

LAKSON EQUITY 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

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Lakson Square, Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan.
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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
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Dubai Islamic Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Habib Bank AG Zurich
National Bank of Pakistan
Silk Bank Limited
Sindh Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited
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)
4-Star (Three Years)
4-Star (Five Years)
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 Equity Fund ("LEF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended December 31, 2023.

Fund Objective

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

Principal activities

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

Fund performance

The LEF closed 2QFY24 with a return of 44.50% against the benchmark return of 50.66%, underperforming the benchmark by -6.16%. As of December 31, 2023, the fund maintains 91.4% exposure in equities, 7.7% in cash and 0.8% in others. Sector allocation is skewed towards Commercial Banks (20.1%), Oil & Gas Exploration (20.6%), Technology (4.1%), Fertilizer (8.0%), Cement (16.4) and Power Gen. & Dist (5.8%). The fund size of LEF as of December 31, 2023 is PKR 2,269 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

**Equity Market Review**

The KSE100 gained 42% in 1HFY24 but is still some way off its mean valuations let alone the peaks. Despite a sharp rally, KSE-100 index is still trading at an attractive forward P/E multiple of 4.7x vs. 5 & 10-year average of 6.0x & 7.2x, respectively. If Pakistan is able to manage its top-down risks, Pakistan equities have the potential to deliver a multiyear bull run. Supportive factors include significant room for valuation rerating, strong corporate profitability and immense space for institutional money (both domestic and foreign) to rotate into equities. However, traded value also increased by 88% to USD 44.1mn. while market cap rose by 39% to USD26,453mn. Moreover, foreign participation also witnessed of inflow of USD71mn against an outflow of USD2,252mn in last 7 years. Given that foreign institutions own less than 5% of the KSE100's market capitalization vs. the 2015 peak of 10%, there is evidently still some way to go.

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 ایکویٹی فنڈ 31 دسمبر 2023ء کو ختم ہونے والی مدت کے لیے مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن ایکویٹی فنڈ ("LEF") کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے 31 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

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

نمایاں سرگرمیاں

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

فنڈ کی کارکردگی

LEF نے بینچ مارک منافع 50.66% کے مقابلے میں 44.50% منافع کے ساتھ مالی سال 2023 کی دوسری سہ ماہی کا اختتام بینچ مارک کے مقابلے میں 6.16% کمتر کارکردگی کے ساتھ کیا۔ 31 دسمبر 2023ء کے مطابق فنڈ نے ایکویٹیز میں 91.4%، کیش میں 7.7% اور دیگر میں 0.8% سرمایہ کاری کی ہے۔ شعبہ جاتی تفویض اس طرح ہے: کمرشل بینک (20.1%)، آئل اینڈ گیس ایکسپلوریشن (20.6%)، ٹیکنالوجی (4.1%)، فریٹ لائزر (8.0%)، سیمنٹ (16.4% فیصد) اور پاور جنریشن اینڈ ڈسٹری بیوشن (5.8% فیصد)۔ 31 دسمبر 2023ء کے مطابق LEF کے فنڈ کا حجم 2,269 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 آرینجمنٹ (SBA) کے تحت بیل 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 یورو 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 ہینڈ 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 CPI 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 بلین 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 بلین روپے بڑھ کر 4 ہزار 466 بلین روپے رہی۔ درآمدی پابندیوں میں نرمی کی وجہ سے آنے والے مہینوں میں ٹیکس وصولی میں مزید بہتری کی توقع ہے۔

ایکویٹی مارکیٹ کا جائزہ

کے ایس ای 100 انڈیکس میں مالی سال 2024 کی پہلی ششماہی کے دوران 42 فیصد اضافہ ریکارڈ کیا گیا لیکن یہ اب بھی اپنی بالائی سطح



تو کجا، اوسط قیمتوں تک بھی نہیں پہنچا۔ انتہائی تیزی کے باوجود کے ایس ای 100 انڈیکس اب بھی 5 اور 10 سال کی اوسط بالترتیب 6.0x اور 7.2x کے مقابلے میں 4.7x کی پرکشش فارورڈ P/E ملٹی پل پر ٹریڈ کر رہا 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۔ معاون عوامل میں ویلیو این ریٹنگ کی وسیع گنجائش، مستحکم کارپوریٹ منافع اور ادارہ جاتی رقوم (ملکی اور غیر ملکی دونوں) کی ایکویٹیز میں گردش کے لئے بہت زیادہ گنجائش شامل ہیں۔ تاہم ٹریڈنگ ویلیو بھی 88 فیصد اضافے کے ساتھ 4 کروڑ 41 لاکھ ڈالر تک پہنچ گئی جبکہ مارکیٹ کیپ 39 فیصد اضافے کے ساتھ 26,453 ملین ڈالر تک جا پہنچی۔ اس کے علاوہ غیر ملکی سرمایہ کاری میں بھی 71 ملین ڈالر کی آمد دیکھی گئی جبکہ گزشتہ 7 سالوں میں 2,252 ملین امریکی ڈالر کی کمی دیکھی گئی تھی۔ یہ دیکھتے ہوئے کہ غیر ملکی اداروں کے پاس کے ایس ای 100 کی مارکیٹ کچھلاؤ نریشن 56 فیصد سے بھی کم حصہ ہے جو 2015 میں 10 فیصد کی بلند ترین سطح پر تھا، واضح طور پر ابھی کافی راستہ طے کرنا باقی 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 جاری ہونا محض ایک رسمی کارروائی ہے۔ اس تاثر کو عالمی بینک اور ایشیائی ترقیاتی بینک کی جانب سے 1.5 ملین امریکی ڈالر کے نئے قرضوں کی منظوری سے تقویت ملی، جس سے فی الحال زرمبادلہ کے ذخائر تیزی سے بڑھ کر 7.5 ملین امریکی ڈالر تک پہنچ گئے ہیں (اب بھی امپورٹ کور سے 2 ملین 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 کرنٹ اکاؤنٹ نے نومبر میں درآمدات پر واضح پابندیوں کے بغیر سرپلس 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 4 تا 3 ارب امریکی ڈالر) کو کم کرنے کی ضرورت ہوگی تاکہ اس استحکام کو برقرار رکھا جاسکے۔ اس سلسلے میں آرامکو 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 تک تو کجا، اوسط قیمتوں تک بھی نہیں پہنچا۔ ہماری کورٹج یونیورس کے لئے فارورڈ P/E کا تخمینہ 3.7x، بمقابلہ طویل مدتی اوسط 7.5x ہے، جبکہ کے ایس ای 100 کی مارکیٹ کچھلاؤ نریشن 33.3 ملین امریکی ڈالر ہے جو 2017 میں 100 ملین 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۔ مینجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانشمندانہ انتظام و انصرام کے لیے مینجمنٹ کمپنی کی ٹیم کی کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے و منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 27 فروری 2024ء

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office:**

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
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Email: info@cdcpak.com

**TRUSTEE REPORT TO THE UNIT HOLDERS****LAKSON EQUITY 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 Equity 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 22, 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 EQUITY 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 matter

The figures for the quarters 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: RR202310067wla8vNQ5K

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 EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2023

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	(Rupees)	
ASSETS			
Bank balances	6	179,912,616	147,735,670
Investments	7	2,126,322,679	1,372,908,316
Dividend and other receivables	8	1,759,700	1,408,119
Mark-up accrued on bank balances		5,335,964	1,514,312
Receivable against sale of units		9,991,883	-
Advances and deposit	9	2,662,130	2,650,000
Total Assets		2,325,984,972	1,526,216,417
LIABILITIES			
Payable to the Management Company	10	27,203,875	25,310,559
Remuneration payable to the Trustee		310,926	226,734
Annual Fee Payable to Securities and Exchange Commission of Pakistan		184,063	399,131
Accrued expenses and other liabilities	11	2,370,540	3,818,003
Payable against purchase of investments		26,637,744	31,843,423
Total Liabilities		56,707,148	61,597,850
NET ASSETS		2,269,277,824	1,464,618,567
CONTINGENCIES AND COMMITMENTS			
	13		
REPRESENTED BY:			
Unit holders' fund (as per the statement attached)		2,269,277,824	1,464,618,567
(Number of units)			
Number of units in issue		16,594,000	15,475,162
(Rupees)			
Net assets value per unit		136.7529	94.6431

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	<i>Note</i>	Half year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
Income		(Rupees)		(Rupees)	
Gain / (loss) on sale of held for trading investments - net		49,466,345	32,069,160	33,638,187	10,215,356
Unrealised gain / (loss) on revaluation of held for trading investments - net	7.1	554,357,885	(82,222,520)	447,240,494	(41,847,195)
		603,824,230	(50,153,360)	480,878,681	(31,631,840)
Dividend income on investments - net		94,599,024	112,414,468	45,162,302	57,309,101
Return / markup on:					
- Bank balances calculated using effective interest method		14,001,416	14,930,004	9,608,431	5,552,681
- Government and other debt securities using effective interest method		1,441,388	1,627,199	1,020,288	1,627,199
		15,442,804	16,557,203	10,628,719	7,179,880
Total Income		713,866,058	78,818,311	536,669,702	32,857,142
Expenses					
Remuneration of the Management Company	10.1	27,909,112	21,956,010	14,942,960	10,215,213
Sindh Sales Tax on remuneration of the Management Company	10.2	3,628,185	2,854,281	1,942,585	1,327,977
Remuneration of the Trustee		1,637,577	1,810,158	865,142	861,981
Annual fee to the Securities and Exchange Commission of Pakistan		899,129	219,560	488,534	101,508
SECP supervisory fee		1,288	1,288	644	-
Auditors' remuneration		266,616	271,032	133,308	135,516
Legal and professional charges		249,985	-	125,672	-
Fees and subscription		14,082	552,376	7,084	189,680
Printing charges		15,255	-	6,780	-
Brokerage, settlement and bank charges		1,910,841	3,384,440	1,118,394	1,192,777
Total Expenses		36,532,070	31,049,145	19,631,103	14,024,653
Net operating income and net income before taxation		677,333,988	47,769,166	517,038,598	18,832,489
Taxation	14.	-	-	-	-
Net income for the period		677,333,988	47,769,166	517,038,598	18,832,489.4
Allocation of Net Income for the period:					
Net income for the period		677,333,988	47,769,166	517,038,598	18,831,201
Income already paid on units redeemed		(70,010,556)	(12,202,685)	(69,985,451)	(4,056,845)
Accounting income available for distribution		607,323,433	35,566,481	447,053,148	14,774,356
Relating to capital gains		543,832,492	-	420,906,115	-
Excluding capital gains		63,490,940	35,566,481	26,147,032	14,774,356
Accounting income available for distribution		607,323,433	35,566,481	447,053,148	14,774,356

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	(Rupees)		(Rupees)	
Net income for the period	677,333,988	47,769,166	517,038,598	18,832,489
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>677,333,988</u>	<u>47,769,166</u>	<u>517,038,598</u>	<u>18,832,489</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees) -----					
Net assets at beginning of the period	1,894,437,544	(429,818,978)	1,464,618,567	2,786,190,399	(443,189,513)	2,343,000,886
Issuance of 901,577 units (2022: 1,577)						
- Capital value	470,904,789	-	470,904,789	145,995	-	145,995
- Element of loss	171,020,074	-	171,020,074	3,233	-	3,233
Total proceeds on issuance of units	641,924,863	-	641,924,863	149,228	-	149,228
Redemption of 1,898 units (2022: 4,548,765)						
- Capital value	(365,014,553)	-	(365,014,553)	(421,114,656)	-	(421,114,656)
- Element of income	(79,574,486)	(70,010,556)	(149,585,042)	8,863	(12,202,685)	(12,193,822)
Total payments on redemption of units	(444,589,039)	(70,010,556)	(514,599,594)	(421,105,793)	(12,202,685)	(433,308,478)
Total comprehensive income / (loss) for the period	-	677,333,988	677,333,988	-	47,769,166	47,769,166
Net assets as at end of the period	2,091,773,368	177,504,455	2,269,277,824	2,365,233,834	(407,623,032)	1,957,610,802
Undistributed loss brought forward:						
- Realized (loss)/ income		(401,550,054)			(177,742,050)	
- Unrealized (loss)/ income		(28,268,924)			(265,447,463)	
		(429,818,978)			(443,189,513)	
Accounting income available for distribution:						
Relating to capital gains		543,832,492			-	
Excluding capital gains		63,490,940			35,566,481	
Total comprehensive (loss) / income for the period		607,323,433			47,769,166	
Undistributed (gain) at end of the period		177,504,455			(407,623,032)	
Undistributed loss brought forward:						
- Realized (loss)/ income		(376,853,431)			(325,400,512)	
- Unrealized (loss)/ income		554,357,885			(82,222,520)	
Undistributed loss at end of the period		177,504,455			(407,623,032)	
Net assets value per unit at beginning of the period			94.6431			92.5778
Net assets value per unit at end of the period			136.7529			94.2916

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31,	
	2023	2022
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	677,333,988	47,769,166
Adjustments for:		
Unrealised loss on revaluation of held for trading investments - net	(554,357,885)	82,222,520
Dividend income on investment at fair value through profit or loss	(94,599,024)	-
Mark-up on bank balances and Investments - at amortised cost	(15,442,804)	-
	(664,399,713)	50,153,360
Decrease / (increase) in assets		
Investments	(199,056,478)	282,826,759
Dividend and other receivables	94,247,443	(9)
Mark-up accrued on bank balances	11,621,152	987,251
Advances, deposits and prepayments	(10,004,013)	(2,846,139)
Receivable against sale of equity Investments	-	(13,700)
	(103,191,896)	280,954,162
(Decrease) / increase in liabilities		
Payable to the Management Company	1,893,316	(633,658)
Remuneration payable to the Trustee	84,192	(25,359)
Annual fee payable to Securities and Exchange Commission of Pakistan	(215,068)	(373,390)
Accrued expenses and other liabilities	(1,447,463)	110,092
Payable against purchase of equity investments	(5,205,679)	(14,561,168)
	(4,890,702)	(15,483,483)
Net cash (used in) / flows from operating activities	(95,148,323)	363,393,205
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	641,924,863	149,228
Payments on redemption of units	(514,599,594)	(433,308,478)
Net cash flows from / (used in) financing activities	127,325,269	(433,159,250)
Net decrease in cash and cash equivalents during the period	32,176,946	(69,766,045)
Cash and cash equivalents at beginning of the period	147,735,670	276,575,247
Cash and cash equivalents at end of the period	179,912,616	206,809,202

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

- 1.4** Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 25 August 2023.

On November 30, 2023, VIS assigned following rankings to the Fund based on the performance review:

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

- 1.5** Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Scheme, private Funds etc, being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. For this purpose, Re-Stated Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds alongwith necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; 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), 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 the 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 the requirements of the Trust Deed have been followed.

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 31 December 2023 has been extracted from the audited financial statements of the Company for the year ended 30 June 2023, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the half year ended 31 December 2022 have been extracted from the unaudited condensed interim financial information for the period then ended.

- 2.2** This condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2023. However, selected explanatory notes are included to explain events and transactions that are significant.

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

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

2.3 Functional and presentation currency

These condensed interim financial information are presented in Pakistan rupee ('Rupees' or 'Rs.'), which is the Fund's functional and presentation currency. All financial information presented in Pakistan rupee has been rounded off to the nearest rupee.

2.4 Basis of measurement

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

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all preparation of the financial statements as at and for the year ended June 30, 2023.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2023.

Note	December 31, 2023 (Unaudited) (Rupees)	June 30, 2023 (Audited)
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6. BANK BALANCES

Profit and loss sharing accounts	6.1	179,904,913	147,727,967
Current account		7,703	7,703
		<u>179,912,616</u>	<u>147,735,670</u>

- 6.1 These accounts carry profit at the rates of 19.50% to 20.50% (June 30, 2023: 11.50% to 19.50%) per annum.

7. INVESTMENTS

At fair value through profit or loss
held for trading

Listed equity securities	7.1	2,126,322,679	1,372,908,316
Government securities	7.2	-	-
		<u>2,126,322,679</u>	<u>1,372,908,316</u>

7.1 At fair value through profit or loss

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

Sectors / Companies	Holding as at July 01, 2023	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Commercial Banks											
Bank Al-Falah Limited	1,184,514	-	-	-	1,184,514	36,056,606	57,460,774	21,404,168	2.70	2.53%	0.11
Faysal Bank Limited	1,076,350	-	-	-	1,076,350	21,720,743	35,067,483	13,346,740	1.65	1.55%	0.07
Habib Bank Limited	577,708	130,700	-	82,900	625,508	46,296,582	69,331,307	23,034,725	3.26	3.06%	0.05
MCB Bank Limited	549,252	46,500	-	78,478	517,274	59,773,568	89,255,629	29,482,060	4.20	3.93%	0.04
Meezan Bank Limited	599,953	12,489	-	43,400	569,042	49,906,365	91,820,617	41,914,252	4.32	4.05%	0.02
Bank Islami Pakistan Limited	1,808,500	138,800	-	1,947,300	-	-	-	-	-	0.00%	0.00
United Bank Limited	704,780	57,730	-	62,600	699,910	84,089,927	124,471,994	40,382,068	5.85	5.49%	0.08
						297,843,791	467,407,804	169,564,013	21.98	20.60%	
Chemicals											
Descon Oxychem Limited	440,100	632,000	-	-	1,072,100	26,584,257	24,229,460	(2,354,797)	1.14	1.07%	0.61
Lotte Chemical Pakistan Limited	-	886,226	-	-	886,226	24,586,084	23,919,240	(666,844)	1.12	1.05%	0.00
Lucky Core Industries Limited	-	29,607	-	-	29,607	22,899,154	23,052,010	152,856	1.08	1.02%	0.00
						74,069,495	71,200,710	(2,868,785)	3.35	3.14%	
Fertilizers											
Engro Corporation Limited (6.1.1)	224,070	-	-	19,750	204,320	53,100,725	60,256,011	7,155,286	2.83	2.66%	0.00
Engro Fertilizer Limited	490,923	51,300	-	-	542,223	46,231,696	60,853,687	14,621,991	2.86	2.68%	0.04
Fauji Fertilizer Bin Qasim Limited	-	1,473,500	-	702,920	770,580	10,520,718	24,581,502	14,060,784	1.16	1.08%	0.00
Fauji Fertilizer Company Limited	556,411	-	-	198,950	357,461	35,188,461	40,461,011	5,272,550	1.90	1.78%	0.00
						145,041,600	186,152,211	41,110,611	8.75	8.20%	
Pharmaceuticals											
Ferozsons Laboratories Limited	40,540	-	-	-	40,540	5,547,899	8,944,746	3,396,847	0.42	0.39%	0.01
The Searl Company Limited (6.1.2)	9,893	-	-	-	9,893	379,100	509,292	130,192	0.02	0.02%	0.00
Highnoon Laboratories Limited	29,900	42,800	-	-	72,700	28,116,286	36,681,512	8,565,226	1.73	1.62%	0.00
AGP Limited	-	323,330	-	-	323,330	23,251,413	22,733,332	(518,081)	1.07	1.00%	0.00
						57,294,698	68,868,882	11,574,183	3.24	0.02	
Cement											
Lucky Cement Company Limited (6.1.2)	83,418	40,775	-	20,690	103,503	55,286,662	81,454,791	26,168,129	3.83	3.59%	0.00
Kohat Cement Company Limited	171,883	27,500	-	-	199,383	34,889,684	46,701,480	11,811,796	2.20	2.06%	0.01
D.G. Khan Cement Company Limited	-	462,000	-	223,870	238,130	13,211,812	18,431,262	5,219,450	0.87	0.81%	0.05
Maple Leaf Cement Factory Limited	804,673	937,552	-	40,700	1,701,525	53,132,193	66,223,353	13,091,160	3.11	2.92%	0.15
Pioneer Cement Limited	269,170	300,483	-	33,250	536,403	49,174,593	61,654,161	12,479,568	2.90	2.72%	0.24
Cherat Cement Company Limited	177,992	198,433	-	12,000	364,425	47,174,689	59,393,987	12,219,297	2.79	2.62%	0.19
Fauji Cement Company Limited	1,958,687	530,000	-	-	2,488,687	29,795,234	47,085,958	17,290,724	2.21	2.07%	0.18
						282,664,869	380,944,991	98,280,123	17.92	16.79%	
Power Generation & Distribution											
Hub Power Company Limited	900,574	136,465	-	186,645	850,394	65,492,696	99,572,633	34,079,938	4.68	4.39%	0.07
Engro Powergen Qadirpur Limited	-	1,105,500	-	-	1,105,500	29,186,670	35,287,560	6,100,890	1.66	1.56%	0.00
						94,679,366	134,860,193	40,180,828	6.34	5.94%	
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (6.1.2)	85,842	-	-	19,855	65,987	99,946,550	138,315,351	38,368,801	6.50	6.10%	0.01
Oil and Gas Development Company Limited (6.1.1)	820,702	263,000	-	83,350	1,000,352	81,950,329	112,489,582	30,539,254	5.29	4.96%	0.02
Pakistan Oilfield Limited	265,152	-	-	40,200	224,952	90,378,965	94,916,247	4,537,282	4.46	4.18%	0.08
Pakistan Petroleum Limited (6.1.1)	879,647	357,397	-	70,990	1,166,054	72,716,548	134,131,192	61,414,644	6.31	5.91%	0.04
						344,992,391	479,852,372	134,859,980	22.57	21.15%	
Oil and Gas Marketing Companies											
Attock Petroleum Limited	122,241	-	-	9,955	112,286	33,713,872	42,501,374	8,787,502	2.00	1.87%	0.11
Pakistan State Oil Company Limited (6.1.2)	132,606	41,250	-	46,200	127,656	14,588,510	22,558,092	7,969,582	1.06	0.99%	0.03
Sui Northern Gas Pipelines Limited	668,548	397,570	-	277,675	788,443	32,390,584	57,966,329	25,575,745	2.73	2.55%	0.12
						80,692,965	123,025,795	42,332,829	5.79	5.42%	

Sectors / Companies	Holding as at July 01, 2023	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		

Sectors / Companies	Holding as at July 01, 2023	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Food & Personal Care Products											
At-Tahur Limited	1,041,018	-	-	-	1,041,018	17,135,156	14,418,099	(2,717,057)	0.68	0.64%	0.00
Fauji Foods Limited	4,128,026	907,925	-	3,285,744	1,750,207	10,232,736	19,497,306	9,264,570	0.92	0.86%	0.00
						27,367,893	33,915,405	6,547,513	1.60	1.49%	
Automobile Assembler											
Millat Tractors Limited	-	38,345	-	-	38,345	23,530,196	22,288,798	(1,241,398)	1.05	0.98%	0.00
						23,530,196	22,288,798	(1,241,398)	1.05	0.98%	
Technology and Communication											
TRG Pakistan Limited	153,729	-	-	153,700	29	2,672	2,293	(379)	0.00	0.00%	0.00
Systems Limited	279,036	21,000	-	76,725	223,311	90,481,444	94,585,607	4,104,163	4.45	4.17%	0.00
Hum Network Limited	2,489,598	-	-	2,489,598	-	-	-	-	-	0.00%	0.00
						90,484,116	94,587,900	4,103,784	4.45	4.17%	
Refinery											
Attock Refinery Limited	86,391	14,300	-	43,810	56,881	9,861,216	18,626,821	8,765,605	0.88	0.01	0.00
						9,861,216	18,626,821	8,765,605	0.88	0.82%	
Engineering											
Mughal Iron & Steel Industries Limited	189,790	152,480	-	-	342,270	20,043,491	22,651,429	2,607,938	1.07	1.00%	0.04
Agha Steel Industries Limited		1,541,768	-	-	1,541,768	23,398,698	21,939,359	(1,459,340)	1.03	0.97%	0.00
						43,442,189	44,590,787	1,148,598	2.10	0.02	
Total as at December 31, 2023						1,571,964,785	2,126,322,679	554,357,885	100	91.72%	
Total cost as at December 31, 2023						1,688,715,946					
Total as at June 30, 2023						1,401,177,233	1,372,908,316	(28,268,924)	99.33%	93.74%	

7.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP, of following companies:

	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
	----- (Number of shares) -----		----- (Rupees) -----	
Engro Corporation Limited				
Oil and Gas Development Company Limited				
Pakistan Petroleum Limited	160,000	160,000	47,185,600	41,582,400
Lucky Cement Company Limited	70,000	70,000	7,871,500	5,460,000
	330,000	330,000	37,959,900	19,516,200
	560,000	560,000	93,017,000	66,558,600

7.1.2 Finance act, 2014 had introduced tax on bonus shares issued by the companies. Most of the equity funds including the Fund have challenged the applicability of withholding tax provision on bonus shares before Honourable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. In the Fund's case, tax in the shape of 3,807 shares of Pakistan State Oils Limited and 9,893 shares of The Searle Company Limited have been withheld by CDC. Market value of these shares as at December 31 2023 amounted to Rs. 1.181M (June 30 2023: Rs.1.244 M) and are included in the Fund's investments in these financial statements.

7.2 Government securities - at fair value through profit or loss

7.2.1 Market Treasury Bills

Name of security	Date of Issuance	Holding as at July 01, 2023	Purchases during the period	Disposed / matured during the period	Holding as at December 31, 2023	Carrying value as at December 31, 2023 before revaluation	Market value as at December 31, 2023 (after revaluation)	Unrealised gain / (loss)	Market value as % of total investments	Market value as % of net assets
		----- No. Of Units -----				----- (Rupees) -----		----- (%) -----		
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	15-Jun-23	-	1,000,000	1,000,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	24-Aug-23	-	640,000	640,000	-	-	-	-	-	-
Total as at December 31, 2023						-	-	-	-	-
Total as at June 30, 2023						-	-	-	-	-

		December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
8. DIVIDEND AND OTHER RECEIVABLES			
Dividend receivable		734,756	635,328
Withholding tax recoverable	8.1	1,024,944	772,791
		<u>1,759,700</u>	<u>1,408,119</u>

- 8.1 The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application.

9. ADVANCES AND DEPOSITS

National Clearing Company of Pakistan Limited	2,550,000	2,550,000
Central Depository Company of Pakistan Limited	100,000	100,000
Prepayments	12,130	-
	<u>2,662,130</u>	<u>2,650,000</u>

10. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the Management Company	5,328,336	3,652,834
Sindh Sales Tax on Management Company's remuneration	692,682	474,868
Federal Excise Duty on Management Company's remuneration	21,182,857	21,182,857
	<u>27,203,875</u>	<u>25,310,559</u>

- 10.1 As per the amendment introduced through SRO 639(I)/2019, dated June 20, 2019, in regulation 61 of the NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. The effective management fee rate for the halt year end 31 December 2023 is 1.48 % of the average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Federal Excise Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 10.2.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, being prudent the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 21.182 million (2022: 21.182 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at December 31, 2023 would have been higher by Re. 1.28 (30 June 2023: Re. 1.36) per unit.

	December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
11. ACCRUED EXPENSES AND OTHER LIABILITIES		
Withholding tax payable	21,568	1,498,039
Brokerage payable	1,114,981	1,404,155
Auditors' remuneration	522,620	256,004

	December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
Fee payable to Central Depository Company of Pakistan Limited	95,331	-
Fee payable to National Clearing Company of Pakistan Limited	599,204	642,969
Dividend payable	16,836	16,836
Other liabilities	-	-
	<u>2,370,540</u>	<u>3,818,003</u>

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 3.88% which includes 0.52% representing government levies (comprising of SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Equity Scheme shall be capped up to 4.5% (excluding government levies).

13. CONTINGENCIES AND COMMITMENTS

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

14. TAXATION

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 its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash.

The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current year as a result of loss incurred during the year.

15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee and the custodian, SIZA Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company, key management personnel and other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at December 31, 2023.

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

December 31,	June 30,
2023	2023
(Unaudited)	(Audited)
(Rupees)	

15.1 Balance as at period / year ended

Lakson Investments Limited - Management Company of the Fund

Remuneration payable	5,328,336	3,652,834
Sindh Sales Tax payable on Management Company's remuneration	692,682	474,868
Federal Excise Duty	21,182,857	21,182,857

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

Central Depository Company of Pakistan Limited - Trustee of the Fund

Remuneration payable	310,926	226,734
Security deposit	100,000	100,000
Settlement charges payable	95,331	-

December 31,
2023
2022
(Rupees)
(Unaudited)

15.2 Transactions during the period

Lakson Investments Limited - Management Company of the Fund

Remuneration to the Management Company	27,909,112	21,956,010
Sindh sales tax on remuneration of Management Company *	3,628,185	2,854,281

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

Central Depository Company of Pakistan Limited - Trustee of the Fund

Remuneration for the period	1,637,577	1,810,158
Settlement charges	103,960	-

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

Lakson Investments Limited - Management Company of the Fund

Directors, Chief Executive and their spouse and minors

Other key management personnel

Associated companies / undertakings of the Management Company

Accuray Surgical Limited Employees Contributory Provident Fund

Century Insurance Co. Ltd., GF

Century Insurance Company Limited Employees Contributory Provident Fund Trust

Century Paper & Board Mills Limited ECPF

Century Paper & Board Mills Limited EGF

Colgate Palmolive Pakistan Limited ECPF

Colgate Palmolive Pakistan Limited EGF

Cyber Internet Services (Pvt.) Ltd. Empl. CPFT

Hasanali Karabhai Foundation ECPF Trust

Lakson Business Solutions Limited Employees Contributory Provident Fund Trust

Lakson Investments Limited ECPF

Merit Packaging Limited Employees Contributory Provident Fund Trust

Merit Packaging Limited Employees Gratuity Fund

Siza Foods Private Limited Employees Contributory Provident Fund Trust

Siza Services Private Limited Employees Contributory Provident Fund Trust

Sybird (Private) Limited ECPF

Holding more than 10% units

Sindh General Provident Investment Fund

Sindh Province Pension Fund

CDC Trustee-Punjab Pension Fund Trust

Half year ended December 31, 2023							
-----Number of units-----				-----Rupees-----			
Number of units as at July 01, 2023	Units issued during the period	Units redeemed during the period	Number of units as at December 31, 2023	Balance as at July 01, 2023	Units issued during the period	Units redeemed during the period	Balance as at December 31, 2023
2,052,766	353,167	-	2,405,933	194,280,112	43,383,778	-	329,018,312
27,576	17,041	3,255	41,362	2,609,900	1,708,340	400,000	5,656,433
15,749	36,872	35,213	17,409	1,490,554	4,878,517	4,700,894	2,380,729
16,454	69,661	57,627	28,487	1,557,219	8,913,937	7,693,148	3,895,739
12,660	65,901	52,447	26,113	1,198,218	8,375,276	7,004,813	3,571,094
137,713	705,197	561,992	280,918	13,033,593	89,724,937	75,077,335	38,416,314
142,925	650,296	529,712	263,509	13,526,852	83,046,419	70,743,710	36,035,585
111,555	650,645	508,979	253,222	10,557,941	82,373,887	67,975,253	34,628,790
159,720	713,141	583,239	289,622	15,116,389	91,116,695	77,883,776	39,606,679
78,077	354,983	289,041	144,020	7,389,489	45,345,460	38,605,722	19,695,124
1,604	9,808	7,653	3,759	151,813	1,237,714	1,021,303	514,021
1,335	-	-	1,335	126,314	-	-	182,515
16,312	36,171	35,074	17,409	1,543,832	4,808,517	4,683,584	2,380,729
24,903	58,558	55,765	27,696	2,356,854	7,751,050	7,446,696	3,787,524
13,458	38,529	34,776	17,211	1,273,750	5,030,295	4,642,927	2,353,676
62,122	387,733	300,494	149,361	5,879,446	48,982,449	40,129,311	20,425,575
3,229	34,911	25,479	12,661	305,591	4,356,194	3,402,512	1,731,439
18,158	68,952	58,226	28,883	1,718,503	8,870,381	7,774,858	3,949,846
4,104,675	-	-	4,104,675	388,479,214	-	-	561,326,278
5,962,533	-	-	5,962,533	564,312,640	-	-	815,393,727
1,896,702	-	-	1,896,702	179,509,801	-	-	259,379,563

Half year ended December 31, 2022							
Number of units				(Rupees)			
Number of units as at July 01, 2022	Units issued during the period	Units redeemed during the period	Number of units as at 31 December 2022	Balance as at July 01, 2022	Units issued during the period	Units redeemed during the period	Balance at the year ended December 31, 2022 (Investment at current NAV)

Lakson Investments Limited - Management Company of the Fund

Directors, Chief Executive and their spouse and minors
Other key management personnel

5,398,402	119	1,888,656	3,509,866	794,095,573	33,261,598	48,885,680	330,950,860
40,418	1,052		41,469	6,237,167		-	3,910,203

Associated companies / undertakings of the Management Company

Accuray Surgical Limited Employees Contributory Provident Fund
Century Insurance Co. Ltd., GF
Century Insurance Company Limited
Century Insurance Company Limited Employees Contributory Provident Fund Trust
Century Paper & Board Mills Limited ECPFT
Century Paper & Board Mills Limited EGF
Colgate Palmolive Pakistan Limited ECPFT
Colgate Palmolive Pakistan Limited EGF
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT
Gam Corporation Private Limited Employees Contributory Provident Fund
Hasanali Karabhai Foundation ECPF Trust
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust
Lakson Investments Limited ECPFT
Merit Packaging Limited Employees Contributory Provident Fund Trust
Merit Packaging Limited Employees Gratuity Fund
Premier Fashions Private Limited
Princeton Travels Private Limited Employees Contributory Provident Fund Trust
Siza Commodities Private Limited
Siza Foods Private Limited Employees Contributory Provident Fund Trust
Siza Private Limited
Siza Services Private Limited
Siza Services Private Limited Employees Contributory Provident Fund Trust
Sybrid (Private) Limited ECPFT

38,322		10,978	27,344	3,547,751		450,000	2,578,329
44,407		12,893	31,514	4,111,090		530,000	2,971,510
-			-	-			-
56,457		15,472	40,985	5,226,652		635,000	3,864,562
524,848		150,033	374,815	48,589,298		6,155,000	35,341,887
482,065		139,355	342,710	44,628,471		5,700,000	32,314,638
495,962		136,775	359,187	45,915,040		5,600,000	33,868,304
546,010		162,901	383,110	50,548,430		6,660,000	36,124,009
244,803		72,085	172,717	22,663,278		3,000,000	16,285,786
148,497		42,583	105,914	13,747,516		1,750,000	9,986,766
7,370		1,936	5,434	682,343		80,000	512,383
1,283			1,283	118,736			120,934
36,940		8,999	27,941	3,419,801		370,000	2,634,612
65,549		23,618	41,931	6,068,420		1,290,000	3,953,760
33,251		9,525	23,725	3,078,259		390,000	2,237,088
-			-	-			-
-			-	-			-
677,711		677,711	-	62,741,012		64,853,573	-
137,120		39,101	98,018	12,694,235		1,600,000	9,242,306
-	380		380	-	35,733	35,733	35,833
637,853		637,853	-	59,051,035		-	-
27,622		7,847	19,775	2,557,144		300,000	1,864,610
54,472		15,525	38,947	5,042,921		635,000	3,672,417

Connected person due to holding more than 10% units

Bashir Dawood
Sindh General Provident Investment Fund (Being more than 10% unit holding)
Sindh Province Pension Fund (Being more than 10% unit holding)

3,080,034		3,080,034	285,142,758	-	290,421,320
3,879,598		3,879,598	359,164,631	-	365,813,486
5,635,581		5,635,581	521,729,694	-	531,387,952

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

As at December 31, 2023				
	Level 1	Level 2	Level 3	Total
	----- (Unaudited) -----			
	----- (Rupees) -----			
Financial assets measured at fair value				
Listed equity securities	2,126,322,679	-	-	2,126,322,679
	<u>2,126,322,679</u>	<u>-</u>	<u>-</u>	<u>2,126,322,679</u>
As at 30 June 2023				
	Level 1	Level 2	Level 3	Total
	----- (Audited) -----			
	----- (Rupees) -----			
Financial assets at fair value through				
Listed equity securities	1,372,908,316	-	-	1,372,908,316
	<u>1,372,908,316</u>	<u>-</u>	<u>-</u>	<u>1,372,908,316</u>

17 GENERAL

17.1 The corresponding figures have been re-arranged wherever necessary

17.2 Figures have been rounded off to the nearest Rupee, unless otherwise stated.

18 DATE OF AUTHORIZATION OF 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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