

**Lakson Asset Allocation Developed Markets Fund**  
**Condensed Interim Financial Statements**  
**For the Quarter Ended September 30, 2023**

**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT SEPTEMBER 30, 2023**

		<b>September 30, 2023 (Unaudited)</b>	<b>June 30, 2023 (Audited)</b>
	<b>Note</b>	<b>(Rupees)</b>	
<b>ASSETS</b>			
Bank balances	6.	<b>59,992,984</b>	41,854,303
Investments	7.	<b>1,406,434,853</b>	1,395,103,298
Accrued mark-up and other receivable		<b>5,326,357</b>	6,798,486
<b>TOTAL ASSETS</b>		<b>1,471,754,194</b>	1,443,756,087
<b>LIABILITIES</b>			
Payable to the Management Company	8.	<b>8,189,736</b>	8,099,252
Payable to the Trustee		<b>227,629</b>	224,102
Annual fee payable to the Securities and Exchange Commission of Pakistan		<b>112,097</b>	224,684
Accrued expenses and other liabilities	9	<b>5,583,281</b>	19,636,388
<b>TOTAL LIABILITIES</b>		<b>14,112,743</b>	28,184,426
<b>NET ASSETS</b>		<b>1,457,641,451</b>	1,415,571,662
<b>UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)</b>		<b>1,457,641,451</b>	1,415,571,662
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10.	<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>7,601,426</b>	7,627,973
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>191.7589</b>	185.5763

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

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

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

**DIRECTOR**

**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

		Quarter Ended	
		2023	2022
	Note	(Rupees)	
INCOME			
Realized gain / (loss) on sale of investment at fair value through profit or loss - net		2,159,478	25,021,205
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss' - net		2,951,553	(19,502,522)
		5,111,030	5,518,683
Dividend income on investments at fair value through profit or loss		3,930,044	365,774
Markup on:			
- Bank balances calculated using effective interest method		903,818	119,181
- Government and other debt securities using effective interest method		49,841,981	23,894,935
		50,745,799	24,014,116
Exchange gain / (loss) on foreign currency current account		1,010,058	33,298,377
Total Income		60,796,931	63,196,950
EXPENSES			
Remuneration to the Management Company	8.1	8,989,623	4,136,776
Sindh Sales tax on remuneration to the Management Company	8.2	1,168,643	537,781
Remuneration to the Trustee		690,535	578,519
Custody charges		233,305	93,945
Auditors' remuneration		192,464	195,945
Fees and subscription		73,038	36,937
Brokerage, settlement and bank charges		1,478,715	1,150,904
Bank Charges		-	5,804
Total Expenses		13,167,740	6,789,289
Net income from operating activities		47,629,191	56,407,661
Net Income for the period before Taxation		47,629,191	56,407,661
Taxation	11.	-	-
Net income for the period after taxation		47,629,191	56,407,661
Allocation of Net Income for the period			
Net income for the year after taxation		47,629,191	56,407,661
Income already paid on units redeemed		(21,374,280)	(22,395,699)
		26,254,911	34,011,962
Accounting income available for distribution			
-Relating to capital gains		-	-
-Excluding capital gains		26,254,911	34,011,962
Accounting income available for distribution		26,254,911	34,011,962

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

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

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

**DIRECTOR**

**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	<b>Quarter Ended</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees)</b>	
Net income for the period after taxation	<b>47,629,191</b>	56,407,661
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b><u>47,629,191</u></b>	<b><u>56,407,661</u></b>

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

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

**CHIEF EXECUTIVE OFFICE**

**CHIEF FINANCIAL OFFICEI**

**DIRECTOR**

**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**  
**CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS'S FUND (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees) -----					
<b>Net assets at beginning of the period</b>	<b>1,306,571,347</b>	<b>109,000,315</b>	<b>1,415,571,662</b>	<b>917,611,396</b>	<b>97,095,915</b>	<b>1,014,707,311</b>
<b>Issuance of 2,576,583 units (2022: 2,387,986 units)</b>						
as capital refund						
- Capital value	494,082,647	-	494,082,647	383,451,253	-	383,451,253
- Element on income / (loss)	4,655,359	-	4,655,359	3,555,350	-	3,555,350
Total proceeds on issuance of units	498,738,007		498,738,007	387,006,602	-	387,006,602
<b>Redemption of 2,603,130 units (2022: 2,579,797 units)</b>						
- Capital value	(499,173,391)	-	(499,173,391)	(414,251,465)	-	(414,251,465)
- Element on income / (loss)	16,250,263	(21,374,280)	(5,124,018)	20,487,392	(22,395,699)	(1,908,307)
Total payments on redemption of units	(482,923,128)	(21,374,280)	(504,297,409)	(393,764,073)	(22,395,699)	(416,159,772)
Total comprehensive income for the period	-	47,629,191	47,629,191	-	56,407,661	56,407,661
<b>Net assets as at end of the period</b>	<b>1,322,386,225</b>	<b>135,255,226</b>	<b>1,457,641,451</b>	<b>910,853,925</b>	<b>131,107,877</b>	<b>1,041,961,802</b>
<b>Undistributed income brought forward:</b>						
- Realized income		34,413,723			99,123,569	
- Unrealized income		74,586,592			(2,027,654)	
		109,000,315			97,095,915	
<b>Accounting income available for distribution:</b>						
Relating to capital gains		-			-	
Excluding capital gains		26,254,911			34,011,962	
		26,254,911			34,011,962	
<b>Undistributed income at end of the period</b>		<b>135,255,226</b>			<b>131,107,877</b>	
<b>Undistributed income carried forward</b>						
- Realized income		132,303,673			150,610,399	
- Unrealized income / (loss)		2,951,553			(19,502,522)	
<b>Undistributed income at end of the period</b>		<b>135,255,226</b>			<b>131,107,877</b>	
Net assets value per unit at beginning of the period			<b>185.5763</b>			<b>151.8853</b>
Net assets value per unit at end of the period			<b>191.7589</b>			<b>160.5752</b>

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

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

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

**DIRECTOR**

**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	<b>Quarter Ended</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	47,629,191	56,407,661
<b>Adjustments for:</b>		
Realized gain / (loss) on sale of investment at fair value through profit or loss - net	(2,159,478)	(25,021,205)
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss' - net	(2,951,553)	19,502,522
Dividend income	(3,930,044)	(365,774)
	<b>38,588,117</b>	<b>50,523,204</b>
<b>(Increase) in assets</b>		
Investments - net	(6,220,524)	(131,692,286)
Accrued mark-up and other receivable	1,472,129	140,540
	<b>(4,748,394)</b>	<b>(131,551,746)</b>
<b>Increase in liabilities</b>		
Payable to the Management Company	90,484	(36,747)
Payable to the Trustee	3,527	(5,627)
Annual fee to Securities and Exchange Commission of Pakistan	(112,587)	(156,789)
Accrued expenses and other liabilities	(14,053,108)	(13,131,779)
	<b>(14,071,684)</b>	<b>(13,330,942)</b>
<b>Net cash (used in) operating activities</b>	<b>19,768,038</b>	<b>(94,359,484)</b>
Dividend received	3,930,045	863,180
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash received from issue of units	498,738,007	387,006,602
Cash paid on redemption of units	(504,297,409)	(416,159,772)
Net cash flow from financing activities	<b>(5,559,402)</b>	<b>(29,153,170)</b>
<b>Net (decrease) in cash and cash equivalent during the period</b>	<b>18,138,681</b>	<b>(122,649,474)</b>
Cash and cash equivalent at the beginning of the period	41,854,303	156,385,700
<b>Cash and cash equivalent at the end of the period</b>	<b>59,992,984</b>	<b>33,736,226</b>

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

**For Lakson Investments Limited  
Management Company**

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

**DIRECTOR**

**LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

The Lakson Asset Allocation Developed Market Fund (the "Fund") was established under the Trust Deed executed on 30 May 2011 between the Lakson Investments Limited as its Management Company, a company incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017) and the Central Depository Company of Pakistan Limited (CDC) as its Trustee, also incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017). The Fund has been registered as a Notified Entity on 7 July 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

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

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

The Fund is categorised as "Asset Allocation Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and is authorised to invest within the prescribed limit mentioned in the offering document of the fund in Government securities, deposits and foreign currency deposits with local or foreign banks etc. in Pakistan. Further, as allowed by SECP and State Bank of Pakistan, the Fund can invest abroad up to 30% of the aggregated funds mobilized (including foreign currency funds) subject to a maximum limit of USD 15 million. The investments authorized outside Pakistan include exchange traded funds based on equities / debt with exposure in the commodities, index tracker funds tracking different commodities indices, actively managed commodities based funds, equities and debt securities of companies with exposure in commodities, future contracts of different commodities and foreign currency deposits etc.

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

Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 25 August 2023 (2022: AM2+ as on 26 August 2022).

On 4 August 2023, VIS assigned following rankings to the Fund based on the performance review for the the year ended 30 June 2023:

1-year ranking: MFR 5-Star  
3-year ranking: MFR 4-Star  
5-year ranking: MFR 5-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 and requirements of the Trust Deed 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, the NBFC Regulations and requirements of the Trust Deed have been followed.

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 30 September 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 quarter ended 30 September 2023 have been extracted from the unaudited condensed interim financial information for the quarter ended 30 September, 2022.

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.

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 2023. However, selected explanatory notes are included to explain events and transactions that are significant.

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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

### 2.3 Basis of measurement

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

### 2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund. All amount have been rounded off to the nearest of rupees, unless otherwise indicated.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2023.

## 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 30 June 2023.

	Note	September 30, 2023 (Unaudited) (Rupees)	June 30, 2023 (Audited)
<b>6. BANK BALANCES</b>			
<u><i>In local currency</i></u>			
In profit and loss sharing accounts	6.1	23,992,502	6,845,116
In current accounts		8,504	8,504
<u><i>In foreign currency</i></u>			
In current account	6.2	35,991,978	35,000,683
		<u>59,992,984</u>	<u>41,854,303</u>

6.1 These carry mark-up rates ranging from 19.5% to 20.5% (30 June 2023: from 5.0% to 19.5%) per annum.

6.2 This represents USD denominated current account maintained in foreign country to USD 125,086 (2022: USD 126,682 ).

	Note	September 30, 2023 (Unaudited) (Rupees)	June 30, 2023 (Audited)
<b>7. INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
<u>Government Securities:</u>			
Treasury Bills	7.1	941,729,280	935,556,649
Exchange Traded Funds (Foreign Investments)	7.2	464,705,573	459,546,649
		<u>1,406,434,853</u>	<u>1,395,103,298</u>



**7.1 Government securities - Market Treasury Bills - at fair value through profit or loss**

Name of investee company	----- Number of Treasury bills -----					Balance as at September 30, 2023			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
	Date of Maturity	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 as of the quarter ended 30 September 2023 before revaluation	Market value as of the quarter ended 30 September 2023 (after revaluation)	Unrealised appreciation / (diminution)		
						----- (Rupees) -----				
3 month Treasury Bills	July 15, 2023	500,000	-	500,000	-	-	-	-	-	-
3 month Treasury Bills	September 14, 2023	9,310,000	5,190,000	14,500,000	-	-	-	-	-	-
3 month Treasury Bills	November 2, 2023	-	9,600,000	-	9,600,000	942,227,356	941,729,280	(498,076)	64.61%	66.96%
As at September 30, 2023						942,227,356	941,729,280	(498,076)	64.61%	66.96%

**7.1.1** These represent 3 months Government Treasury bill carrying a fixed mark-up rate ranging from 21.12% to 22.65% per annum and will mature from November 2, 2023. The face value of Treasury Bills held as at September 30, 2022 amounted to Rs. 960 million. (June 30, 2023: 981)

**7.2 Exchange Traded Funds (foreign investment) - at fair value through profit or loss**

	-----Number of units-----				Balance as at September 30, 2023			Market value as a percentage of net assets of the 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	Cost	Market value	Unrealized diminution		
					----- (Rupees) -----				
Ishares 0-3 Months Treasury Bonds ETF	15,968	-	15,968	-	-	-	-	-	-
Blackrock ICS US Dollar Liquidity Fund	-	10,000	-	10,000	461,255,944	464,705,573	3,449,629	31.88%	33.04%
As at September 30, 2023					461,255,944	464,705,573	3,449,629	31.88%	33.04%
Total investment - September 30, 2023					1,403,483,300	1,406,434,853	2,951,553	96.49%	100.00%

**7.2.1** iShares Trust - iShares 0-3 Month Treasury Bond ETF is an exchange traded fund launched by BlackRock, Inc. The fund is managed by BlackRock Fund Advisors. It invests in fixed income markets of the United States. The fund primarily invests in U.S. dollar denominated treasury securities with remaining maturity of less than or equal to three months. It seeks to track the performance of the ICE 0-3 Month US Treasury Securities Index, by using representative sampling technique (30 June 2023: 15,968).

**7.2.2** BlackRock ICS US Dollar Liquidity Fund seeks current income consistent with preservation of principal and liquidity by investing in a broad range of transferable securities such as securities, instruments and obligations that may be available in the relevant markets (both within and outside the U.S.) for instruments denominated in U.S. dollars. Total value of the units at USD 161.5028 per unit as at the quarter-end amounted to USD 1,615,028 (30 June 2023: Nil).

**7.2.2** Above units are held by Habib Bank AG Zurich as a custodian.

		September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
<b>8. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration payable to the Management Company	8.1	2,979,156	2,899,075
Sales tax payable on remuneration to the Management Company	8.2	387,282	376,880
Federal excise duty payable on remuneration to the Management Company	8.3	4,823,298	4,823,298
		<b>8,189,736</b>	<b>8,099,252</b>

**8.1** 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 the expense ratio limit 4.5%. The management upon approval from the commission has changed the management fee to 2.5% in the 5th supplemental offering document of the fund which was applicable from 29th May 2023. The effective management fee rate for the quarter ended 30 September 2023 is 0.63% of the average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

**8.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

**8.3** As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on 4 September 2013.

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

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

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period up to 30 June 2016 aggregating to Rs. 4.823 million. Had the provision not been made, NAV per unit of the Fund as at 30 September 2023 would have been higher by Re. 0.63 (30 June 2023: Re. 0.63) per unit.

	Note	September 30, 2023 (Unaudited) (Rupees)	June 30, 2023 (Audited)
<b>9 ACCRUED AND OTHER LIABILITIES</b>			
Brokerage payable		389	-
Auditors' remuneration		587,138	427,074
Custody fee payable		-	5,036
Rating fee payable		117,664	117,664
Professional fees payable		662,468	713,884
Annual Listing Fee		6,454	-
Payable against redemption of units		-	-
CGT Payable			14,012,395
Other liabilities		4,209,168	4,360,332
		<b>5,583,281</b>	<b>19,636,385</b>

## 10. CONTINGENCIES AND COMMITMENTS

There are no other contingencies and commitments as at September 30, 2023.

## 11. TAXATION

11.1 The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial statement.

11.2 During the year ended 2014, the FBR has issued show cause notices to the Fund under section 122(9) for proceeding u/s 122(5A) of the Income Tax Ordinance, 2001 for amendment of assessment on grounds that exemption from tax claimed under clause 99 of Part-I of the Second Schedule is not as per law. Total tax including Workers' Welfare Fund payable as per amended assessment would be Rs. 7.203 million and Rs 19.001 million for the tax years 2012 and 2013 respectively. Trustee of the Fund had filed a suit in the High Court of Sindh for declaration and permanent injunction for which a stay order had been granted by Sindh High Court. The management expects a favorable outcome and, accordingly, no provision has been recorded in respect of this matter.

## 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, Habib Bank AG Zurich being the Custodian, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company and unit holders holding more than 10% in the units of the Funds as at September 30, 2023. It also includes staff retirement funds of the above related parties / connected persons.

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

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

	September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
<b>12.1 Details of balance with related parties / connected persons for the period ended</b>		
<b>Lakson Investments Limited - Management Company</b>		
Remuneration payable	2,979,156	2,899,075
Sindh Sales Tax on Management Company's remuneration*	387,282	376,880
Federal Excise Duty	4,823,298	4,823,298
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	201,435	198,322
Sindh Sales Tax payable on Trustee remuneration*	26,194	25,780
<b>Habib Bank AG Zurich - Custodian</b>		
Bank deposits	35,991,978	35,000,683
Custody fee payable	-	5,036
	September 30, 2023 (Unaudited) (Rupees)	2022
<b>12.2 Details of transaction with related parties / connected persons during the period ended</b>		
<b>Lakson Investments Limited - Management Company</b>		
Remuneration to the Management Company	8,989,623	4,136,776
Sindh Sales Tax on Management Company's remuneration*	1,168,643	537,781
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	611,085	511,963
Sindh Sales Tax on Trustee remuneration*	79,450	66,555
<b>Habib Bank AG Zurich - Custodian</b>		
Custody charges	233,305	93,945

Sales tax is paid / payable to the management company for onwards payment to the Government.

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

For the Quarter Ended September 30, 2023									
Number of units as at 01 July 2023	Units issued during the year	Refund of capital	Units redeemed during the year	Number of holdings at the end of the period	Balance as at 01 July 2023	Units issued during the year	Bonus units issued during the year	Units redeemed during the year	Balance at the end of the period (Investment at current NAV)
Number of units					(Rupees)				
Lakson Investments Limited	74,555	109,289	-	183,844	13,835,608	20,500,000	-	-	35,253,651
Directors, Chief Executive and their spouse and minors	4,803,275	90	-	171,438	891,374,054	17,525	-	31,900,000	888,213,217
Key management personnel, employees and connected persons of the Management Company	21,438	-	-	20,679	3,978,443	-	-	3,793,735	145,547
<b>Associated companies / undertakings of the Management Company</b>									
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust	26,495	25,537	-	26,495	4,916,928	4,950,000	-	5,149,958	4,896,871
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	39,994	39,982	-	39,994	7,421,917	7,750,000	-	7,773,668	7,666,818
Century Insurance Company Limited - Employees Gratuity Fund	44,850	43,206	-	44,850	8,323,150	8,375,000	-	8,717,613	8,285,110
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	425,140	438,507	-	425,140	78,895,998	85,000,000	-	82,635,151	84,087,685
Century Paper & Board Mills Limited - Employees Gratuity Fund	406,044	416,840	-	406,044	75,352,142	80,800,000	-	78,923,339	79,932,765
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust	393,252	396,204	-	393,252	72,978,289	76,800,000	-	76,436,982	75,975,697
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	446,233	479,779	-	446,233	82,810,297	93,000,000	-	86,734,962	92,001,821
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	221,384	226,734	-	221,384	41,083,621	43,950,000	-	43,030,715	43,478,280
Hasanali Karabhai Foundation - Employees Contributory Provident Fund Trust	5,761	5,030	-	5,761	1,069,027	975,000	-	1,119,692	964,535
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	1,277	-	-	1,277	236,983	-	-	-	244,878
Lakson Investments Limited - Employees Contributory Provident Fund Trust	26,109	28,760	-	27,269	4,845,270	5,575,000	-	5,300,318	5,292,578
Merit Packaging Limited - Employees Contributory Provident Fund Trust	41,754	40,368	-	41,754	7,748,568	7,825,000	-	8,115,799	7,741,013
Merit Packaging Limited - Employees Gratuity Fund	26,819	25,408	-	26,819	4,976,943	4,925,000	-	5,202,913	4,872,139
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	232,885	232,151	-	232,885	43,217,886	45,000,000	-	45,266,131	44,517,010
Siza Services Private Limited - Employees Contributory Provident Fund Trust	19,450	20,636	-	19,450	3,609,415	4,000,000	-	3,780,478	3,957,068
Sybird Private Limited - Employees Contributory Provident Fund Trust	43,829	43,851	-	43,829	8,133,608	8,500,000	-	8,519,088	8,408,769

  

Quarter ended September 30, 2022									
Number of units					Rupees				
Number of units as at July 01, 2022	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2022	Units issued during the period	Bonus units issued during the period	Units redeemed during the period	Balance at the end of the period
Lakson Investments Limited	74,555	-	-	74,555	11,323,781	-	-	-	11,971,655
Directors, Chief Executive and their spouse and minors	3,999,071	445	-	3,999,516	607,400,118	71,825	-	-	642,223,043
Key management personnel, employees and connected persons of the Management Company	1,518	-	-	1,518	230,487	-	-	248,261	-
<b>Associated companies / undertakings of the Management Company</b>									
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust	33,814	31,178	-	33,814	5,135,921	5,052,885	-	5,453,285	5,006,457
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	47,174	43,105	-	47,174	7,164,970	6,985,733	-	7,603,733	6,921,545
Century Insurance Company Limited - Employees Gratuity Fund	40,507	36,628	-	40,507	6,152,349	5,936,058	-	6,525,183	5,881,516
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	462,216	427,147	-	462,216	70,203,859	69,225,289	-	74,551,789	68,589,224
Century Paper & Board Mills Limited - Employees Gratuity Fund	414,047	393,222	-	414,047	62,887,673	63,727,282	-	66,890,282	63,141,734
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust	433,221	398,248	-	433,221	65,799,964	64,541,727	-	69,853,727	63,948,696
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	481,135	443,972	-	481,135	73,077,354	71,952,047	-	77,596,547	71,290,928
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	218,744	203,125	-	218,744	33,223,932	32,919,343	-	35,291,543	32,616,870
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust	133,395	120,744	-	133,395	20,260,802	19,568,253	-	21,489,853	19,388,454
Hasanali Karabhai Foundation - Employees Contributory Provident Fund Trust	6,435	6,089	-	6,435	977,339	986,766	-	1,039,316	977,699
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	1,277	-	-	1,277	193,959	-	-	-	205,057
Lakson Investments Limited - Employees Contributory Provident Fund Trust	27,293	25,950	-	27,293	4,145,476	4,205,624	-	4,409,625	4,166,982
Merit Packaging Limited - Employees Contributory Provident Fund Trust	57,024	52,112	-	57,024	8,661,053	8,445,502	-	9,191,502	8,367,901
Merit Packaging Limited - Employees Gratuity Fund	29,627	27,124	-	29,627	4,499,868	4,395,758	-	4,775,958	4,355,369
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	120,770	111,398	-	120,770	18,343,176	18,053,593	-	19,477,093	17,887,711
Siza Services Private Limited - Employees Contributory Provident Fund Trust	24,308	23,169	-	24,308	3,691,952	3,754,891	-	3,927,791	3,720,390
Sybird Private Limited - Employees Contributory Provident Fund Trust	47,986	44,241	-	47,986	7,288,295	7,169,820	-	7,738,620	7,103,941

### 13. TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the quarter ended September 30, 2023 is 3.65% (September 30, 2022: 2.58%) which includes 0.45% (September 30, 2022: 0.26%) representing government levies (comprising SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be capped up to 4.5%. (excluding the government levies).

### 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value based on:

- quoted prices in active markets for identical assets or liabilities; (Level 1)

-those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and (Level 2)

- those with 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 including their levels in the fair value hierarchy.

Investments of the Fund are categorised as follows:

----- (Un-Audited) -----				
As at 30 September 2023				
Fair Value				
Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Government Securities	-	941,729,280	-	941,729,280
Exchange Traded Funds (Foreign Investments)	464,705,573	-	-	464,705,573
	<u>464,705,573</u>	<u>941,729,280</u>	<u>-</u>	<u>1,406,434,853</u>
----- (Audited) -----				
As at 30 June 2023				
Fair Value				
	Level 1	Level 2	Level 3	Total
Government Securities	-	935,556,649	-	935,556,649
Exchange Traded Funds (Foreign Investments)	459,546,649	-	-	459,546,649
	<u>459,546,649</u>	<u>935,556,649</u>	<u>-</u>	<u>1,395,103,298</u>

**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 for Issue**

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

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

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

**DIRECTOR**