,164	3,490,739,164	-	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	-	5,114,377	5,114,377	-	-	-	-
Payable to the Trustee	-	279,466	279,466	-	-	-	-
Payable against purchase of securities	-	152,218,844	152,218,844	-	-	-	-
Accrued expenses and other liabilities	-	5,466,036	5,466,036	-	-	-	-
	-	163,078,723	163,078,723	-	-	-	-

13.1 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.

14 GENERAL

Figures have been rounded off to the nearest rupee.

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 29, 2022 by the Board of Directors of the Management Company.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



A Lakson Group Company

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