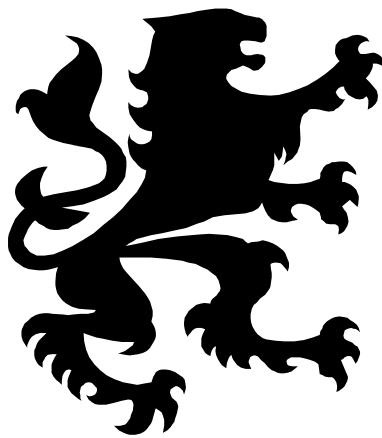


LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND
Half Yearly Report (December 31, 2023)



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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Fund's Information

Management Company

Lakson Investments Limited
Head Office
Lakson Square, Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan.
Phone: (9221) 3840.0000
Fax: (9221) 3568.1653
Web site: www.li.com.pk
E-mail: info@li.com.pk

**Board of Directors of
the Management Company**

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

Chief Financial Officer

Mr. Junaid Arshad

**Company Secretary
of the Management Company**

Ms. Nobia Shams

Audit Committee

Mr. Amin Mohammed Lakhani
Mr. Iqbal Ali Lakhani
Mr. Jamil Ahmed Mughal

**Human Resource and
Remuneration Committee**

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar 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
Bank Alfalah Limited
Dubai Islamic Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Habib Bank AG Zurich
National Bank of Pakistan
United Bank Limited



Legal Adviser

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

Registrar

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

Distributor

Rabia Fida
BMA Capital Management

Rating

5-Star (One Year)
5-Star (Three Years)
5-Star (Five Years)
Fund Performance Ranking
AM2+ : Asset Manager Rating by PACRA

Review Report of the Directors of the Management Company For the half year ended December 31, 2023

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Asset Allocation Developed Markets Fund ("LAADMF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended December 31, 2023.

Fund Objective

The investment objective of the Fund is to provide long-term capital appreciation by investing in a mix of domestic debt and Developed Markets Securities.

Principal activities

LAADMF is an open-end asset allocation scheme and is listed on Pakistan Stock Exchange Limited. The Scheme is managed using an active investment management style which focuses on an analysis of the macro factors such as government policies, global economic data, commodities prices and supply/demand dynamics. The Scheme switches exposure between the domestic Government Securities and the Developed Markets securities based on the outlook of the Investments Team of the performance of the Developed Markets. The Scheme may overweight or underweight countries relative to its benchmark for Developed Markets investments, the MSCI World Index. Exposure of the Scheme in the fixed income securities is managed through duration and yield curve management by shifting between different maturities of the Government Securities.

Fund performance

Lakson Asset Allocation Developed Markets Fund generated an absolute return of 5.94% in the 2QFY24 compared to the Benchmark return of 9.58%. The LAADMF has underperformed the benchmark by -3.64. As of December 31, 2023, 30.9% of the fund was invested in ETFs, 29.3% in T-Bills, 35.3% in PIBs, 3.5% in cash and 0.7% in others on a total assets basis. The fund size of the LAADMF as of December 31, 2023 is PKR 1491.80 mln.

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

Post IMF and Pakistan staff-level agreement in June for the provision of USD 3bn in bailout funds under a stand-by arrangement (SBA) for nine months, This development helped Pakistan to unlocked funding from bilateral and multilateral sources helping in rebuilding FX reserves. As of Dec'23 end, SBP reserves reached to USD8.2bn versus less than USD4bn earlier. This has averted the risk of near term default as reflected by the stunning recovery of Pakistan International Eurobonds. The government took several actions, including increasing fuel and energy prices, implementing tax policies, securing commitments from friendly nations, and making adjustments to the PKR and interest rate.

Elevated food prices, coupled with multiple FX devaluations, budgetary measures, and hikes in petroleum product prices and electricity tariffs, have markedly heightened inflationary pressures, resulting in an average headline figure of 28.8% in 1HFY24. We foresee a deceleration in CPI starting from Feb'24 due to high base-effect with the exception of any potential increase in gas and electricity tariffs. We expect an avg. inflation of 24.82% for FY24.

In 5MFY24, there was a 16% YoY decline in imports, totaling to USD21.6bn, while exports remained flat YoY to USD12.1bn. This resulted in a 33% YoY decline in trade deficit, which reached to USD9.4bn. Resultantly, country current account balance is USD1.1bn deficit (down 64% YoY). This reflects the implementation of administrative controls aimed at limiting the import bill along with the weak economic demand. On fiscal front, FBR tax collection was above target PKR98bn to PKR4,466bn. The tax collection is expected to improve in coming months due to ease in imports restrictions

Fixed Income Market Review

The semi-annual 2024 started with the State Bank maintaining the policy rate at 22%. The monetary policy committee cited that inflation is projected to remain on the downwards trajectory and real interest rates continues to remain in forward territory. By Dec end, cut-off yields for 3months, 6months and 12months reached to 21.4480%, 21.999% and 21.4300%, respectively. Similarly, PIB yield were also adjusted downward as 3 year bond yield reached to 17.1999%, 5 year & 10 year bond was recorded at the cut off yield at 15.88% & 15%.

Developed Markets Review

The MSCI developed market index recorded a 6.8% QoQ increase during 1HFY24. This improvement in performance can be attributed to a slight reduction in recession fears and decline in fixed income yields.

Future Outlook

The market took the postponement of the IMF board meeting into January in its stride, convinced that the disbursement of the US\$700mn tranche should be a formality. This sentiment is backed by the World Bank and the ADB together approving new loans of c US\$1.5bn, which have helped Fx reserves rebounding quickly to c US\$7.5bn at present (still less than 2m import cover). Discipline is sustaining, with the SBP keeping the policy rate unchanged at 22% for the 4th straight MPC meeting, while the current account registered a surplus in November without visible import restrictions. Despite the World Bank's apprehensions that vested interests could roll back ongoing reforms after elections, we believe economic discipline has a good chance of sustaining, with the default scare six months ago still fresh in the mind of authorities. We expect monetary easing from March onwards, when inflation turns the corner more decisively. The PKR should be stable in the near-term but will likely need to see FDI narrowing the remaining funding gap (estimated at US\$3-4bn) to ensure it continues to hold up. In this regard, Aramco has bought a 40% stake in Gas & Oil Pakistan Ltd but other, larger, transactions involving state-owned entities are still awaited (e.g. Reko Diq).

The KSE100 has gained 60% FYTD in US\$, but is still some way off its mean valuations let alone the peaks. Forward P/E for our coverage universe is estimated at 3.7x vs. the long-term average of 7.5x, while the KSE100's market capitalization of US\$33.3bn continues to look small compared to a high of US\$100bn in 2017. If Pakistan is able to manage its top-down risks, Pakistan equities have the potential to deliver a multiyear bull run.

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

Director

Dated: February 27, 2024

لیکسن ایسیٹ ایلوکیشن ڈیویڈنڈ مارکیٹس فنڈ 31 دسمبر 2023ء کو ختم ہونے والی مدت کے لیے منجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن ایسیٹ ایلوکیشن ڈیویڈنڈ مارکیٹس فنڈ ("LAADMF") کی منجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کیلئے 31 دسمبر 2023ء کو ختم ہونے والی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی معلومات پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

لیکسن ایسیٹ ایلوکیشن ڈیویڈنڈ مارکیٹس فنڈ کی سرمایہ کاری کا مقصد مختلف طرح کے ملکی قرضوں اور ڈیویڈنڈ مارکیٹس سیکورٹیز میں سرمایہ کاری کرتے ہوئے طویل مدت کے لیے اصل سرمائے کی قدر میں اضافہ کرنا ہے۔

نمایاں سرگرمیاں

LAADMF ایک اوپن اینڈ ایسیٹ ایلوکیشن اسکیم ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ اسکیم کو انویسٹمنٹ منجمنٹ کے ایک فعال انداز کو اختیار کرتے ہوئے چلایا جاتا ہے، جس میں بڑے عوامل جیسے حکومتی پالیسیز، گلوبل اکنامک ڈیٹا، کموڈٹیز کی قیمتیں اور سپلائی/ڈیمانڈ ڈائنامکس کے تجزیوں کو پیش نظر رکھا جاتا ہے۔ اس اسکیم سے ڈومیسٹک گورنمنٹ سیکورٹیز اور ڈیویڈنڈ مارکیٹس سیکورٹیز کے درمیان باہمی تبادلے کے ساتھ سرمایہ کاری کی جاتی ہے، جو ڈیویڈنڈ مارکیٹس کی کارکردگی کے متعلق انویسٹمنٹس ٹیم کی توقعات کی بنیاد پر ہوتی ہے۔ یہ اسکیم ڈیویڈنڈ مارکیٹس کی سرمایہ کاری سے متعلق فیچ مارک MSCI World Index کے حوالے سے متعلقہ ممالک کو اور روپٹ یا انڈروپٹ کر سکتی ہے۔ فلسفہ انکم سیکورٹیز میں اسکیم کی سرمایہ کاری کو دورانہ اور yield curve منجمنٹ کے ذریعے حکومتی سیکورٹیز کی مختلف میچورٹیز کے مابین منتقل کرتے ہوئے منظم کیا جاتا ہے۔

فنڈ کی کارکردگی

لیکسن ایسیٹ ایلوکیشن ڈیویڈنڈ مارکیٹس فنڈ نے مالی سال 2024ء کی دوسری سرمایہ میں 9.58 فیصد کے نیچے مارک منافع کے مقابلے میں 5.94 فیصد کا مطلق منافع حاصل کیا۔ فنڈ نے نیچے مارک کے مقابلے میں 3.64% کم کارکردگی کا مظاہرہ کیا۔ 31 دسمبر 2023ء کے مطابق فنڈ نے مجموعی اثاثہ جات بنیاد پر 30.9% فیصد ETFs میں، 29.3% ٹی بلز میں، 35.3% پی آئی بیز میں، 3.5% کیش میں اور باقی ماندہ 0.7% سرمایہ دیگر کوٹھویض کیا۔ 31 دسمبر 2023ء کے مطابق LAADMF کے فنڈ کا حجم 1491.80

ملین روپے ہے۔

فی یونٹ آمدنی (EPU)

فی یونٹ 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

جون میں آئی ایم ایف اور پاکستان کے درمیان 9 ماہ کے لیے اسٹینڈ بائی اریٹجمنٹ (SBA) کے تحت نیل آؤٹ فنڈز میں 3 ارب ڈالر کی فراہمی کے معاہدے کی صورت میں پیش رفت سے پاکستان کو دو طرفہ اور کثیرالجہتی ذرائع سے فنڈنگ حاصل کرنے میں مدد ملی جو زر مبادلہ ذخائر کی بحالی میں بھی معاون ثابت ہوئی۔ دسمبر 2023 کے اختتام تک اسٹیٹ بینک کے ذخائر 8 ارب 20 کروڑ ڈالر تک پہنچ گئے جو پہلے 4 ارب ڈالر سے بھی کم تھے۔ اس سے مستقبل قریب میں ڈیفالٹ کا خطرہ ٹل گیا ہے جیسا کہ پاکستان انٹرنیشنل یورہ بانڈز کی حیرت انگیز بحالی سے ظاہر ہوتا ہے۔ حکومت نے ایندھن اور توانائی کی قیمتوں میں اضافہ، ٹیکس پالیسیوں پر عمل درآمد، دوست ممالک سے وعدوں کی تعمیل کرانے اور پاکستانی روپے اور شرح سود میں ایڈجسٹمنٹ سمیت متعدد اقدامات کیے۔

اشیائے خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ شرح مبادلہ میں متعدد بار کمی، بجٹ اقدامات اور پیٹرولیم مصنوعات کی قیمتوں اور بجلی کے نرخوں میں اضافے نے افراط زر کے دباؤ میں واضح طور پر اضافہ کیا ہے، جس کے نتیجے میں 2024 کی پہلی ششماہی میں اوسط ہیڈ لائن افراط زر کی شرح 28.8 فیصد رہی۔ ہم توقع کرتے ہیں کہ گیس اور بجلی کے نرخوں میں کسی بھی ممکنہ اضافے کے استثنیٰ کے ساتھ وسیع بنیادی اثرات کی وجہ سے فروری 2024 سے GPI میں کمی آئے گی۔ ہمیں مالی سال 2024 کے لئے 24.82 فیصد اوسط افراط زر کی توقع ہے۔

مالی سال 2024 کے 5 ماہ کے دوران درآمدات میں سال بہ سال 16 فیصد کمی واقع ہوئی جو مجموعی طور پر 21.6 ارب ڈالر رہی جبکہ برآمدات سال بہ سال بنیادوں پر بدستور 12.1 ارب ڈالر رہیں۔ اس کے نتیجے میں تجارتی خسارہ سال بہ سال 33 فیصد کم ہوا جو 9.4 ارب ڈالر تک پہنچ گیا۔ یوں ملک کا کرنٹ اکاؤنٹ بیلنس منفی 1.1 ملین امریکی ڈالر (سال بہ سال 64 فیصد کم) ہے۔ یہ کمزور معاشی طلب کے ساتھ ساتھ درآمدی بل کو محدود کرنے کے مقصد سے انتظامی پابندیوں کے نفاذ کی عکاسی کرتا ہے۔

مالی محاذ پر ایف بی آر کی ٹیکس وصولی، ہدف سے 98 ملین روپے بڑھ کر 4 ہزار 466 ملین روپے رہی۔ درآمدی پابندیوں میں نرمی کی وجہ سے آنے والے مہینوں میں ٹیکس وصولی میں مزید بہتری کی توقع ہے۔

فلسفہ اہم مارکیٹ کا جائزہ

مالی سال 2024ء کی پہلی ششماہی کا آغاز اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ کو 22 فیصد پر برقرار رکھنے کے ساتھ ہوا۔ مانیٹری پالیسی کمیٹی کے مطابق افراط زر میں کمی کا امکان ہے اور حقیقی شرح سود بدستور بالائی سطح پر برقرار رہے گی۔

دسمبر کے اختتام تک 3 ماہ 6 ماہ اور 12 ماہ کے لیے منافع جات بالترتیب 21.4480 فیصد، 21.999 فیصد اور 21.4300 فیصد تک پہنچ گئے۔ اسی طرح PIB کے منافع جات میں بھی کمی واقع ہوئی، 3 سالہ بانڈ کا منافع 17.1999 فیصد تک پہنچ گیا جبکہ 5 اور 10 سالہ بانڈز کا منافع 15.88 فیصد اور 15 فیصد ریکارڈ کیا گیا۔

ڈیویڈنڈ مارکیٹس کا جائزہ

MSCI ڈیویڈنڈ مارکیٹ انڈیکس میں مالی سال 2024ء کی پہلی ششماہی کے دوران سہ ماہی بہ سہ ماہی بنیادوں پر 6.8 فیصد کا اضافہ ریکارڈ کیا گیا۔ کارکردگی میں اس بہتری کو کساد بازاری کے خدشات میں معمولی کمی اور فلسفہ اہم آمدنی میں کمی سے منسوب کیا جاسکتا ہے۔

مستقبل کا منظر نامہ

مارکیٹ نے آئی ایم ایف بورڈ اجلاس کے جنوری میں ملتوی ہونے کو پرسکون انداز میں لیا، اس یقین کے ساتھ کہ 700 ملین امریکی ڈالر کی قسط کا جاری ہونا، اب محض ایک رسمی کارروائی ہے۔ اس تاثر کو عالمی بینک اور ایشیائی ترقیاتی بینک کی جانب سے 1.5 بلین امریکی ڈالر کے نئے قرضوں کی منظوری سے تقویت ملی، جس سے فی الحال زرمبادلہ کے ذخائر تیزی سے بڑھ کر 7.5 بلین امریکی ڈالر تک پہنچ گئے ہیں (اب بھی اپورٹ کور سے 2 بلین ڈالر کم)۔ اسٹیٹ بینک کی جانب سے مانیٹری پالیسی کمیٹی (MPC) کے مسلسل چوتھے اجلاس میں پالیسی ریٹ کو 22 فیصد پر برقرار رکھنے کے ساتھ مالیاتی نظم و ضبط برقرار ہے جبکہ کرٹ اکاؤنٹ نے نومبر میں درآمدات پر واضح پابندیوں کے بغیر سربس ریکارڈ کیا۔ عالمی بینک کے ان خدشات کے باوجود کہ انتخابات کے بعد جاری اصلاحات کو مفاد پرست عناصر واپس لے سکتے ہیں، ہم سمجھتے ہیں کہ معاشی نظم و ضبط برقرار رہنے کے اچھے امکانات ہیں، کیونکہ چھ ماہ قبل والا ڈیفالٹ کا خوف حکام کے ذہن میں اب بھی تازہ ہے۔ ہم مارچ کے بعد سے مالیاتی نرمی کی توقع کرتے ہیں، جب افراط زر میں مزید نمایاں کمی آئے گی۔ پاکستانی روپے کو مستقبل قریب میں مستحکم ہونا چاہئے لیکن ممکنہ طور پر براہ راست بیرونی سرمایہ کاری (FDI) سے فنڈنگ کے باقی ماندہ فرق (تخمینہ 3 تا 4 ارب امریکی ڈالر) کو کم کرنے کی ضرورت ہوگی تاکہ اس استحکام کو برقرار رکھا جاسکے۔ اس سلسلے میں آرا مکوں نے گیس اینڈ آئل پاکستان لمیٹڈ میں 40 فیصد حصص خریدے ہیں لیکن سرکاری اداروں سے متعلق دیگر بڑی ٹرانزیکشنز (مثلاً ریکوڈک) کا ابھی انتظار ہے۔

کے ایس ای 100 انڈیکس میں امریکی ڈالر میں FYTD بنیادوں پر 60 فیصد اضافہ ہوا ہے لیکن یہ اب بھی اپنی بالائی سطح کو کجا، اوسط قیمتوں تک بھی نہیں پہنچا۔ ہماری کوریج یونیورس کے لئے فارورڈ P/E کا تخمینہ 3.7x بمقابلہ طویل مدتی اوسط 7.5x ہے، جبکہ کے ایس

ای 100 کی مارکیٹ کچھلا کر ٹریڈیشن 33.3 بلین امریکی ڈالر ہے جو 2017 میں 100 بلین امریکی ڈالر کی بلند ترین سطح کے مقابلے میں بدستور کم دکھائی دے رہی ہے۔ اگر پاکستان تمام تر خطرات سے نمٹنے میں کامیاب ہو جاتا ہے تو پاکستانی مارکیٹ میں کئی سالوں پر محیط تیزی کا دور شروع ہو سکتا ہے۔

اظہار تشکر

بورڈ اپنے قابل قدر سرمایہ کاروں، سکیورٹیز 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۔ منجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دائرہ آئندہ انتظام و انصرام کے لیے منجمنٹ کمپنی کی ٹیم کی کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 27 فروری 2024

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
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TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND

**Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of Lakson Asset Allocation Developed Markets Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 23, 2024



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND ("the Fund") as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flows and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "condensed interim financial information"). Lakson Investments Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2023 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarter ended December 31, 2023 and December 31, 2022 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: February 27, 2024

UDIN: RR202310067CLa18KRtl

CHARTERED ACCOUNTANTS
 Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

LAKSON ASSET ALLOCATION DEVELOPED MARKETS FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2023

		December 31, 2023 (Unaudited) (Rupees)	June 30, 2023 (Audited)
	Note		
ASSETS			
Bank balances	5	56,583,614	41,854,303
Investments	6	1,425,182,225	1,395,103,298
Accrued mark-up and other receivable		26,236,073	6,798,486
Total Assets		<u>1,508,001,912</u>	<u>1,443,756,087</u>
LIABILITIES			
Payable to the Management Company	7	8,039,222	8,099,252
Payable to the Trustee		238,953	224,102
Annual fee payable to the Securities and Exchange Commission of Pakistan		118,937	224,684
Accrued expenses and other liabilities	8	5,914,712	19,636,388
Total Liabilities		<u>14,311,824</u>	<u>28,184,426</u>
NET ASSETS		<u>1,493,690,088</u>	<u>1,415,571,662</u>
CONTINGENCIES AND COMMITMENTS	9		
REPRESENTED BY:			
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		<u>1,493,690,088</u>	<u>1,415,571,662</u>
		(Number of units)	
Number of units in issue		<u>7,597,354</u>	<u>7,627,973</u>
		(Rupees)	
Net assets value per unit		<u>196.6066</u>	<u>185.5763</u>

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Note	Half Year Ended		Quarter Ended	
		2023	2022	2023	2022
		(Rupees)		(Rupees)	
INCOME					
Realized gain / (loss) on sale of investment at fair value through profit or loss - net		1,899,927	25,021,205	(259,551)	-
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss' - net		(696,125)	(25,032,887)	(3,647,678)	(5,530,365)
		1,203,802	(11,682)	(3,907,229)	(5,530,365)
Dividend income on investments at fair value through profit or loss		3,930,044	3,966,496	-	3,600,722
Markup on:					
- Bank balances calculated using effective interest method		4,432,481	1,355,925	3,528,663	1,236,744
- Government and other debt securities using effective interest method		99,517,961	47,961,023	49,675,980	24,066,088
		103,950,442	49,316,948	53,204,643	25,302,832
Exchange gain / (loss) on foreign currency current account		274,839	33,047,538	(735,219)	(250,839)
Total Income		109,359,127	86,319,300	48,562,195	23,122,350
EXPENSES					
Remuneration to the Management Company	7.1	17,931,816	8,523,970	8,942,193	4,387,194
Sindh Sales tax on remuneration to the Management Company	7.2	2,331,128	1,108,116	1,162,485	570,335
Remuneration to the Trustee		1,393,013	1,162,581	702,478	584,062
Annual fee to the Securities and Exchange Commission of Pakistan		692,554	104,999	351,781	52,963
SECP supervisory fee		1,288	1,286	644	644
Custody charges		462,966	352,917	229,661	258,972
Auditors' remuneration		384,928	389,789	192,464	193,844
Fees and subscription		155,243	87,021	82,205	50,084
Brokerage charges		1,494,874	1,155,166	16,159	70,959
Bank Charges		49,257	72,501	49,257	-
Total Expenses		24,897,067	12,958,345	11,729,327	6,169,057
Net operating income and net income before taxation		84,462,060	73,360,955	36,832,868	16,953,293
Taxation	10	-	-	-	-
Net income for the period		84,462,060	73,360,955	36,832,868	16,953,293
Allocation of Net Income for the period					
Net income for the year after taxation		84,462,060	73,360,955	36,832,868	16,953,293
Income already paid on units redeemed		(21,349,885)	(22,395,725)	24,395	(27)
		63,112,175	50,965,230	36,857,263	16,953,266
Accounting income available for distribution					
-Relating to capital gains		-	-	-	-
-Excluding capital gains		63,112,175	50,965,230	36,857,263	16,953,266
Accounting income available for distribution		63,112,175	50,965,230	36,857,263	16,953,266

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half Year Ended		Quarter Ended	
	2023	2022	2023	2022
	(Rupees)		(Rupees)	
Net income for the period	84,462,060	73,360,955	36,832,868	16,953,293
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>84,462,060</u>	<u>73,360,955</u>	<u>36,832,868</u>	<u>16,953,293</u>

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 STATEMENT OF MOVEMENT IN UNIT HOLDERS'S FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees) -----					
Net assets at beginning of the period	1,306,571,347	109,000,315	1,415,571,662	917,611,396	97,095,915	1,014,707,311
Issuance of 2,579,586 units (2022: 2,594,085 units) as capital refund						
- Capital value	478,771,210	-	478,771,210	423,207,358	-	423,207,358
- Element on income / (loss)	20,540,528	-	20,540,528	(2,881,082)	-	(2,881,082)
Total proceeds on issuance of units	499,311,738		499,311,738	420,326,276	-	420,326,276
Redemption of 2,610,205 units (2022: 2,587,083 units)						
- Capital value	(484,454,126)	-	(484,454,126)	(422,065,079)	-	(422,065,079)
- Element on income / (loss)	148,639	(21,349,885)	(21,201,246)	27,126,723	(22,395,725)	4,730,998
Total payments on redemption of units	(484,305,487)	(21,349,885)	(505,655,372)	(394,938,356)	(22,395,725)	(417,334,081)
Total comprehensive income for the period	-	84,462,060	84,462,060	-	73,360,955	73,360,955
Net assets as at end of the period	1,321,577,598	172,112,490	1,493,690,088	942,999,316	148,061,144	1,091,060,461
Undistributed income brought forward:						
- Realized income		34,413,723			99,123,569	
- Unrealized income		74,586,591			(2,027,654)	
		109,000,314			97,095,915	
Accounting income available for distribution:						
Relating to capital gains		-			-	
Excluding capital gains		63,112,175			50,965,230	
		63,112,175			50,965,230	
Undistributed income at end of the period		172,112,490			148,061,144	
Undistributed income carried forward						
- Realized income		172,808,615			173,094,031	
- Unrealized loss		(696,125)			(25,032,887)	
Undistributed income at end of the period		172,112,490			148,061,144	
Net assets value per unit at beginning of the period			185.5763			151.8853
Net assets value per unit at end of the period			196.6066			163.1432

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 HALF YEAR ENDED DECEMBER 31, 2023**

	Half Year Ended	
	2023	2022
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	84,462,060	73,360,955
Adjustments for:		
Realized gain on sale of investment at fair value through profit or loss - net	(1,899,927)	-
Unrealised appreciation on re-measurement of investments at fair value through profit or loss' - net	696,125	25,032,887
Dividend income	(3,930,044)	863,139
	<u>79,328,214</u>	<u>99,256,981</u>
Increase in assets		
Investments - net	(28,875,124)	(177,662,543)
Accrued mark-up and other receivable	(19,437,587)	(1,182,229)
	<u>(48,312,711)</u>	<u>(178,844,772)</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	(60,030)	283,240
Payable to the Trustee	14,851	3,553
Annual fee to Securities and Exchange Commission of Pakistan	(105,747)	(103,826)
Accrued expenses and other liabilities	(13,721,676)	(13,393,898)
	<u>(13,872,602)</u>	<u>(13,210,932)</u>
Net cash flows from / (used in) operating activities	<u>17,142,901</u>	<u>(92,798,723)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issue of units	499,311,738	420,326,276
Dividend Received	3,930,044	-
Cash paid on redemption of units	(505,655,372)	(417,334,082)
Net cash used in financing activities	<u>(2,413,590)</u>	<u>2,992,195</u>
Net increase / (decrease) in cash and cash equivalent during the period	14,729,311	(89,806,528)
Cash and cash equivalent at the beginning of the period	41,854,303	156,385,700
Cash and cash equivalent at the end of the period	<u>56,583,614</u>	<u>66,579,172</u>

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 THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 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 30 November 2023, VIS assigned following rankings to the Fund based on the performance review for the year ended 30 June 2024:

1-year ranking: MFR 5-Star

3-year ranking: MFR 5-Star

5-year ranking: MFR 5-Star

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017;
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), directives issued by the SECP and requirements of the Trust Deed.

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

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 December 31, 2023.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

This condensed interim financial information is presented in Pakistan rupee ('Rupees' or 'Rs.') 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. SUMMARY OF 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.

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	(Rupees)	
5. BANK BALANCES			
Local currency			
In profit and loss sharing accounts	5.1	21,318,351	6,845,116
In current accounts		8,504	8,504
In foreign currency			
In current account	5.2	35,256,759	35,000,683
		<u>56,583,614</u>	<u>41,854,303</u>

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

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

		December 31, 2023 (Unaudited) Note	June 30, 2023 (Audited) (Rupees)
6. INVESTMENTS			
At fair value through profit or			
Government Securities:			
-Treasury Bills	6.1	437,109,800	935,556,649
-Pakistan Investment Bonds	6.2	526,633,200	-
Exchange Traded Funds (Foreign Investments)	6.3	461,439,225	459,546,649
		<u>1,425,182,225</u>	<u>1,395,103,298</u>

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

Name of investee company	Date of Maturity	----- Number of Treasury bills -----				Balance as at December 31, 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	Carrying value as of the quarter ended 31 December 2023 before revaluation	Market value as of the quarter ended 31 December 2023 (after revaluation)	Unrealised appreciation / (diminution)		
						----- (Rupees) -----				
3 month Treasury Bills	July 15, 2023	500,000	-	500,000	-	-	-	-	0.00%	0.00%
3 month Treasury Bills	September 21, 2023	9,310,000	5,190,000	14,500,000	-	-	-	-	0.00%	0.00%
3 month Treasury Bills	November 2, 2023	-	9,600,000	9,600,000	-	-	-	-	0.00%	0.00%
3 month Treasury Bills	November 30, 2023	-	9,700,000	9,700,000	-	-	-	-	0.00%	0.00%
3 month Treasury Bills	December 14, 2023	-	190,000	190,000	-	-	-	-	0.00%	0.00%
3 month Treasury Bills	November 16, 2023	-	190,000	190,000	-	-	-	-	0.00%	0.00%
3 month Treasury Bills	January 25, 2024	-	1,500,000	-	1,500,000	147,937,700	147,920,550	(17,150)	9.90%	10.38%
3 month Treasury Bills	February 22, 2024	-	3,140,000	3,140,000	-	-	-	-	0.00%	0.00%
12 month Treasury Bills	December 26, 2024	-	3,500,000	-	3,500,000	289,266,269	289,189,250	(77,019)	19.36%	20.29%
As at December 31, 2023						437,203,969	437,109,800	(94,169)	29.26%	30.67%

6.1.1 These represent 3 months Government Treasury bill carrying a fixed mark-up rate ranging from 21.3497% to 21.3372% per annum and will mature from Jan 25, 2024 to Dec 26, 2024. The face value of Treasury Bills held as at December 31, 2023 amounted to Rs. 500 million. (June 30, 2023: 981 million)

6.2 Government securities - Pakistan Investments Bonds - at fair value through profit or loss

Name of investee company				----- Number of PIBs-----				Balance as at December 31, 2023			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments		
				Date of Maturity	Mark-up rate	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 31 December 2023 before revaluation			Market value as of the quarter ended 31 December 2023 (after revaluation)	Unrealised appreciation / (diminution)
										----- (Rupees) -----				
5 years Pakistan Investment Bond	7.2.1	19-Oct-28	22.85%	-	3,590,000	-	3,590,000	349,249,905	347,978,700	(1,271,205)	23.30%	24.42%		
5 years Pakistan Investment Bond	7.2.2	14-Dec-28	21.33%	-	1,850,000	-	1,850,000	178,336,704	178,654,500	317,796	11.96%	12.54%		
As at December 31, 2023								527,586,609	526,633,200	(953,409)	35.26%	36.95%		

6.2.1 This represents investments in 3 years Pakistan Investment Bond carrying an effective profit rate of 22.85% and having maturity on 19 October 2028. The face value of Pakistan Investment Bond as at 31 December 2023 amounted to Rs. 359 million.

6.2.2 This represents investments in 3 years Pakistan Investment Bond carrying an effective profit rate of 21.33% and having maturity on 14 December 2028. The face value of Pakistan Investment Bond as at 31 December 2023 amounted to Rs. 185 million.

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

	-----Number of units-----				Balance as at December 31, 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	Carrying value as of the quarter ended 31 December 2023 before revaluation	Market value as of the quarter ended 31 December 2023 (after revaluation)	Unrealised appreciation / (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	461,439,225	183,281	30.89%	32.38%
As at December 31, 2023					461,255,944	461,439,225	183,281	30.89%	32.38%
Total investment - December 31, 2023					1,426,046,522	1,425,182,225	(864,297)	95.41%	100.00%

6.3.1 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).

6.3.2 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 half year ended amounted to USD 1,637,118 (30 June 2023: Nil).

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

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note		
7. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	2,845,958	2,899,075
Sales tax payable on remuneration to the Management Company	7.2	369,966	376,880
Federal excise duty payable on remuneration to the Management Company	7.3	4,823,298	4,823,298
		<u>8,039,222</u>	<u>8,099,252</u>

- 7.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding the expense ratio limit 4.5%. The management upon approval from the commission has changed the management fee upto 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 31 December 2023 is 1.24% of the average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.
- 7.2 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.
- 7.3 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 31 December 2023 would have been higher by Re. 0.63 (30 June 2023: Re. 0.63) per unit.

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
8. ACCRUED AND OTHER LIABILITIES		
Brokerage payable	16,548	-
Auditors' remuneration	427,126	427,074
Custody fee payable	77,853	5,036
Rating fee payable	117,664	117,664
Professional fees payable	737,416	713,884
CGT Payable	2,494	14,012,395
Other liabilities	4,535,610	4,360,332
	<u>5,914,712</u>	<u>19,636,385</u>

9. CONTINGENCIES AND COMMITMENTS

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

10. TAXATION

10.1 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.

10.2 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.

11. 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 December 31, 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:

	December 31, 2023 (unaudited)	June 30, 2023 (Audited)
Note	-----	-----
	(Rupees)	(Rupees)

11.1 Details of balance with related parties / connected persons for the period ended

Lakson Investments Limited - Management Company

Remuneration payable	7.1	2,845,958	2,899,075
Sindh Sales Tax on Management Company's remuneration	7.2	369,966	376,880
Federal Excise Duty	7.3	4,823,298	4,823,298

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable		211,455	198,322
Sindh Sales Tax payable on Trustee remuneration*		27,497	25,780

Habib Bank AG Zurich - Custodian

Bank deposits		35,256,759	35,000,683
Custody fee payable		77,853	5,036

	December 31,	December 31,
	2023	2022
	(unaudited)	(unaudited)
Note	-----	-----
	(Rupees)	(Rupees)

11.2 Details of transaction with related parties / connected persons during the period ended

Lakson Investments Limited - Management

Remuneration to the Management Company	17,931,816	8,523,970
Sindh Sales Tax on Management Company's remuneration	2,331,128	1,108,116

Central Depository Company of Pakistan

Remuneration for the period	1,232,747	1,028,833
Sindh Sales Tax on Trustee remuneration*	160,266	133,748

Habib Bank AG Zurich - Custodian

Custody charges	462,966	352,917
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* Sales tax is paid / payable to the management company for onwards payment to the Government.

11.3 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 Half Year Ended December 31, 2023								
Number of units as at 01 July 2023	Units issued during the year	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	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	-	36,144,870
Directors, Chief Executive and their spouse and minors	4,803,275	90	171,438	4,631,927	891,374,054	17,525	31,900,000	910,667,409
Key management personnel, employees and connected persons of the Management Company	21,438	34	21,450	22	3,978,443	6,541	3,944,378	4,390
Associated companies / undertakings of the Management Company								
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust	26,495	25,537	26,495	25,537	4,916,928	4,950,000	5,149,958	5,020,665
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	39,994	39,982	39,994	39,982	7,421,917	7,750,000	7,773,668	7,860,637
Century Insurance Company Limited - Employees Gratuity Fund	44,850	43,206	44,850	43,206	8,323,150	8,375,000	8,717,613	8,494,559
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	425,140	438,507	425,140	438,507	78,895,998	85,000,000	82,635,151	86,213,438
Century Paper & Board Mills Limited - Employees Gratuity Fund	406,044	416,840	406,044	416,840	75,352,142	80,800,000	78,923,339	81,953,479
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust	393,252	396,204	393,252	396,204	72,978,289	76,800,000	76,436,982	77,896,376
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	446,233	479,779	446,233	479,779	82,810,297	93,000,000	86,734,962	94,327,643
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	221,384	226,734	221,384	226,734	41,083,621	43,950,000	43,030,715	44,577,419
Hasanali Karabhai Foundation - Employees Contributory Provident Fund Trust	5,761	5,030	5,761	5,030	1,069,027	975,000	1,119,692	988,919
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	1,277	-	-	1,277	236,983	-	-	251,069
Lakson Investments Limited - Employees Contributory Provident Fund Trust	26,109	28,760	27,269	27,600	4,845,270	5,575,000	5,300,318	5,426,375
Merit Packaging Limited - Employees Contributory Provident Fund Trust	41,754	40,368	41,754	40,368	7,748,568	7,825,000	8,115,799	7,936,708
Merit Packaging Limited - Employees Gratuity Fund	26,819	25,408	26,819	25,408	4,976,943	4,925,000	5,202,913	4,995,308
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	232,885	232,151	232,885	232,151	43,217,886	45,000,000	45,266,131	45,642,408
Siza Services Private Limited - Employees Contributory Provident Fund Trust	19,450	20,636	19,450	20,636	3,609,415	4,000,000	3,780,478	4,057,103
Sybird Private Limited - Employees Contributory Provident Fund Trust	43,829	43,851	43,829	43,851	8,133,608	8,500,000	8,519,088	8,621,344

For the Half Year Ended December 31, 2022								
Number of units as at 01 July 2022	Units issued during the year	Units redeemed during the year	Number of holdings at the end of the period	Balance as at 01 July 2022	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)				
Directors, Chief Executive and their spouse and minors	3,999,071	445	398	3,999,118	607,400,118	71,825	64,310	652,428,878
Key management personnel, employees and connected persons of the Management Company	1,518	18,094	1,518	18,094	230,487	2,950,676	248,261	2,951,878
Associated companies / undertakings of the Management Company								
Accuracy Surgicals Limited - Employees Contributory Provident Fund Trust	33,814	33,194	33,814	33,194	5,135,921	5,377,885	5,453,285	5,415,366
Century Insurance Company Limited - Employees Contributory Provident Fund Trust	47,174	46,826	47,174	46,826	7,164,970	7,585,733	7,603,733	7,639,334
Century Insurance Company Limited - Employees Gratuity Fund	40,507	39,047	40,507	39,047	6,152,349	6,326,058	6,525,183	6,370,188
Century Paper & Board Mills Limited - Employees Contributory Provident Fund Trust	462,216	453,351	462,216	453,351	70,203,859	73,450,289	74,551,789	73,961,103
Century Paper & Board Mills Limited - Employees Gratuity Fund	414,047	421,101	414,047	421,101	62,887,673	68,222,282	66,890,282	68,699,687
Colgate Palmolive (Pakistan) Limited - Employees Contributory Provident Fund Trust	433,221	414,931	433,221	414,931	65,799,964	67,231,727	69,853,727	67,693,208
Colgate Palmolive (Pakistan) Limited - Employees Gratuity Fund	481,135	483,943	481,135	483,943	73,077,354	78,427,047	77,596,547	78,952,071
Cyber Internet Services (Private) Limited - Employees Contributory Provident Fund Trust	218,744	226,541	218,744	226,541	33,223,932	36,700,343	35,291,543	36,958,621
GAM Corporation (Private) Limited - Employees Contributory Provident Fund Trust	133,395	128,558	133,395	128,558	20,260,802	20,828,253	21,489,853	20,973,424
Hasanali Karabhai Foundation - Employees Contributory Provident Fund Trust	6,435	6,089	6,590	5,934	977,339	986,766	1,064,316	968,040
Lakson Business Solutions Limited - Employees Contributory Provident Fund Trust	1,277	-	-	1,277	193,959	-	-	208,336
Lakson Investments Limited	74,555	-	-	74,555	11,323,781	-	-	12,163,112
Lakson Investments Limited - Employees Contributory Provident Fund Trust	27,293	27,191	27,293	27,191	4,145,476	4,405,624	4,409,625	4,435,988
Merit Packaging Limited - Employees Contributory Provident Fund Trust	57,024	52,112	63,044	46,092	8,661,053	8,445,502	10,161,502	7,519,608
Merit Packaging Limited - Employees Gratuity Fund	29,627	28,829	29,627	28,829	4,499,868	4,670,758	4,775,958	4,703,274
SIZA Foods (Private) Limited - Employees Contributory Provident Fund Trust	120,770	118,499	120,770	118,499	18,343,176	19,198,593	19,477,093	19,332,321
Siza Services Private Limited - Employees Contributory Provident Fund Trust	24,308	23,169	25,021	22,456	3,691,952	3,754,891	4,042,791	3,663,528
Sybird Private Limited - Employees Contributory Provident Fund Trust	47,986	47,032	47,986	47,032	7,288,295	7,619,820	7,738,620	7,672,873

12. TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the half year ended December 31, 2023 is 3.41% (December 31, 2022: 2.45%) which includes 0.22% (December 31, 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).

13. 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 31 December 2023				
Fair Value				
Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
Treasury Bills	-	437,109,800	-	437,109,800
Pakistan Investment Bonds	-	526,633,200	-	526,633,200
Exchange Traded Funds (Foreign Investments)	461,439,225	-	-	461,439,225
	461,439,225	963,743,000	-	1,425,182,225

----- (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>

14. GENERAL

14.1 The corresponding figures have been re-arranged wherever necessary.

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

15. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on February 27, 2024.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



A Lakson Group Company

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