

LAKSON EQUITY FUND

Quarterly Report (March 31, 2023)



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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Fund's Information

Management Company

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Sarwar Shaheed Road,
Karachi-74200, Pakistan.
Phone: (9221) 3840.0000
Fax: (9221) 3568.1653
Web site: www.li.com.pk
E-mail: info@li.com.pk

**Board of Directors of
the Management Company**

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani - Chief Executive Officer
Mr. Jamil Ahmed Mughal
Mr. Amin Mohammed Lakhani
Ms. Roxanne Davies

**Chief Financial Officer &
Company Secretary of the
Management Company**

Mr. Junaid Arshad

Audit Committee

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

BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C,
Lakson Square, Building No. 1,
Sarwar Shaheed Road,
Karachi - 74200.

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
National Bank of Pakistan
Silk Bank Limited
Sindh Bank Limited
Telenor Microfinance Bank Limited
United Bank Limited
U Microfinance Bank Limited

Legal Adviser

Fazleghani Advocates
F-72/l, Block 8, KDA-5,
Kehkashan, Clifton,
Karachi, Pakistan.

Registrar

Lakson Investments Limited
Lakson Square, Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan

Distributors

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

Rating by PACRA

1 Year : 3-Star
3 Year : 2-Star
5 Year : 2-Star
AM2+ : Asset Manager Rating by PACRA

LAKSON EQUITY FUND

REVIEW REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Equity Fund ("LEF") is pleased to submit its review report together with Condensed Interim Financial Information for the nine months period ended March 31, 2023.

Fund Objective

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

Principal activities

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

Fund performance

The LEF closed 3QFY23 with a return of 5.61% vs -3.71% of the benchmark, outperforming the benchmark by 9.32%. As of March 31, 2023, the fund had 86.8% exposure in equities, 8.7% in cash, 1.8% in Tbills and 2.7% in other assets. Sector allocation is skewed towards Commercial Banks (20.1%), Oil & Gas Exploration (21.8%), Technology (9.9%), Cement (7.1%), Fertilizer (12.7%) and others (15.2%).

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

The economic uncertainty remained high throughout 3QFY23, and to fulfill a key IMF condition, the PKR was allowed to find its value based on market forces. As a result, the currency devalued by 20% on a quarter-on-quarter basis in 3QFY23 and closed at 283.8. Following the switch to a floating exchange rate, the IMF staff visited Pakistan for the ninth review of the extended funded facility (SLA). However, at the conclusion of these discussions, the IMF staff departed without the SLA, and both parties agreed to remain engaged virtually. Meanwhile, the government fulfilled prior actions of the IMF by imposing new taxes of PKR 170bn and increasing electricity and gas tariffs. The stumbling block remained differences between the amount of external financing gap and assurances of financing commitments by China, KSA and UAE.

In 3QFY23, the foreign exchange reserves held by the State Bank of Pakistan (SBP) decreased by USD 1.3bn, primarily due to debt repayments and lower-than-expected FX inflows. However, the decline in FX reserves was mitigated by inflows from China. Pakistan received a commercial loan of USD 700mn from the China Development Bank, in addition to USD 1bn as part of a previously agreed rollover. Furthermore, China rolled over USD 2bn SAFE deposits.

Inflation continued to set all-time records in 3QFY23, averaging 31.5% for the quarter. In March-23, the CPI reached 35.4%. The main drivers of inflation were the ongoing devaluation of the PKR, rising energy prices, the imposition of new taxes of PKR 170bn, supply chain disruptions due to import restrictions, and the second-round impact of all these factors. We anticipate that inflation will remain elevated in near term.

During the third quarter of FY23, there was a 15% QoQ decline in imports, totaling USD 12.7bn, while exports decreased by 4% to USD 6.8bn. This resulted in a 25% reduction in the trade deficit, which reached USD 5.9bn. Resultantly the current account deficit for the first two months of CY23 plummeted by 89% to USD 316mn. The primary reasons for this decline are the import restrictions imposed by the State Bank of Pakistan and the decrease in demand due to the economic slowdown. We anticipate that the current account deficit will persist at these low levels in the future.

In terms of the fiscal performance, FBR tax collection decreased by 4% to Rs 1.7 trillion during 3QFY23, falling short of the quarterly target by almost PKR 60bn. The primary reasons behind this underwhelming outcome were the economic slowdown and the reduction in imports. Given the weak growth prospects and the probability that import restrictions will continue, we anticipate that FBR will fall short of the annual tax collection target for FY23.

Equity Market Review

Elevated top-down uncertainty continued to loom heavy over the equity markets as they remained sluggish during the quarter. Even though Pakistan has fulfilled most of the IMF preconditions, the IMF programme remained elusive, owing to non-materialization of fresh bilateral flows particularly from the GCC. Thin trading volumes during the quarter reflected a lack of investors' interest, the KSE-100 index fell by 420 points (down 1%) on a quarter on quarter basis – compounded by the ongoing political noise refusing to subside. Average daily traded value decreased to US\$23.83mn in 1QCY23, from US\$26.99mn in 4QCY22 exhibiting a decrease of 11.73%. Foreign selling however, saw a reversal as investors bought equities worth US\$16.7mn, largely concentrated in Tech and Oil and Gas Exploration sectors.

Future Outlook

The market's performance in 4QFY23 is likely to hinge on two key factors: the direction of the IMF program and the political climate. Pakistan has successfully fulfilled all the prior actions requested by the IMF, and the only outstanding issue is the verification of financial commitments by the IMF from friendly nations. China has already fulfilled its commitments, and some of the promised inflows have already materialized.

According to news reports citing top officials from the finance ministry, KSA has given the green light for a USD 2bn deposit, and the IMF is satisfied with the provided assurance. However, the UAE has yet to provide confirmation of a USD 1bn deposit. Ultimately, the resolution of this issue will play a crucial role in preventing a sovereign default and creating conditions for a potential stock market rally.

As mentioned above, the second crucial factor to keep an eye on will be the state of domestic politics. The Supreme Court has recently reaffirmed its original decision and announced that Punjab assembly elections will be held on May 14th, 2023. Additionally, the court has ordered another application to be submitted for the date of the KP elections. The election commission has accepted the court's decision and agreed to hold the elections on the announced date.

However, the federal cabinet and parliament have rejected the court's decision, citing concerns over funding and security challenges. This rejection has led to increased uncertainty around the upcoming elections and heightened political tensions. We believe that a timely and peaceful resolution of this issue is critical for carrying out structural reforms, remaining in the IMF program, and restoring investor confidence in the economy.

On the global front, along with rate hikes from other central banks, The US Federal Reserve raised the fed funds rate by 50bps during the quarter, leading to a rapid rise in interest rates to control inflation. However, this also resulted in the collapse of Silicon Valley Bank and the distressed sale of Credit Suisse to UBS. High inflation has caused domestic political instability globally. Geopolitical tensions remain heightened as China and the US carve out their spheres of influence, and other countries such as India, Iran, and Saudi Arabia adjust to a more multipolar world.

In the previous few decades, globalization has been an important force for deflation. However, it seems that globalization is slowly being reversed, and supply chains are now being rearranged to be more robust, rather than optimized for cost. The outlook for the global economy depends greatly on how these forces interact and the pace of global inflation and monetary tightening.

Acknowledgement

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

For and on Behalf of the Board

Chief Executive Officer

Dated: April 28, 2023

Director

لیکسن ایکویٹی فنڈ

31 مارچ 2023ء کو ختم ہونے والی نو ماہ کی مدت کے لیے

مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن ایکویٹی فنڈ ("LEF") کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے 31 مارچ 2023ء کو ختم ہونے والی نو ماہ کی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

فنڈ کا مقصد بنیادی طور پر ایکویٹی اور متعلقہ لسٹڈ سیکیورٹیز میں سرمایہ کاری کے ذریعے سرمایے کی مالیت میں طویل مدتی اضافہ کرنا ہے۔ سرمایہ کاری مالیاتی استحکام اور نمایاں طور پر اعلیٰ انتظامی مہارتوں کا مظاہرہ کرنے والی اہم کمپنیوں میں کی جائے گی جس میں سے کچھ سرمایہ کم مالیاتی قدر والے اسٹاکس میں لگایا جائے گا۔

نمایاں سرگرمیاں

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

فنڈ کی کارکردگی

LEF نے بیچ مارک منافع 3.71%- کے مقابلے میں 5.61% منافع کے ساتھ مالی سال 2023ء کی تیسری سہ ماہی کا اختتام بیچ مارک کے مقابلے میں 9.32% بہتر کارکردگی کے ساتھ کیا۔ 31 مارچ 2023ء کے مطابق فنڈ ایکویٹیز میں 86.8%، کیش میں 8.7%، ٹی۔بلز میں 1.8% اور 2.7% دیگر اثاثوں میں سرمایہ کاری رکھتا ہے۔ شعبہ جاتی تفویض کا جھکاؤ اس طرح ہے: کمرشل بینک (20.1%)، آئل اینڈ گیس ایکسپلوریشن (21.8%)، ٹیکنالوجی (9.9%)، سیمینٹ (7.1%)، فریٹلائزر (12.7%) اور دیگر (15.2% فیصد)۔

فی شیئر آمدنی (EPU)

فی شیئر آمدنی (EPU) ظاہر نہیں کی گئی، 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

مالی سال 2023ء کی تیسری سہ ماہی کے دوران زیادہ تر معاشی غیر یقینی کی صورتحال رہی اور آئی ایم ایف کی ایک اہم شرط کو پورا کرنے کے لیے پاکستانی روپے کی قدر کا تعین مارکیٹ فورسز کی بنیاد پر کرنے کی اجازت دی گئی۔ اس کے نتیجے میں مالی سال 2023ء کی تیسری سہ ماہی میں سہ ماہی بنیادوں پر کرنسی کی قدر میں 20 فیصد کمی ہوئی اور ڈالر کے مقابلے میں اس کی قدر 283.8 پر جا پہنچی۔ فلوئنگ ایکسچینج ریٹ میں تبدیلی کے بعد آئی ایم ایف کے عملے نے توسیعی مالی سہولت (ایس ایل اے) کے نوے جانزے کے لیے پاکستان کا دورہ کیا۔ تاہم ان مذاکرات کے اختتام پر آئی ایم ایف کا عملہ ایس ایل اے کے بغیر ہی چلا گیا اور فریقین نے ورچوئل طور پر مصروف رہنے پر اتفاق کیا۔ دریں اثناء حکومت نے آئی ایم ایف کے سابقہ مطالبات کو پورا کرتے ہوئے 170 ارب روپے کے نئے ٹیکس عائد کیے اور بجلی و گیس کے نرخوں میں اضافہ کر دیا ہے۔ اصل مسئلہ یار کاوٹ بیرونی فنائنگ کی ضرورت اور چین، سعودی عرب اور متحدہ عرب امارات کی جانب سے کرائی جانے والی مالی یقین دہانیوں کے مابین پائے جانے والے فرق کا ہے۔

مالی سال 2023ء کی تیسری سہ ماہی کے دوران اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر میں 1.3 ارب ڈالر کمی واقع ہوئی جس کی بنیادی وجہ قرضوں کی ادائیگی اور زرمبادلہ کی توقع سے کم آمد ہے۔ تاہم زرمبادلہ ذخائر میں اس کمی کو چین کی جانب سے کی جانے والی سرمایہ کاری کی مدد سے کم کیا گیا۔ پاکستان کو چائنا ڈیولپمنٹ بینک سے 70 کروڑ ڈالر کا کمرشل قرضہ ملا ہے، اس کے علاوہ پہلے سے طے شدہ ”رول اوور“ کے ذریعے بھی ایک ارب ڈالر کا مزید ریلیف ملا۔ مزید برآں، چین نے 2 ارب امریکی ڈالر کے سیف ڈپازٹس بھی ”رول اوور“ کیے ہیں۔

مالی سال 2023ء کی تیسری سہ ماہی میں افراط زر نے نیاریکارڈ قائم کیا، جو سہ ماہی کے دوران اوسط 31.5 فیصد رہا۔ مارچ 2023ء میں کنزیومر پرائس انڈیکس 35.4 فیصد تک پہنچ گیا۔ افراط زر کی بنیادی وجوہات میں روپے کی قدر میں کمی، توانائی کی قیمتوں میں اضافہ، 170 ارب روپے کے نئے ٹیکسوں کا نفاذ، درآمدی پابندیوں کی وجہ سے سپلائی چین میں خلل اور ان تمام عوامل کے دوسرے مرحلے کے اثرات شامل ہیں۔ ہم توقع کرتے ہیں کہ مستقبل قریب میں افراط زر کی شرح بلند رہے گی۔

مالی سال 2023ء کی تیسری سہ ماہی کے دوران درآمدات میں 15 فیصد کمی ریکارڈ کی گئی، جس کے بعد مجموعی برآمدات 12 ارب 70 کروڑ ڈالر رہیں جبکہ برآمدات 4 فیصد کم ہو کر 6 ارب 80 کروڑ ڈالر رہیں۔ اس کے نتیجے میں تجارتی خسارہ 25 فیصد کم ہوا جو 5.9 ارب ڈالر رہ گیا۔ مالی سال 2023 کے پہلے دو ماہ میں کرنٹ اکاؤنٹ خسارہ 89 فیصد کم ہو کر 316 ملین ڈالر رہ گیا۔ اس کمی کی بنیادی وجوہات

اسٹیٹ بینک آف پاکستان کی جانب سے عائد درآمدی پابندیاں اور معاشی سست روی کی وجہ سے طلب میں کمی ہیں۔ ہم توقع کرتے ہیں کہ کرنٹ اکاؤنٹ خسارہ مستقبل میں انہی کم ترین سطحوں پر برقرار رہے گا۔

مالی کارکردگی کے لحاظ سے ایف بی آر کی ٹیکس وصولی مالی سال 2023ء کی تیسری سہ ماہی کے دوران 4 فیصد کم ہو کر 1.7 ٹریلین روپے رہ گئی جو سہ ماہی ہدف سے تقریباً 60 ارب روپے کم ہے۔ ان مایوس کن نتائج کی بنیادی وجوہات میں معاشی سست روی اور درآمدات میں کمی شامل ہیں۔ کم شرح نمو اور درآمدی پابندیاں جاری رہنے کی توقع کے پیش نظر ہمارا یہ خیال ہے کہ ایف بی آر مالی سال 2023ء کے لئے سالانہ ٹیکس وصولی کا اپنا ہدف پورا نہیں کر پائے گا۔

ایکویٹی مارکیٹ کا جائزہ

سہ ماہی کے دوران مندی رہنے کی وجہ سے ایکویٹی مارکیٹوں میں غیر یقینی صورتحال برقرار رہی۔ اگرچہ پاکستان نے آئی ایم ایف کی زیادہ تر شرائط پوری کر دی ہیں لیکن آئی ایم ایف پروگرام، بالخصوص ”جی سی سی“ کی طرف سے دو طرفہ بنیادوں پر نئی قوم کی ترسیل نہ کیے جانے کی وجہ سے شروع نہ ہو سکا۔ سہ ماہی کے دوران کاروباری حجم میں کمی سرمایہ کاروں کی عدم دلچسپی کی عکاسی کرتی ہے، کے ایس ای 100 انڈیکس سہ ماہی بنیادوں پر 420 پوائنٹس (1 فیصد) گر گیا، سیاسی شوروغل کم نہ ہونے سے صورتحال مزید گمبھیر ہوئی۔ سال 2023ء کی پہلی سہ ماہی میں اوسط یومیہ تجارت کی مالیت کم ہو کر 23.83 ملین ڈالر رہ گئی جو سال 2022ء کی چوتھی سہ ماہی میں 26.99 ملین ڈالر تھی، یہ 11.73 فیصد کمی کو ظاہر کرتی ہے۔ تاہم غیر ملکی فروخت (فارن سیلنگ) میں تبدیلی دیکھنے میں آئی کیونکہ سرمایہ کاروں نے 16.7 ملین امریکی ڈالر مالیت کے حصص خریدے، یہ خریداری زیادہ ٹیکنیکل اور تیل و گیس کی تلاش کے شعبوں میں مرکوز رہی۔

مستقبل کا منظر نامہ

مالی سال 2023ء کی چوتھی سہ ماہی میں مارکیٹ کی کارکردگی دو اہم عوامل پر منحصر ہونے کا امکان ہے: آئی ایم ایف پروگرام کی سمت اور سیاسی ماحول۔ پاکستان نے آئی ایم ایف کی جانب سے کیے گئے تمام پیشگی مطالبات کامیابی سے پورے کیے ہیں اور اب واحد اہم مسئلہ آئی ایم ایف کی جانب سے دوست ممالک کے مالی وعدوں کی تصدیق ہے۔ چین پہلے ہی اپنے وعدوں کو پورا کر چکا ہے اور بعض دیگر وعدوں پر بھی عمل درآمد ہو چکا ہے۔

وزارت خزانہ کے اعلیٰ حکام کے حوالے سے خبروں کے مطابق سعودی عرب نے 2 ارب ڈالر کے ڈپازٹ کے لیے گرین سگنل دے دیا ہے اور آئی ایم ایف فراہم کردہ یقین دہانی سے مطمئن ہے۔ تاہم متحدہ عرب امارات نے ابھی تک ایک ارب ڈالر جمع کرانے کی تصدیق نہیں کی ہے۔ بالآخر، اس مسئلے کا حل ڈیفالٹ کو روکنے اور اسٹاک مارکیٹ کی ممکنہ تیزی کے لئے موافق حالات پیدا کرنے میں اہم کردار ادا کرے گا۔

جیسا کہ اوپر ذکر کیا گیا ہے، دوسرا اہم عنصر، جس پر نظر رہے گی، وہ داخلی سیاست ہے۔ سپریم کورٹ نے حال ہی میں اپنے اصل فیصلے کی توثیق کی ہے اور اعلان کیا ہے کہ پنجاب اسمبلی کے انتخابات 14 مئی 2023ء کو ہوں گے۔ اس کے علاوہ عدالت نے کے پی انتخابات کی تاریخ کے لیے ایک اور درخواست جمع کرانے کا حکم دیا ہے۔ الیکشن کمیشن نے عدالت کے فیصلے کو تسلیم کرتے ہوئے اعلان کردہ تاریخ پر انتخابات کرانے پر اتفاق کر لیا۔

تاہم وفاقی کابینہ اور پارلیمنٹ نے فنڈنگ اور سیکیورٹی چیلنجز سے متعلق خدشات کا حوالہ دیتے ہوئے عدالتی فیصلے کو مسترد کر دیا ہے۔ اس انکار کی وجہ سے آنے والے انتخابات کے بارے میں غیر یقینی صورتحال اور سیاسی تناؤ میں اضافہ ہوا ہے۔ ہم سمجھتے ہیں کہ اس مسئلے کا بروقت اور پرامن حل، ڈھانچا جاتی (اسٹرکچرل) اصلاحات، آئی ایم ایف پروگرام کے برقرار رہنے اور معیشت میں سرمایہ کاروں کے اعتماد کی بحالی کے لیے ضروری ہے۔

عالمی محاذ پر، دیگر مرکزی بینکوں کی جانب سے شرح سود میں اضافے کے ساتھ ساتھ، امریکی فیڈرل ریزرو نے سہ ماہی کے دوران فیڈ فنڈز کی شرح میں 50 بی پی ایس کا اضافہ کیا، جس کے نتیجے میں افراط زر پر قابو پانے کے لئے شرح سود میں تیزی سے اضافہ ہوا۔ تاہم، اس کے نتیجے میں سلیکون ویلی بینک کا زوال اور کریڈٹ سوس کی یو بی ایس کو پریشان کن فروخت بھی سامنے آئی۔ افراط زر میں اضافے کی وجہ سے عالمی سطح پر داخلی سیاسی عدم استحکام پیدا ہوا ہے۔ جغرافیائی سیاسی (جیوپولیٹیکل) تناؤ میں اضافہ ہو رہا ہے کیونکہ چین اور امریکا اپنے اثر و رسوخ کو بڑھا رہے ہیں جبکہ ہندوستان، ایران اور سعودی عرب جیسے دیگر ممالک زیادہ کثیر قطبی دنیا میں خود کو ایڈجسٹ کر رہے ہیں۔ گزشتہ چند ہائیوں کے دوران گلوبلائزیشن ”تفریط زر“ (ڈی فلیشن) کی ایک اہم قوت رہی ہے۔ تاہم، ایسا لگتا ہے کہ گلوبلائزیشن آہستہ آہستہ پلٹ رہی ہے اور سپلائی چین کو اب لاگت کے حوالے سے موزوں بنانے کے بجائے زیادہ مضبوط بنانے کے لئے دوبارہ ترتیب دیا جا رہا ہے۔ عالمی معیشت کے مستقبل کا اس بات پر بہت زیادہ انحصار ہے کہ یہ قوتیں کس طرح تعامل کرتی ہیں اور عالمی افراط زر اور مالیاتی سختی کی رفتار کیا رہتی ہے۔

اظہار تشکر

بورڈ اپنے قابل قدر سرمایہ کاروں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کا ان کے مسلسل تعاون اور مدد پر شکریہ ادا کرتا ہے۔ مینجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانشمندانہ انتظام و انصرام کے لیے مینجمنٹ کمپنی کی ٹیم کی کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و منجانب بورڈ

چیف ایگزیکٹو آفیسر

ڈائریکٹر

تاریخ: 28 اپریل 2023ء

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT MARCH 31, 2023

AS AT MARCH 31, 2023

	Note	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
(Rupees)			
Assets			
Bank balances	6.	167,353,461	276,575,247
Investments	7.	1,705,665,786	2,100,446,835
Dividend receivables		45,971,598	1,171,735
Mark-up accrued on bank balances		2,090,574	4,365,146
Advances, prepayments and deposit		3,302,119	2,650,000
Total assets		1,924,383,539	2,385,208,963
Liabilities			
Payable to the Management Company	8.	28,176,429	25,625,765
Remuneration payable to the Trustee		528,610	308,065
Annual Fee Payable to Securities and Exchange Commission of Pakistan		314,378	592,933
Accrued expenses and other liabilities	9.	2,183,895	1,120,146
Payable against purchase of investments		-	14,561,168
Total liabilities		31,203,313	42,208,077
Contingencies and commitments			
	11.		
Net assets		1,893,180,226	2,343,000,886
Unit holders' fund (as per the statement attached)		1,893,180,226	2,343,000,886
(Number of units)			
Number of units in issue		19,364,152	25,308,428
(Rupees)			
Net assets value per unit		97.7672	92.5778

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Note	Nine Months Ended March 31,		Quarter Ended March 31,	
		2023	2022	2023	2022
Income		(Rupees)		(Rupees)	
Gain / (loss) on sale of held for trading investments - net		21,436,087	(277,641,281)	(10,633,073)	(83,690,074)
Unrealised (loss) on revaluation of held for trading investments - net	7.1	(52,108,298)	(189,449,612)	(30,114,222)	9,307,366
		(30,672,211)	(467,090,893)	(40,747,295)	(74,382,708)
Dividend income on investments held at fair value through profit or loss		170,660,786	152,379,020	58,246,318	54,984,961
Return / markup on:					
- Bank balances calculated using effective interest method		20,739,833	13,625,197	5,809,830	4,828,693
- Government and other debt securities using effective interest method		2,137,644	-	510,445	-
		22,877,478	13,625,197	6,320,275	4,828,693
- Reversal of SWWF		-	57,225,008	-	
		162,866,053	(243,861,668)	23,819,298	(14,569,054)
Expenses					
Remuneration of the Management Company		31,439,564	46,821,396	9,483,554	14,587,519
Sindh Sales Tax on remuneration of the Management Company		4,087,143	6,086,782	1,232,862	1,896,378
Remuneration of the Trustee		2,624,609	3,493,683	814,451	1,102,825
Annual fee to the Securities and Exchange Commission of Pakistan		314,396	468,214	94,836	145,875
SECP supervisory fee		1,918	1,882	630	630
Auditors' remuneration		340,252	161,511	69,220	47,183
Legal and professional charges		240,506	372,612	68,604	123,300
Fees and subscription		18,632	117,780	6,120	38,969
Printing charges		18,645	13,560	-	-
Brokerage, settlement and bank charges		4,668,108	11,104,443	934,352	3,435,078
Total Expenses		43,753,772	68,641,862	12,704,628	21,377,757
Net income / (loss) from operating activities		119,112,280	(312,503,530)	11,114,670	(35,946,811)
Net income / (loss) for the period before taxation		119,112,280	(312,503,530)	11,114,670	(35,946,811)
Taxation	12	-	-	-	-
Net income / (loss) for the period after taxation		119,112,280	(312,503,530)	11,114,670	(35,946,811)
Allocation of Net Income for the period:					
Net income for the period		119,112,280	-	71,343,114	-
Income already paid on units redeemed		(18,683,550)	-	(6,480,865)	-
Accounting income available for distribution		100,428,731	-	64,862,250	-
Relating to capital gains		-	-	(10,633,073)	-
Excluding capital gains		100,428,731	-	75,495,323	-
Accounting income available for distribution		100,428,731	-	64,862,250	-

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2023	2022	2023	2022
	(Rupees)		(Rupees)	
Net income / (loss) for the period	119,112,280	(312,503,530)	11,114,670	(35,946,811)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	119,112,280	(312,503,530)	11,114,670	(35,946,811)

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS'S FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Nine Month Ended Mar 31, 2023			Nine Month Ended Mar 31, 2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees) -----					
Net assets at beginning of the period	2,786,190,399	(443,189,513)	2,343,000,886	3,023,016,359	136,654,142	3,159,670,501
Issuance of 1,577 units (2022: 6,347,546)						
- Capital value	145,951	-	145,951	727,040,302	-	727,040,302
- Element of loss	(3,277)	-	(3,277)	(36,422,332)	-	(36,422,332)
Total proceeds on issuance of units	142,674	-	142,674	690,617,970	-	690,617,970
Redemption of 5,945,852 units (2022: 6,138,476)						
- Capital value	(550,447,361)	-	(550,447,361)	(703,093,675)	-	(703,093,675)
- Element of income	55,296	(18,683,550)	(18,628,254)	39,559,230	-	39,559,230
Total payments on redemption of units	(550,392,065)	(18,683,550)	(569,075,615)	(663,534,445)	-	(663,534,445)
Total comprehensive income / (loss) for the period	-	119,112,280	119,112,280	-	(312,503,530)	(312,503,530)
Net assets as at end of the period	2,235,941,008	(342,760,782)	1,893,180,226	3,050,099,884	(175,849,388)	2,874,250,496
Undistributed income brought forward:						
- Realized income		(177,742,050)			(129,568,092)	
- Unrealized income		(265,447,463)			266,222,234	
		(443,189,513)			136,654,142	
Accounting income available for distribution:						
Relating to capital gains		-			-	
Excluding capital gains		100,428,731			-	
		100,428,731			-	
Total comprehensive (loss) / income for the period		-			(312,503,530)	
Undistributed income / (loss) at end of the period		(342,760,782)			(175,849,388)	
Undistributed income brought forward:						
- Realized income		(290,652,484)			13,600,224	
- Unrealized (loss)		(52,108,298)			(189,449,612)	
Undistributed income / (loss) at end of the period		(342,760,782)			(175,849,388)	
Net assets value per unit at beginning of the period			92.5778			114.5388
Net assets value per unit at end of the period			97.7672			103.4085

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Nine Month Ended Mar 31	
	2023	2022
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period	119,112,280	(312,503,530)
Adjustments for:		
(Gain) / loss on sale of held for trading investments - net	-	277,641,281
Unrealised loss on revaluation of held for trading investments - net	52,108,298	189,449,612
	<u>171,220,578</u>	<u>154,587,363</u>
Decrease / (Increase) in assets		
Investments	342,672,751	(220,013,191)
Advances, deposits and prepayments	(652,119)	14,193,651
Mark-up accrued on bank balances and Dividend	(42,525,292)	(14,431,094)
Receivable against sale of equity Investments	-	(36,806,859)
	<u>299,495,340</u>	<u>(257,057,493)</u>
(Decrease) / Increase in liabilities		
Payable to the Management Company	2,550,664	(736,833)
Remuneration payable to the Trustee	220,545	(33,743)
Annual fee payable to Securities and Exchange Commission of Pakistan	(278,555)	(210,314)
Accrued expenses and other liabilities	1,063,740	(53,935,555)
Payable against purchase of equity investments	(14,561,168)	(16,484,007)
	<u>(11,004,773)</u>	<u>(71,400,452)</u>
Net cash (flows) / generated from operating activities	<u>459,711,145</u>	<u>(173,870,582)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	142,674	690,617,970
Payments on redemption of units	(569,075,615)	(663,534,444)
Net cash (used in) / generated from financing activities	<u>(568,932,941)</u>	<u>27,083,526</u>
Net decrease in cash and cash equivalents during the period	<u>(109,221,796)</u>	<u>(146,787,056)</u>
Cash and cash equivalents at beginning of the period	276,575,247	401,454,771
Cash and cash equivalents at end of the period	<u>167,353,461</u>	<u>254,667,715</u>

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FOR THE NINE MONTHS ENDED MARCH 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The Lakson Equity Fund (the "Fund") was established under the Trust Deed executed on 2 September 2009 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on 18 September 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).
- 1.2** The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore, while the Head Office is in the Lakson Square building No.2 , Karachi.
- 1.3** The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units can also be redeemed by surrendering them to the Fund.

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

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

- 1.4** Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 26 August 2022 (2021: AM2+ as on 27 August 2021).

On July 27, 2022, PACRA assigned following rankings to the Fund based on the performance review:

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules),
Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 30 June 2022 has been extracted from the audited financial statements of the Company for the year ended 30 June 2022, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the nine months ended 31 March 2022 have been extracted from the unaudited condensed interim financial information for the period then ended.

- 2.2** This condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2022. However, selected explanatory notes are included to explain events and transactions that are significant.

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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2023

2.3 Functional and presentation currency

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

2.4 Basis of measurement

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

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all preparation of the financial statements as at and for the year ended June 30, 2022

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2022.

6. BANK BALANCES	Note	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
		(Rupees)	
In profit and loss sharing accounts	6.1	167,345,758	276,567,544
Current Account		7,703	7,703
		<u>167,353,461</u>	<u>276,575,247</u>

6.1 These accounts carry profit at the rates of 11.50% to 18.50% (June 30, 2022: 6.50% to 16.24%) per annum.

7. INVESTMENTS

At fair value through profit or loss - held for trading

Listed equity securities	7.1	1,670,760,461	2,100,446,835
Government securities	7.2	34,905,325	-
		<u>1,705,665,786</u>	<u>2,100,446,835</u>

7.1 At fair value through profit or loss

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

Sectors / Companies	Holding as at July 01, 2022	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at March 31, 2023	Carrying value as of March 31, 2023	Market value as of March 31, 2023	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Commercial Banks											
Bank Al-Falah Limited	1,147,890	564,184	-	54,010	1,658,064	53,063,913	47,719,082	(5,344,831)	2.86	2.52%	0.15
Faysal Bank Limited	547,000	272,350	-	-	819,350	19,092,485	17,837,250	(1,255,235)	1.07	0.94%	0.05
Habib Bank Limited	712,636	279,000	-	329,428	662,208	55,566,723	48,526,602	(7,040,121)	2.90	2.56%	0.06
MCB Bank Limited	879,644	25,000	-	197,022	707,622	86,815,506	81,376,530	(5,438,976)	4.87	4.30%	0.06
Meezan Bank Limited	815,695	-	81,569	233,311	663,953	68,194,047	63,208,326	(4,985,721)	3.78	3.34%	0.03
Bank Islami Pakistan Limited	-	1,593,200	-	-	1,593,200	20,622,600	15,422,176	(5,200,424)	0.92	0.81%	0.14
United Bank Limited	1,317,832	65,400	-	330,568	1,052,664	118,852,255	112,171,876	(6,680,379)	6.71	5.93%	0.08
						422,207,529	386,261,842	(35,945,687)	23.12	20.40%	
Chemicals				-							
Engro Polymer & Chemicals Limited	458,400	117,200	-	369,010	206,590	15,817,107	9,664,280	(6,152,827)	0.58	0.51%	0.00
Descon Oxychem Limited	1,310,000	-	-	694,900	615,100	9,657,070	16,404,717	6,747,647	0.98	0.87%	0.35
						25,474,177	26,068,997	594,820	1.56	1.38%	
Fertilizers											
Engro Corporation Limited (6.1.1)	222,706	322,921	-	188,107	357,520	90,255,167	98,954,386	8,699,219	5.92	5.23%	0.01
Engro Fertilizer	1,070,506	505,730	-	819,002	757,234	65,931,645	64,228,588	(1,703,057)	3.84	3.39%	0.06
Fauji Fertilizer Company Limited	870,273	339,880	-	395,328	814,825	89,361,514	81,458,055	(7,903,459)	4.88	4.30%	0.01
						245,548,327	244,641,029	(907,298)	15	12.92%	
Pharma & Bio Tech											
Ferozsons Laboratories Limited	141,100	-	15,540	116,100	40,540	9,084,676	5,502,900	(3,581,776)	0.33	0.29%	0.01
The Searl Company Limited (6.1.2)	162,175	-	1,978	154,260	9,893	862,893	509,292	(353,601)	0.03	0.03%	0.00
						9,947,569	6,012,192	(3,935,377)	0.36	0.32%	
Textile Composite											
Kohinoor Textile Mills Limited	13,000	-	-	13,000	-	-	-	-	-	0.00%	0.00
Interloop Pakistan Limited	342,937	-	-	342,937	-	-	-	-	-	0.00%	0.00
Gul Ahmed Textile Mills Limited	627,818	-	-	627,818	-	-	-	-	-	0.00%	0.00
Nishat Mills Limited	228,394	-	-	228,394	-	-	-	-	-	0.00%	0.00
						-	-	-	-	0.00%	
Cement											
Lucky Cement Company Limited (6.1.2)	114,318	117,200	-	124,700	106,818	51,307,780	42,987,836	(8,319,944)	2.57	2.27%	0.00
Kohat Cement Company Limited	132,000	59,625	-	91,800	99,825	15,182,853	13,918,600	(1,264,253)	0.83	0.74%	0.00
D.G. Khan Cement Company Limited	170,483	784,602	-	955,085	-	-	-	-	-	0.00%	0.00
Maple Leaf Cement Factory Limited	1,873,417	42,450	-	1,177,144	738,723	20,231,710	19,192,024	(1,039,686)	1.15	1.01%	0.07
Pioneer Cement Limited	176,170	573,450	-	473,450	276,170	20,294,771	19,376,087	(918,684)	1.16	1.02%	0.12
Cherat Cement Company Limited	177,947	237,722	-	246,477	169,192	21,028,420	19,047,635	(1,980,785)	1.14	1.01%	0.09
Fauji Cement Company Limited	1,368,500	336,000	203,187	52,500	1,855,187	23,208,870	22,188,037	(1,020,833)	1.33	1.17%	0.13
						151,254,404	136,710,219	(14,544,185)	8.18	4.02%	
Power Generation & Distribution											
Hub Power Company Limited	1,121,665	330,500	-	276,300	1,175,865	79,762,217	79,406,163	(356,054)	4.75	4.19%	0.09
						79,762,217	79,406,163	(356,054)	4.75	4.19%	
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (6.1.2)	58,502	60,678	-	16,832	102,348	174,154,755	154,883,228	(19,271,527)	9.27	8.18%	0.01
Oil and Gas Development Company Limited (6.1.1)	1,239,552	62,000	-	329,900	971,652	76,839,641	80,996,911	4,157,270	4.85	4.28%	0.02
Pakistan Oilfield Limited	288,796	75,428	-	73,015	291,209	118,065,739	116,160,358	(1,905,381)	6.95	6.14%	0.10
Pakistan Petroleum Limited (6.1.1)	1,280,333	136,804	-	362,440	1,054,697	71,302,289	67,458,420	(3,843,869)	4.04	3.56%	0.04
						440,362,423	419,498,917	(20,863,506)	25.11	22.16%	
Oil and Gas Marketing Companies											
Attock Petroleum Limited	-	122,945	27,211	11,000	139,156	41,432,608	40,858,985	(573,623)	2.45	2.16%	0.14
Pakistan State Oil Company Limited (6.1.2)	288,883	178,507	-	143,560	323,830	55,362,068	38,176,319	(17,185,749)	2.28	2.02%	0.07
Sui Northern Gas Pipelines Limited	848,500	971,173	-	948,275	871,398	29,596,073	34,062,948	4,466,875	2.04	1.80%	0.14
						126,390,750	113,098,252	(13,292,498)	6.77	5.97%	
Food and Personal Care Products											
At-Tahur Limited (PREMA)	1,121,880	-	94,638	175,500	1,041,018	18,047,467	15,823,474	(2,223,993)	0.95	0.84%	0.00
Unity Foods Limited	162,500	322,220	-	484,720	-	-	-	-	-	0.00%	0.00
Fauji Foods Limited	-	3,417,976	-	-	3,417,976	17,645,627	18,491,250	845,623	1.11	0.98%	0.00
						35,693,093	34,314,724	(1,378,369)	2.05	1.81%	

Sectors / Companies	Holding as at July 01, 2022	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at March 31, 2023	Carrying value as of March 31, 2023	Market value as of March 31, 2023	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Technology and Communication											
TRG Pakistan Limited	1,250,905	73,000	-	1,086,926	236,979	18,551,796	25,129,253	6,577,457	0.63	1.33%	0.04
Systems Limited	501,597	44,111	-	248,335	297,373	103,995,913	137,404,168	33,408,255	8.22	7.26%	0.00
Avanceon Limited	249,226	-	-	249,226	-	-	-	-	-	0.00%	0.00
Hum Network Limited	5,961,500	772,500	1,072,600	2,560,000	5,246,600	30,996,149	28,331,640	(2,664,509)	1.70	1.50%	5.55
						153,543,857	190,865,061	37,321,204	10.55	10.08%	
Glass and Ceramics											
Shabbir Tiles & Ceramics	966,000	-	-	966,000	-	-	-	-	-	0.00%	0.00
						-	-	-	-	0.00%	
REFINERY											
Attock Refinery Limited	107,922	137,700	-	107,922	137,700	17,950,805	23,443,425	5,492,620	1.40	0.01	0.00
National Refinery Limited	71,458	-	-	71,458	-	-	-	-	-	-	0.00
Pakistan Refinery Limited	950,200	-	-	950,200	-	-	-	-	-	-	0.00
						17,950,805	23,443,425	5,492,620	1.40	1.24%	
Engineering											
International Steels Limited	679,099	47,819	-	726,918	-	-	-	-	-	0.00%	0.00
Aisha Steel Mills Limited	2,063,310	209,500	-	2,272,810	-	-	-	-	-	0.00%	0.00
Mughal Iron & Steel Industries Limited	-	295,536	-	83,046	212,490	14,730,034	10,439,634	(4,290,400)	0.62	0.55%	0.03
						14,730,034	10,439,634	(4,290,400)	0.62	0.55%	
Total as at March 31, 2023						1,722,865,185	1,670,760,461	(52,104,732)	99.13	85.05%	
Total cost as at March 31, 2023						1,836,621,067					
Total as at June 30, 2022						2,365,894,298	2,100,446,835	(265,447,463)	100	90	

7.1.1	Following shares have been pledged with National Clearing Company of Pakistan Limited:	March 31, 2023 ----- (Number of shares) -----	June 30, 2022	March 31, 2023 ----- (Rupees) -----	June 30, 2022
	Engro Corporation Limited	160,000	160,000	44,284,800	41,134,400
	Oil and Gas Development Company Limited	70,000	70,000	5,835,200	5,506,900
	Pakistan Petroleum Limited	330,000	330,000	21,106,800	133,917,300
		560,000	560,000	91,505,300	180,558,600

7.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other Asset Management Companies and Mutual Fund Association of Pakistan, has filed a petition in Honorable High Court of Sindh to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Honorable High Court of Sindh has granted stay order till the final outcome of the case. However, the investee companies has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs.3.643 million at March 31, 2023 and not yet deposited on CDC account of department of Income Tax. Management is of the view that the decision will be in favor of the Fund and accordingly has recorded the bonus shares on gross basis at fair value of its investments.

7.2 Government securities - at fair value through profit or loss

7.2.1 Market Treasury Bills

Name of security	Date of Issuance	Holding as at July 01, 2022	Purchases during the period	Disposed / matured during the period	Holding as at March 31, 2023	Carrying value as of the period ended March 31, 2023 before revaluation	Market value as of the period ended March 31, 2023 (after revaluation)	Unrealised gain / (loss)	Market value as % of total investments	Market value as % of net assets
		(Number)				(Rupees)			(%)	
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	28-Jul-22	-	1,670,000	1,670,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	11-Aug-22	-	2,010,000	2,010,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	12-Jan-23	-	350,000	-	350,000	34,908,891	34,905,325	(3,566)	2.05%	1.84%
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	04-Jan-23	-	350,000	350,000	-	-	-	-	-	-
		-								
12 Months Market Treasury Bill (Face value of Rs 100,000 each)	27-Jan-22	-	1,600,000	1,600,000	-	-	-	-	-	-
Total as at March 31, 2023						34,908,891	34,905,325	(3,566)	2.09%	1.88%
Total as at June 30, 2022						-	-	-	-	-

	<i>Note</i>	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
8. PAYABLE TO THE MANAGEMENT COMPANY		(Rupees)	
Remuneration payable to the Management Company	8.1	6,189,002	3,874,610
Sindh Sales Tax on Management Company's remuneration		3,503,997	3,203,127
Federal Excise Duty on Management Company's remuneration	8.2	18,483,430	18,483,430
Sales load payable to the Management Company		-	64,598
		28,176,429	25,625,765

- 8.1** Under the provisions of Non-Banking Finance Companies and Notified Entities Regulations 2008, an Asset Management Company shall be entitled to remuneration equal to an amount not exceeding 2% of average annual net assets. Management Company has charged remuneration at 2% per annum based on the daily net assets of the Fund during the period ended 31 March 2023. Remuneration is paid to the Management company in arrears on a monthly basis.

The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Federal Excise Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 8.2.

- 8.2** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016. During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, being prudent the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 18.483 million (2022: 18.483 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at March 31, 2023 would have been higher by Re. 0.9545 (30 June 2022: Re. 0.8430) per unit.

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
9. ACCRUED EXPENSES AND OTHER LIABILITIES		
Withholding tax payable	147,068	-
Brokerage payable	1,115,299	-
Auditors' remuneration	340,252	329,477
Fee payable to National Clearing Company of Pakistan Limited	581,277	90,000
Payable against Professional tax fee	-	660,709
Other liabilities	-	39,960
	2,183,895	1,120,146

10. 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 period ended March 31, 2023 is 2.77% which includes 0.33% representing government levies (comprising of SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Equity Scheme shall be capped up to 4.5% (excluding government levies).

11. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2023.

12. 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.

13. 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 and 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, 2023.

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

13.1	Balance as at period / year ended	March 31, 2023 (Unaudited) (Rupees)	June 30, 2022 (Audited)
	Lakson Investments Limited - Management Company of the Fund		
	Remuneration payable	<u>6,189,002</u>	<u>3,874,610</u>
	Sindh Sales Tax payable on Management Company's remuneration*	<u>3,503,997</u>	<u>3,203,127</u>
	Federal Excise Duty	<u>18,483,430</u>	<u>18,483,430</u>
	Sales load payable	<u>-</u>	<u>64,598</u>

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

13.2	Transactions during the period Lakson Investments Limited - Management Company of the Fund	March 31, 2023 (Unaudited) (Rupees)	June 30, 2022 (Audited)
	Remuneration payable	<u>528,610</u>	<u>308,065</u>
	Security deposit	<u>100,000</u>	<u>100,000</u>
		<u>March 31,</u>	
		<u>2023</u>	<u>2022</u>
		(Rupees)	
		(Unaudited)	
	Remuneration to the Management Company	<u>31,439,564</u>	<u>46,821,396</u>
	Sindh sales tax on remuneration of Management Company *	<u>4,087,143</u>	<u>6,086,782</u>

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

	Central Depository Company of Pakistan Limited - Trustee of the Fund		
	Remuneration for the period	<u>2,624,609</u>	<u>3,493,683</u>
	Settlement charges	<u>138,231</u>	<u>-</u>

13.3 Details of transaction and balances with directors, key management personnel, employees, associated company/ undertaking of the Mangement Company and connected person are as follows:

	Nine Months Ended March 31, 2023							
	Number of units as at 01 July 2022	Units issued during the Year	Units redeemed during the Year	Number of units as at 31 March 2023	Balance as at 01 July 2022	Units issued during the Year	Units redeemed during the Year	Balance at the year ended March 31, 2023 (Investment at current NAV)
	----- Number of units -----				----- (Rupees) -----			
Lakson Investments Limited - Management Company of the Fund	-	-	-	-	-	-	-	-
Directors, Chief Executive and their spouse and minors	5,398,402	119	1,891,659	3,506,863	794,095,573	33,261,598	48,885,680	342,856,155
Other key management personnel	40,418	1,052	-	41,469	6,237,167	-	-	4,054,333
Associated companies / undertakings of the Management Company								
Accuray Surgical Limited Employees Contributory Provident Fund	38,322	-	38,322	-	3,547,751	-	3,075,595	-
Century Insurance Co. Ltd., GF	44,407	-	28,856	15,551	4,111,090	-	2,077,000	1,520,414
Century Insurance Company Limited	-	-	-	-	-	-	-	-
Century Insurance Company Limited Employees Contributory Provident Fund Trust	56,457	-	47,445	9,012	5,226,652	-	3,756,000	881,049
Century Paper & Board Mills Limited ECPFT	524,848	-	394,687	130,162	48,589,298	-	29,975,000	12,725,541
Century Paper & Board Mills Limited EGF	482,065	-	346,977	135,088	44,628,471	-	25,890,000	13,207,141
Colgate Palmolive Pakistan Limited ECPFT	495,962	-	390,523	105,438	45,915,040	-	30,335,000	10,308,402
Colgate Palmolive Pakistan Limited EGF	546,010	-	395,049	150,962	50,548,430	-	29,235,000	14,759,110
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	244,803	-	171,006	73,796	22,663,278	-	12,610,000	7,214,837
Gam Corporation Private Limited Employees Contributory Provident Fund	148,497	-	123,791	24,705	13,747,516	-	9,675,000	2,415,382
Hasanali Karabhai Foundation ECPF Trust	7,370	-	5,854	1,516	682,343	-	462,000	148,225
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	1,283	-	-	1,283	118,736	-	-	125,391
Lakson Investments Limited ECPFT	36,940	-	21,522	15,418	3,419,801	-	1,570,000	1,507,343
Merit Packaging Limited Employees Contributory Provident Fund Trust	65,549	-	44,265	21,284	6,068,420	-	3,155,000	2,080,877
Merit Packaging Limited Employees Gratuity Fund	33,251	-	30,780	2,471	3,078,259	-	2,375,000	241,559
Premier Fashions Private Limited	-	-	-	-	-	-	-	-
Princeton Travels Private Limited Employees Contributory Provident Fund Trust	-	-	-	-	-	-	-	-
Siza Commodities Private Limited	677,711	-	677,711	-	62,741,012	-	64,853,573	-
Siza Foods Private Limited Employees Contributory Provident Fund Trust	137,120	-	103,109	34,010	12,694,235	-	7,832,000	3,325,102
Siza Private Limited	-	380	-	380	-	35,733	35,733	37,154
Siza Services Private Limited	637,853	-	637,853	-	59,051,035	-	-	-
Siza Services Private Limited Employees Countributory Provident Fund Trust	27,622	-	21,152	6,470	2,557,144	-	1,596,000	632,551
Sybrid (Private) Limited ECPFT	54,472	-	41,249	13,223	5,042,921	-	3,140,000	1,292,754
Holding more than 10% units								
Bashir Dawood	3,080,034	-	-	3,080,034	285,142,758	-	-	301,126,286
Sindh General Provident Investment Fund	3,879,598	-	-	3,879,598	359,164,631	-	-	379,297,416
Sindh Province Pension Fund	5,635,581	-	-	5,635,581	521,729,694	-	-	550,974,978

	Nine Months Ended March 31, 2022							
	Number of units as at 01 July 2021	Units issued during the Year	Units redeemed during the Year	Number of units as at 31 March 2022	Balance as at 01 July 2021	Units issued during the Year	Units redeemed during the Year	Balance at the year ended March 31, 2022 (Investment at current NAV)
	----- Number of units -----				----- (Rupees) -----			
Lakson Investments Limited - Management Company of the Fund	1,400,301	-	-	1,400,301	160,388,830	-	-	144,803,026
Directors, Chief Executive and their spouse and minors	6,932,984	298,705	1,670,577	5,561,112	794,095,615	33,261,598	181,985,419	575,066,229
Other key management personnel	54,454	34,834	45,013	44,275	6,237,120	3,649,746	4,785,382	4,578,392

Associated companies / undertakings of the Management Company

Accuracy Surgical Limited Employees Contributory Provident Fund	17,002	35,081	15,558	36,526	1,947,417	3,806,860	1,672,719	3,777,060
Century Insurance Co. Ltd., GF	16,250	38,056	17,143	37,163	1,861,220	4,129,684	1,825,276	3,842,958
Century Insurance Company Limited	992,361	898,464	898,500	992,325	113,663,838	95,000,000	98,072,377	102,614,856
Century Insurance Company Limited Employees Contributory Provident Fund	19,698	48,307	17,415	50,591	2,256,144	5,231,129	1,842,315	5,231,508
Century Paper & Board Mills Limited Employees Contributory Provident Fund	225,120	528,231	256,314	497,037	25,784,977	57,125,222	27,383,882	51,397,852
Century Paper & Board Mills Limited EGF	198,337	463,647	216,437	445,547	22,717,313	50,147,480	23,077,773	46,073,361
Colgate Palmolive Pakistan Limited ECPFT	235,216	489,076	252,335	471,957	26,941,400	53,066,709	27,114,218	48,804,325
Colgate Palmolive Pakistan Limited Employees Gratuity Fund	263,795	642,410	390,578	515,627	30,214,811	69,408,883	41,971,496	53,320,225
Cyber Internet Services (Pvt.) Ltd. Employees Contributory Provident Fund	104,562	248,551	118,523	234,590	11,976,406	26,934,169	12,625,895	24,258,586
Gam Corporation Private Limited Employees Contributory Provident Fund	69,779	124,111	53,816	140,074	7,992,391	13,925,333	5,820,303	14,484,866
Hasanali Karabhai Foundation Employees Contributory Provident Fund	3,161	5,911	2,149	6,924	362,085	653,956	232,773	715,979
Lakson Business Solutions Limited Employees Contributory Provident Fund	1,283	-	-	1,283	146,940	-	-	132,673
Lakson Investments Limited ECPFT	31,132	6,393	3,007	34,518	3,565,877	657,116	316,000	3,569,440
Merit Packaging Limited Employees Contributory Provident Fund	23,733	66,699	30,388	60,044	2,718,440	7,123,600	3,206,364	6,209,099
Merit Packaging Limited Employees Gratuity Fund	13,489	28,606	9,964	32,131	1,544,991	3,114,793	1,053,388	3,322,595
Siza Commodities Private Limited	2,079,784	-	1,402,037	677,747	237,820,106	388,767	150,000,000	70,084,813
Siza Foods Private Limited Employees Contributory Provident Fund Trust	126,600	79,113	75,945	129,768	6,874,726	15,819,771	8,110,900	13,419,093
Siza Private Limited	468,327	1,610	469,938	(0)	53,641,616	183,047	50,774,052	(34)
Siza Service (Private) Limited	637,853	-	-	637,853	73,058,927	-	-	65,959,422
Siza Services Private Limited Employees Contributory Provident Fund	11,936	27,759	13,696	25,999	1,367,169	3,037,857	1,465,296	2,688,493
Sybrid Private Limited Employees Contributory Provident Fund	24,078	58,285	30,992	51,371	2,757,832	6,313,029	3,310,958	5,312,200

Holding more than 10% units

Bashir Dawood	3,080,034	-	-	3,080,034	352,783,382	-	-	318,501,696
Sindh General Provident Investment Fund	3,879,598	-	-	3,879,598	444,364,479	-	-	401,183,410
Sindh Province Pension Fund	5,635,581	-	-	5,635,581	645,492,689	-	-	582,766,978

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

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

	As at 31 March 2023			
	Level 1	Level 2	Level 3	Total
	----- (Unaudited) -----			
	----- (Rupees) -----			
Financial assets measured at fair value				
Listed equity securities	1,670,760,461	-	-	1,670,760,461
Government securities	-	34,905,325	-	34,905,325
	1,670,760,461	34,905,325	-	1,705,665,786
	As at 30 June 2022			
	Level 1	Level 2	Level 3	Total
	----- (Audited) -----			
	----- (Rupees) -----			
Financial assets at fair value through profit and loss account	2,100,446,835	-	-	2,100,446,835

15 GENERAL

15.1 The corresponding figures have been re-arranged wherever necessary

15.2 Figures have been rounded off to the nearest rupee

16 DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on April 28, 2023

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



A Lakson Group Company

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