

LAKSON EQUITY FUND

Quarterly Report (March 31, 2024)



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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Vision

To be a top quartile provider of investment solutions to both individuals and institutions. Through the success of our clients and employees we seek to build sustainable and long-term shareholder value, and to be an employer of choice in the asset management industry.

Mission

To deliver superior performance as measured by market share parameters, high-quality service and a portfolio of innovative yet tailored products across a range of investment disciplines and distribution channels.

To provide a fulfilling, stimulating and supportive environment for our employees that fosters their personal growth and facilitates our productivity as a team.

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 Shakra-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

LAKSON EQUITY FUND

REVIEW REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Equity Fund ("LEF") is pleased to submit its review report together with Condensed Interim Financial Information for the nine months period ended March 31, 2024.

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 3QFY24 with a return of 52.66% against the benchmark return of 61.64%, underperforming the benchmark by -8.98%. As of March 31, 2024, the fund maintains 91.6% exposure in equities, 7.2% in cash and 1.2% in others. Sector allocation is skewed towards Commercial Banks (22.3%), Oil & Gas Exploration (23.2%), Pharmaceuticals (3.8%), Fertilizer (10.7%), Cement (14.0%) and Power Gen. & Dist (5.4%). The fund size of LEF as of March 31, 2024 is PKR 2,388 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

In the third quarter of the fiscal year, Pakistan's economy demonstrated resilience and progress, largely propelled by adherence to IMF targets and external support. The completion of the first review of Pakistan's economic reform program by the IMF in January marked a significant milestone, resulting in an immediate disbursement of USD 700 million. This injection of funds bolstered foreign exchange reserves and provided much-needed stability to the external front, leading to a strengthening of the local currency.

Throughout the quarter, Pakistan witnessed improvements in its trade balance dynamics. In January, the trade deficit narrowed by 24.8%, primarily driven by a 24.7% increase in exports coupled with a 1.8% decline in imports. This positive trend contributed to a more favorable economic outlook and helped alleviate pressure on the country's external accounts.

Furthermore, inflationary pressures exhibited signs of moderation during the quarter. While CPI-based inflation remained elevated, clocking in at 28.3% in January, it slowed down to 20.7% by March. Similarly, core inflation showed a downward trajectory, suggesting a potential easing of price pressures in the coming months. These developments provided room for the State Bank of Pakistan (SBP) to consider initiating a monetary easing cycle, supported by positive real interest rates.

On the fiscal front, Pakistan's tax collection saw robust growth, with FBR tax revenues surpassing targets. This trend indicated improving fiscal discipline and revenue mobilization efforts. Additionally, GDP growth showed

signs of stabilization, with a growth rate of 2.13% recorded in the first quarter of the fiscal year, expected to normalize to around 3.3% for the full fiscal year.

Overall, the third quarter showcased promising advancements in Pakistan's economic landscape, underpinned by proactive policy measures, adherence to IMF targets, and improving external dynamics. Moving forward, sustaining this momentum and addressing structural challenges will be crucial for fostering long-term economic stability and growth.

Equity Market Review

The KSE-100 index gained 7% during the quarter, closing at 67,005 levels. This optimism stemmed from the new government finally assuming charge by forming a cabinet and assigning key portfolios. Additionally, Pakistan's smooth progress in securing a staff-level agreement in the final review of the current IMF program provided a further boost to sentiments. Furthermore, the Government of Pakistan reaffirmed its commitment to continuing structural reforms along with the intention to enter a new IMF program, which helped sustain the rally throughout the quarter. In the near-term, the market's direction will be influenced by policy initiatives from the newly formed government, the stance of the State Bank of Pakistan (SBP) on monetary policy, and developments regarding the new IMF program. We maintain our strong stance as the market presents significant discounts, as evidenced by a forward Price to Earnings ratio of 4.3x.

Future Outlook

Pakistan and the International Monetary Fund (IMF) reached a staff-level agreement on the final review of a USD 3.0 billion bailout, where the country will receive USD 1.1 billion after approval from the Fund's Executive Board in April 2024. This development underscores the government's unwavering commitment to remain in accordance with the IMF targets. The government has also publicly announced its intention to seek a new IMF program of at least USD 6 billion after the current program expires. This will unlock funding from bilateral and multilateral sources. This will increase SBP reserves to USD10bn (as per SBP and IMF forecast).

The latest CPI reading for the month of March-24 has come out at 20.68%, where the inflation has fallen below the policy rate for the first time after 37 months, with further decline anticipated in coming months. Considering the inflation trajectory, we expect the SBP to initiate the monetary easing cycle from the upcoming monetary policy at the end of this month. While interest rates are still at elevated levels, smart money is considering the declining trajectory in inflation and interest rates as an opportune time to gradually build position into equities. Eventual decline in interest rates will trigger a strong shift of liquidity towards equities.

Moreover, robust corporate profits surpassing estimated growth rates, and the anticipated decline in interest rates from the next monetary policy, create a favorable environment for equity investments. Positive trends in foreign investment, coupled with limited institutional exposure and active corporate activity such as share repurchases and acquisitions at significant premiums, form a compelling landscape that presents opportunities for both domestic and international investors seeking to capitalize on Pakistan's vibrant stock market.

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: April 30, 2024

لیکسن اکیویٹی فنڈ

31 مارچ 2024ء کو ختم ہونے والی 9 ماہی مدت کے لیے

مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن اکیویٹی فنڈ ("LEF") کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے 31 مارچ 2024ء کو ختم ہونے والی 9 ماہی 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 اکیویٹی اور متعلقہ لسٹڈ سیکیورٹیز میں سرمایہ کاری کے ذریعے سرمایے کی مالیت میں طویل مدتی اضافہ کرنا ہے۔ سرمایہ کاری مالیاتی استحکام اور نمایاں طور پر اعلیٰ انتظامی مہارتوں کا مظاہرہ کرنے والی اہم کمپنیوں میں کی جائے گی جس میں سے کچھ سرمایہ کم مالیاتی قدر والے اسٹاکس میں لگایا جائے گا۔

نمایاں سرگرمیاں

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

فنڈ کی کارکردگی

LEF نے بیچ مارک منافع 61.64% کے مقابلے میں 52.66% منافع کے ساتھ مالی سال 2024ء کی تیسری سہ ماہی کا اختتام بیچ مارک کے مقابلے میں منفی 8.98% کم تر کارکردگی کے ساتھ کیا۔ 31 مارچ 2024ء کے مطابق فنڈ، اکیویٹیز میں 91.6%، کیش میں 7.2% اور دیگر اثاثوں میں 1.2% سرمایہ کاری رکھتا ہے۔ شعبہ جاتی تفویض کچھ اس طرح ہے: کمرشل بینک (22.3%)، آئل اینڈ گیس ایکسپلوریشن (23.2%)، فارماسیوٹیکل (3.8%)، فریٹ لائزر (10.7%)، سیمنٹ (14%) اور پاور جنریشن اینڈ ڈسٹری بیوشن (5.4%)۔ 31 مارچ 2024ء کے مطابق LEF کا فنڈ حجم 2,388 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

مالی سال کی تیسری سہ ماہی میں پاکستان کی معیشت نے لچک اور ترقی کا مظاہرہ کیا جس کی بڑی وجہ آئی ایم ایف کے اہداف کی پاسداری اور بیرونی حمایت ہے۔ جنوری میں آئی ایم ایف کی جانب سے پاکستان کے اقتصادی اصلاحاتی پروگرام کے پہلے جائزے کی تکمیل ایک اہم سنگ میل کی حیثیت رکھتی ہے جس کے نتیجے میں فوری طور پر 700 ملین ڈالر کی ادائیگی کی گئی۔ فنڈز کی اس وصولی سے زرمبادلہ کے ذخائر میں اضافہ ہوا اور بیرونی محاذ کو انتہائی ضروری استحکام فراہم ہوا جس سے مقامی کرنسی کو تقویت ملی۔

پوری سہ ماہی کے دوران پاکستان نے اپنے تجارتی توازن کی حرکیات میں بہتری دیکھی۔ جنوری میں تجارتی خسارہ 24.8 فیصد کم ہوا، جس کی بنیادی وجہ برآمدات میں 24.7 فیصد اضافہ اور درآمدات میں 1.8 فیصد کمی ہے۔ اس مثبت رجحان نے زیادہ سازگار معاشی نقطہ نظر میں کردار ادا کیا اور ملک کے بیرونی کھاتوں پر دباؤ کو کم کرنے میں مدد کی۔

مزید برآں، افراط زر کے دباؤ نے سہ ماہی کے دوران میانہ روی کے اشارے دکھائے۔ اگرچہ سی پی آئی پر مبنی افراط زر کی شرح جنوری میں 28.3 فیصد کی بلند سطح پر رہی جو مارچ تک کم ہو کر 20.7 فیصد رہ گئی۔ اسی طرح بنیادی افراط زر میں بھی کمی دیکھی گئی جس سے آنے والے مہینوں میں قیمتوں کے دباؤ میں ممکنہ کمی کا اشارہ ملتا ہے۔ انہی پیش رفتوں نے اسٹیٹ بینک آف پاکستان (ایس بی پی) کو مثبت حقیقی شرح سود کی مدد سے مالیاتی نرمی کا عمل شروع کرنے پر غور کرنے کی گنجائش فراہم کی۔

مالی محاذ پر، پاکستان کی ٹیکس وصولیوں میں زبردست اضافہ دیکھا گیا، ایف بی آر ٹیکس محصولات اہداف سے تجاوز کر گئے۔ اس رجحان نے مالی نظم و ضبط اور محصولات کو متحرک کرنے کی کوششوں میں بہتری کی نشاندہی کی۔ مزید برآں، جی ڈی پی کی شرح نمو میں استحکام کے اشارے ملے، مالی سال کی پہلی سہ ماہی میں شرح نمو 2.13 فیصد ریکارڈ کی گئی، توقع ہے کہ پورے مالی سال کے لئے یہ 3.3 فیصد کے قریب معمول پر آ جائے گی۔

مجموعی طور پر تیسری سہ ماہی میں پاکستان کے معاشی منظر نامے میں امید افزا پیش رفت دیکھنے میں آئی جس میں فعال پالیسی اقدامات، آئی ایم ایف کے اہداف کی پاسداری اور بیرونی حرکیات کو بہتر بنانا شامل ہے۔ آگے بڑھنا، اس رفتار کو برقرار رکھنا اور اسٹرکچرل چیلنجوں سے نمٹنا طویل مدتی معاشی استحکام اور ترقی کو فروغ دینے کے لئے اہم ہوگا۔

ایکویٹی مارکیٹ کا جائزہ

سہ ماہی کے دوران کے ایس ای 100 انڈیکس 7 فیصد اضافے سے 67,005 کی سطح پر بند ہوا۔ یہ امید افزا صورتحال اس وقت پیدا ہوئی جب نئی حکومت نے آخر کار کابینہ تشکیل دے کر اور اہم قلمدان تفویض کر کے چارج سنبھال لیا۔ مزید برآں، موجودہ آئی ایم ایف پروگرام کے حتمی جائزے کے ضمن میں اسٹاف لیول معاہدے کے لیے پاکستان کی ہموار پیش رفت نے جذبات کو مزید تقویت دی۔ مزید برآں، حکومت پاکستان نے آئی ایم ایف کے نئے پروگرام میں شامل ہونے کے ارادے کے ساتھ اسٹرکچرل اصلاحات جاری رکھنے کے عزم کا اعادہ کیا، جس سے سہ ماہی کے دوران تیزی کو برقرار رکھنے میں مدد ملی۔ مستقبل قریب میں مارکیٹ کی سمت، نو تشکیل شدہ حکومت کے پالیسی اقدامات، مانیٹری پالیسی پراسٹیٹ بینک آف پاکستان کے موقف اور نئے آئی ایم ایف پروگرام کے حوالے سے پیش رفت سے متاثر ہوگی۔ ہم نے اپنا مضبوط موقف برقرار رکھا ہے کیونکہ مارکیٹ نمایاں مراعات پیش کر رہی ہے، جیسا کہ 4.3x کے ”فارورڈ پرائس ٹورانگ ریٹو“ سے ظاہر ہوتا ہے۔

مستقبل کا منظر نامہ

پاکستان اور عالمی مالیاتی فنڈ (آئی ایم ایف) کے درمیان 3 ارب ڈالر کے بیل آؤٹ پیکیج کے حتمی جائزے پر اسٹاف لیول معاہدہ طے پایا ہے، جس کے تحت اپریل 2024 میں فنڈ کے ایگزیکٹو بورڈ سے منظوری کے بعد وطن عزیز کو 1.1 ارب ڈالر ملیں گے۔ یہ پیش رفت آئی ایم ایف کے اہداف کے ساتھ مطابقت کے لئے حکومت کے غیر متزلزل عزم کی عکاسی کرتی ہے۔ حکومت نے آئی ایم ایف کے موجودہ پروگرام کی میعاد ختم ہونے کے بعد کم از کم 6 ارب ڈالر کا نیا آئی ایم ایف پروگرام شروع کرنے کے ارادے کا بھی عوامی طور پر اعلان کیا ہے۔ اس سے دو طرفہ اور کثیر الجہتی ذرائع سے مالی اعانت حاصل ہوگی، جس کے نتیجے میں اسٹیٹ بینک کے ذخائر 10 ارب ڈالر تک بڑھ جائیں گے (اسٹیٹ بینک اور آئی ایم ایف کی پیش گوئی کے مطابق)۔

مارچ 2024 کے مہینے کے لئے تازہ ترین سی پی آئی تخمینہ 20.68 فیصد سامنے آیا ہے، جب افراط زر 37 ماہ کے بعد پہلی بار پالیسی ریٹ سے نیچے آ گیا ہے، جس میں آنے والے مہینوں میں مزید کمی متوقع ہے۔ افراط زر کی شرح کو مد نظر رکھتے ہوئے ہم توقع کرتے ہیں کہ اسٹیٹ بینک رواں ماہ کے آخر میں اگلی زری پالیسی سے مالیاتی نرمی کا عمل شروع کرے گا۔ اگرچہ شرح سود اب بھی بلند سطح پر ہے، اسمارٹ سرمایہ، افراط زر اور شرح سود میں بتدریج کمی کو آہستہ آہستہ ایکویٹی میں پوزیشن بنانے کے لئے مناسب وقت کے طور پر دیکھ رہا ہے۔ شرح سود میں بالآخر کمی، لیکویڈیٹی کی ایکویٹیز کی جانب مضبوط منتقلی کا سبب بنے گی۔

مزید برآں، معقول کارپوریٹ منافع، شرح نمو کے تخمینے سے تجاوز کر سکتا ہے اور اگلی مانیٹری پالیسی سے شرح سود میں متوقع کمی، ایکویٹی سرمایہ کاری کے لئے سازگار ماحول پیدا کرتی ہے۔ غیر ملکی سرمایہ کاری میں مثبت رجحانات، محدود ادارہ جاتی رابطہ اور فعال کارپوریٹ سرگرمیاں جیسے حصص کی دوبارہ خریداری اور نمایاں پریمیم پر حصول، ایک زبردست منظر نامہ تشکیل دیتے ہیں جو پاکستان کی متحرک اسٹاک

مارکیٹ سے فائدہ اٹھانے کے خواہاں ملکی اور بین الاقوامی سرمایہ کاروں دونوں کے لئے مواقع پیش کرتا 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 ومنجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اپریل 2024ء

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2024

	<i>Note</i>	March 31 2024 (Unaudited)	June 30, 2023 (Audited)
		(Rupees)	
Assets			
Bank balances	5	174,683,134	147,735,670
Investments	6	2,213,500,368	1,372,908,316
Dividend and other receivables		15,835,545	1,408,119
Mark-up accrued on bank balances		2,620,660	1,514,312
Advances and deposit		3,831,770	2,650,000
Receivable Against Investments		5,809,492	-
Total assets		2,416,280,969	1,526,216,417
Liabilities			
Payable to the Management Company	8.	26,830,393	25,310,559
Remuneration payable to the Trustee		317,882	226,734
Annual fee payable to Securities and Exchange Commission of Pakistan		189,886	399,131
Accrued expenses and other liabilities	9.	1,115,852	3,818,003
Payable against purchase of investments		-	31,843,423
Total liabilities		28,454,014	61,597,850
Contingencies and commitments	11.		
Net Assets		2,387,826,954	1,464,618,567
Unit holders' fund (as per the statement attached)		2,387,826,954	1,464,618,567
		(Number of units)	
Number of units in issue		16,526,553	15,475,162
		(Rupees)	
Net assets value per unit		144.4842	94.6431

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

		Nine Months Ended March 31,		Quarter Ended March 31,	
	Note	2024	2023	2024	2023
Income		(Rupees)		(Rupees)	
Gain / (loss) on sale of held for trading investments - net		77,383,646	21,436,087	27,917,301	(10,633,073)
Unrealised (loss) on revaluation of held for trading investments - net	6.1	600,940,701	(52,108,298)	46,582,816	(30,114,222)
		678,324,347	(30,672,211)	74,500,117	(40,747,295)
Dividend income on investments - net		158,898,509	170,660,786	64,299,485	58,246,318
Return / markup on:					
- Bank balances calculated using effective interest method		22,092,642	20,739,833	8,091,226	5,809,830
- Government and other debt securities using effective interest method		1,441,388	2,137,644	-	510,445
		23,534,030	22,877,478	8,091,226	6,320,275
Total Income / (loss)		860,756,886	162,866,053	146,890,828	23,819,298
Expenses					
Remuneration of the Management Company		42,334,274	31,439,564	14,425,162	9,483,554
Sindh Sales Tax on remuneration of the Management Company		5,503,456	4,087,143	1,875,271	1,232,862
Remuneration of the Trustee		2,570,551	2,624,609	932,974	814,451
Annual fee to the Securities and Exchange Commission of Pakistan		1,447,285	314,396	548,156	94,836
SECP supervisory fee		1,879	1,918	591	630
Auditors' remuneration		333,126	340,252	66,510	69,220
Legal and professional charges		398,315	240,506	148,330	68,604
Fees and subscription		21,089	18,632	7,007	6,120
Printing charges		28,815	18,645	13,560	-
Brokerage, settlement and bank charges		3,103,429	4,668,108	1,192,588	934,352
Total Expenses		55,742,218	43,753,772	19,210,148	12,704,628
Net income / (loss) from operating activities		805,014,668	119,112,280	127,680,680	11,114,670
Net income / (loss) for the period before taxation		805,014,668	119,112,280	127,680,680	11,114,670
Taxation	12.	-	-	-	-
Net income / (loss) for the period after taxation		805,014,668	119,112,280	127,680,680	11,114,670
Allocation of Net Income for the period:					
Net income for the period		805,014,668	119,112,280	127,680,680	71,343,114
Income already paid on units redeemed		(85,994,218)	(18,683,550)	(15,983,663)	(6,480,865)
Accounting income available for distribution		719,020,449	100,428,731	111,697,017	64,862,250
Relating to capital gains		604,059,238	-	60,226,746	(10,633,073)
Excluding capital gains		114,961,211	100,428,731	51,470,271	75,495,323
Accounting income available for distribution		719,020,449	100,428,731	111,697,017	64,862,250

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

	Nine Months Ended		Quarter Ended	
	March 31,		March 31,	
	2024	2023	2024	2023
	(Rupees)		(Rupees)	
Net income / (loss) for the period after taxation	805,014,668	119,112,280	127,680,680	11,114,670
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	805,014,668	119,112,280	127,680,680	11,114,670

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF UNIT HOLDERS' FUND (UN AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine Month Ended March 31,					
	2024			2023		
	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 5,309,903 units (2023: 1,577 units)						
- Capital value	502,545,664	-	502,545,664	145,951	-	145,951
- Element of gain / (loss)	185,496,144	-	185,496,144	(3,277)	-	(3,277)
Total proceeds on issuance of units	688,041,809	-	688,041,809	142,674	-	142,674
Redemption of 4,258,512 units (2023: 5,945,852 units)						
- Capital value	(403,038,820)	-	(403,038,820)	(550,447,361)	-	(550,447,361)
- Element of gain / (loss)	(80,815,049)	(85,994,218)	(166,809,268)	55,296	(18,683,550)	(18,628,254)
Total payments on redemption of units	(483,853,870)	(85,994,218)	(569,848,088)	(550,392,065)	(18,683,550)	(569,075,615)
Total comprehensive income / (loss) for the period	-	805,014,668	805,014,668	-	119,112,280	119,112,280
Net assets as at end of the period	2,098,625,483	289,201,472	2,387,826,954	2,235,941,008	(342,760,782)	1,893,180,226
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	604,059,238			-		
Excluding capital gains	114,961,211			100,428,731		
	719,020,449			100,428,731		
Undistributed income at end of the period		289,201,472			(342,760,782)	
Undistributed income /(loss) brought forward:						
- Realized (loss)/ income		(311,739,229)			(290,652,484)	
- Unrealized (loss)/ income		600,940,701			(52,108,298)	
Undistributed income /(loss) at end of the period		289,201,472			(342,760,782)	
Net assets value per unit at beginning of the period			94.6431			92.5778
Net assets value per unit at end of the period			144.4842			97.7672

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine Months Ended March 31,	
	2024	2023
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period	805,014,668	119,112,280
Adjustments for:		
Unrealised loss on revaluation of held for trading investments - net	(600,940,701)	52,108,298
Dividend income on investment at fair value through profit or loss	(158,898,509)	-
Mark-up on bank balances and Investments - at amortised cost	(23,534,030)	-
	21,641,428	171,220,578
(Increase) / Decrease in assets		
Investments	(239,651,351)	342,672,751
Dividend and other receivables	144,471,083	-
Mark-up accrued on bank balances	22,427,682	(42,525,292)
Advances, deposits and prepayments	(1,181,770)	(652,119)
Receivable against sale of equity Investments	(5,809,492)	-
	(79,743,848)	299,495,340
Increase / (Decrease) in liabilities		
Payable to the Management Company	1,519,834	2,550,664
Remuneration payable to the Trustee	91,148	220,545
Annual fee payable to Securities and Exchange Commission of Pakistan	(209,245)	(278,555)
Accrued expenses and other liabilities	(2,702,151)	1,063,740
Payable against purchase of equity investments	(31,843,424)	(14,561,158)
	(33,143,837)	(11,004,763)
Net cash used in operating activities	(91,246,257)	459,711,155
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	688,041,809	142,674
Payment against redemption of units	(569,848,088)	(569,075,615)
Net cash generated from / (used in) financing activities	118,193,721	(568,932,941)
Net Increase / (decrease) in cash and cash equivalents	26,947,464	(109,221,786)
Cash and cash equivalents at beginning of the period	147,735,670	276,575,247
Cash and cash equivalents at end of the period	174,683,134	167,353,461

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS (Un-Audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

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

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

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

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

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 31 March 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 nine months period ended 31 March 2024 have been extracted from the unaudited condensed interim financial information for the nine months period ended 31 March 2023.

- 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 March 31, 2024.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

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

2.6 Critical accounting estimates and judgements

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

The significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2023.

3 SIGNIFICANT ACCOUNTING POLICIES

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

4 FINANCIAL RISK MANAGEMENT

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

		March 31 2024 (Unaudited) (Rupees)	June 30, 2023 (Audited)
5	BANK BALANCES		
	In profit and loss sharing accounts	5.1 174,675,431	147,727,967
	In current account	7,703	7,703
		<u>174,683,134</u>	<u>147,735,670</u>

- 5.1 These accounts carry profit at the rates of 20.50% to 22% (June 30, 2023: 11.50% to 19.50%) per annum.

6 INVESTMENTS

At fair value through profit or loss - held for trading

Listed equity securities	6.1	2,213,500,368	1,372,908,316
Market treasury bills	6.2	-	-
		<u>2,213,500,368</u>	<u>1,372,908,316</u>

6.1 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 March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	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	128,677	-	-	1,313,191	42,890,844	68,771,813	25,880,969	3.11	0.03	0.01
Faysal Bank Limited	1,076,350	762,851	-	-	1,839,201	45,397,123	62,624,794	17,227,671	2.83	0.03	0.02
Habib Bank Limited	577,708	130,700	-	538,092	170,316	12,605,832	17,784,397	5,178,565	0.80	0.01	0.00
MCB Bank Limited	549,252	127,757	-	78,478	598,531	75,531,903	121,657,411	46,125,508	5.50	0.05	0.01
Meezan Bank Limited	599,953	27,164	-	43,400	583,717	52,837,728	124,693,626	71,855,897	5.63	0.05	0.01
Bank Islami Pakistan Limited	1,808,500	138,800	-	1,947,300	-	-	-	-	-	-	0.00
United Bank Limited	704,780	142,945	-	62,600	785,125	99,454,641	143,112,585	43,657,944	6.47	0.06	0.01
						328,718,071	538,644,625	209,926,554	24.33	0.23	
Chemicals											
Descon Oxychem Limited	440,100	632,000	-	1,072,100	-	-	-	-	-	-	0.00
Lotte Chemical Pakistan Limited	-	935,681	-	935,681	-	-	-	-	-	-	0.00
Lucky Core Industries Limited	-	49,710	-	-	49,710	39,199,921	42,624,834	3,424,913	1.93	0.02	0.01
						39,199,921	42,624,834	3,424,913	1.93	0.02	
Fertilizers											
Engro Corporation Limited (6.1.1)	224,070	-	-	19,750	204,320	53,100,725	73,408,090	20,307,365	3.32	0.03	0.00
Engro Fertilizer Limited	490,923	51,300	-	-	542,223	46,231,696	79,554,959	33,323,262	3.59	0.03	0.00
Fauji Fertilizer Bin Qasim Limited	-	2,219,473	-	818,420	1,401,053	27,851,902	38,444,894	10,592,993	1.74	0.02	0.01
Fauji Fertilizer Company Limited	556,411	174,952	-	198,950	532,413	56,755,006	67,217,141	10,462,135	3.04	0.03	0.01
						183,939,329	258,625,084	74,685,755	11.68	0.11	
Pharmaceuticals											
Ferozsons Laboratories Limited	40,540	-	-	-	40,540	5,547,899	8,896,098	3,348,199	0.40	0.00	0.01
The Searl Company Limited (6.1.2)	9,893	-	-	-	9,893	379,100	517,404	138,304	0.02	0.00	0.00
Highnoon Laboratories Limited	29,900	60,830	-	-	90,730	37,325,393	46,221,491	8,896,098	2.09	0.02	0.04
AGP Limited	-	502,931	-	-	502,931	36,063,479	37,327,539	1,264,060	1.69	0.02	0.05
						79,315,871	92,962,532	13,646,661	4.20	0.04	
Cement											
Lucky Cement Company Limited (6.1.2)	83,418	40,775	-	20,690	103,503	55,286,662	79,177,725	23,891,063	3.58	0.03	0.00
Kohat Cement Company Limited	171,883	27,500	-	145,026	54,357	9,511,837	12,229,238	2,717,401	0.55	0.01	0.00
D.G. Khan Cement Company Limited	-	462,000	-	462,000	-	-	-	-	-	-	0.00
Maple Leaf Cement Factory Limited	804,673	1,473,084	-	40,700	2,237,057	72,192,344	79,594,488	7,402,145	3.60	0.03	0.04
Pioneer Cement Limited	269,170	442,065	-	33,250	677,985	66,157,442	86,605,804	20,448,362	3.91	0.04	0.03
Cherat Cement Company Limited	177,992	198,433	-	298,610	77,815	10,073,125	11,836,440	1,763,315	0.53	0.00	0.00
Fauji Cement Company Limited	1,958,687	1,923,561	-	-	3,882,248	53,999,612	68,482,855	14,483,243	3.09	0.03	0.03
						267,221,022	337,926,549	70,705,527	15.27	0.14	
Power Generation & Distribution											
Hub Power Company Limited	900,574	263,823	-	186,645	977,752	80,438,456	118,571,985	38,133,529	5.36	0.05	0.01
Engro Powergen Qadirpur Limited	-	1,123,000	-	701,300	421,700	11,168,741	12,039,535	870,794	0.54	0.01	0.01
						91,607,198	130,611,520	39,004,322	5.90	0.05	
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (6.1.2)	85,842	-	-	19,855	65,987	99,946,550	167,408,359	67,461,809	7.56	0.07	0.01
Oil and Gas Development Company Limited (6.1.1)	820,702	480,575	-	83,350	1,217,927	108,613,744	148,160,820	39,547,076	6.69	0.06	0.00
Pakistan Oilfield Limited	265,152	-	-	40,200	224,952	90,378,965	97,195,011	6,816,046	4.39	0.04	0.01
Pakistan Petroleum Limited (6.1.1)	879,647	576,103	-	70,990	1,384,760	96,510,147	146,992,274	50,482,127	6.64	0.06	0.01
						395,449,406	559,756,463	164,307,057	25.29	0.23	
Oil and Gas Marketing Companies											
Attock Petroleum Limited	122,241	-	-	84,336	37,905	11,380,976	14,367,890	2,986,914	0.65	0.01	0.00
Pakistan State Oil Company Limited (6.1.2)	132,606	41,250	-	104,453	69,403	7,931,365	11,974,794	4,043,429	0.54	0.01	0.00
Sui Northern Gas Pipelines Limited	668,548	711,263	-	277,675	1,102,136	52,068,240	68,905,543	16,837,303	3.11	0.03	0.02
						71,380,581	95,248,227	23,867,645	4.30	0.04	

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 March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	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	-	-	-	-	-	-	0.00
Fauji Foods Limited	4,128,026	1,723,925	-	3,285,744	2,566,207	18,519,430	23,891,387	5,371,957	1.08	0.01	0.05
						18,519,430	23,891,387	5,371,957	1.08	0.01	
Automobile Assembler											
Millat Tractors Limited	-	41,131	-	-	41,131	25,036,519	24,068,216	(968,303)	1.09	0.01	0.01
						25,036,519	24,068,216	(968,303)	1.09	0.01	
Technology and Communication											
TRG Pakistan Limited	153,729	-	-	153,700	29	2,672	2,007	(665)	0.00	0.00	0.00
Systems Limited	279,036	21,000	-	76,725	223,311	90,481,444	86,059,593	(4,421,851)	3.89	0.04	0.02
Hum Network Limited	2,489,598	-	-	2,489,598	-	-	-	-	-	-	0.00
						90,484,116	86,061,600	(4,422,516)	3.89	0.04	
Refinery											
Attock Refinery Limited	86,391	14,300	-	100,691	-	-	-	-	-	-	0.00
						-	-	-	-	-	
Engineering											
Mughal Iron & Steel Industries Limited	189,790	176,142	-	-	365,932	21,688,203	23,079,331	1,391,128	1.04	0.01	0.03
Agha Steel Industries Limited		1,764,698	-	1,764,698	-	-	-	-	-	-	0.00
						21,688,203	23,079,331	1,391,128	1.04	0.01	
Total as at March 31, 2024						1,612,559,667	2,213,500,368	600,940,701	100.00	0.93	
Total as at June 30, 2023						1,401,177,233	1,372,908,316	(28,268,924)	99.33%	0.94	

6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited:

	March 31, 2024	June 30, 2023	March 31, 2024	June 30, 2023
	----- (Number of shares) -----		----- (Rupees) -----	
Engro Corporation Limited	160,000	160,000	56,649,600	41,582,400
Oil and Gas Development Company Limited	70,000	70,000	8,596,700	5,460,000
Pakistan Petroleum Limited	330,000	330,000	35,366,100	19,516,200
	560,000	560,000	120,890,900	66,558,600

6.1.2 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 March 31 2024 amounted to Rs. 1.183 mln (June 30 2023: Rs.1.244 mln) 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 (Face value of Rs 100 each)

Name of security

Date of Issuance	Holding as at July 01, 2023	Purchases during the period	Disposed / matured during the period	Holding as at March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised gain / (loss)	Market value as % of total investments	Market value as % of net assets
	----- No. Of Units -----				----- (Rupees) -----			----- (%) -----	
Treasury Bills - 03 months	15-Jun-23	-	1,000,000	1,000,000	-	-	-	-	-
Treasury Bills - 03 months	24-Aug-23	-	640,000	640,000	-	-	-	-	-
Total as at March 31, 2024					-	-	-	-	-
Total as at June 30, 2023					-	-	-	-	-

	Note	March 31 2024 (Unaudited)	June 30, 2023 (Audited)
8. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	8.1	4,997,821	3,652,834
Sindh Sales Tax on Management Company's remuneration	8.2	649,715	474,868
Federal Excise Duty on Management Company's remuneration	8.3	21,182,857	21,182,857
		<u>26,830,393</u>	<u>25,310,559</u>

8.1 As per regulation 61 of the NBFC and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 3% of average annual net assets of the fund, calculated on daily basis. The effective management fee rate for the period ended March 31, 2024 is 1.38% of average annual net assets calculated on daily basis.

8.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Federal Excise Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 8.3.

8.3 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 March 31, 2024 would have been higher by Re. 1.28 (30 June 2023: Re. 1.37) per unit.

	March 31 2024 (Unaudited)	June 30, 2023 (Audited)
9. ACCRUED EXPENSES AND OTHER LIABILITIES		
Withholding tax payable	255,094	1,498,039
Brokerage payable	1,960	1,404,155
Auditors' remuneration	205,303	256,004
Fee payable to Central Depository Company of Pakistan Limited	145,836	-
Fee payable to National Clearing Company of Pakistan Limited	490,822	642,969
Dividend payable	16,836	16,836
	<u>1,115,852</u>	<u>3,818,003</u>

10. TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), Total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 3.37% as of March 31, 2024 and this includes 0.50% representing Government levies and SECP fee etc. As per NBFC Regulation the total expense ratio of the Equity Scheme shall be capped up to 4.5% (excluding government levies).

11. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2024.

12. 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 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. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee of the fund, 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, staff retirement benefits of related parties and other entities having holding more than 10% in the units of the Funds as March 31, 2024.

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

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

	March 31 2024 (Unaudited)	June 30, 2023 (Audited)
	(Rupees)	
13.1 Balance as at period / year ended		
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable	4,997,821	3,652,834
Sindh Sales Tax payable on Management Company's remuneration*	649,715	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	317,882	226,734
Security deposit	100,000	100,000
Settlement charges payable	145,836	-
	March 31,	
	2024	2023
	(Rupees)	
13.2 Transactions during the period		
Lakson Investments Limited - Management Company of the Fund		
Remuneration to the Management Company	42,334,274	31,439,564
Sindh sales tax on remuneration of Management Company *	5,503,456	4,087,143
* 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	2,570,551	2,624,609
Settlement charges	154,465	138,231

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

Nine Month Ended March 31, 2024									
-----Number of units-----					-----Rupees-----				
Number of units as at July 01, 2023	Units issued during the period	Refund / Adjustment of units as element of income	Units redeemed during the period	Number of units as at March 31, 2024	Balance as at July 01, 2023	Units issued during the period	Units redeemed during the period	Gross Dividend during the period	Balance as at March 31, 2024
-	-	-	-	-	-	-	-	-	-
2,052,766	676,912	-	379,413	2,350,264	194,280,112	88,039,177	52,095,342	-	339,576,041
27,576	27,213	-	3,443	51,346	2,609,900	3,114,339	427,261	-	7,418,713
15,749	36,872	-	35,213	17,409	1,490,554	4,878,517	4,700,894	-	2,515,323
16,454	69,661	-	57,627	28,487	1,557,219	8,913,937	7,693,148	-	4,115,984
12,660	65,901	-	55,052	23,509	1,198,218	8,375,276	7,376,813	-	3,396,681
137,713	705,197	-	561,992	280,918	13,033,593	89,724,937	75,077,335	-	40,588,173
142,925	650,296	-	529,712	263,509	13,526,852	83,046,419	70,743,710	-	38,072,850
111,555	650,645	-	508,979	253,222	10,557,941	82,373,887	67,975,253	-	36,586,522
159,720	713,141	-	583,239	289,622	15,116,389	91,116,695	77,883,776	-	41,845,835
78,077	354,983	-	289,041	144,020	7,389,489	45,345,460	38,605,722	-	20,808,585
1,604	9,808	-	7,653	3,759	151,813	1,237,714	1,021,303	-	543,081
1,335	-	-	-	1,335	126,314	-	-	-	192,834
16,312	36,171	-	35,074	17,409	1,543,832	4,808,517	4,683,584	-	2,515,323
24,903	58,558	-	55,765	27,696	2,356,854	7,751,050	7,446,696	-	4,001,651
13,458	38,529	-	36,937	15,050	1,273,750	5,030,295	4,942,927	-	2,174,525
62,122	387,733	-	317,506	132,348	5,879,446	48,982,449	42,529,311	-	19,122,245
3,229	34,911	-	25,479	12,661	305,591	4,356,194	3,402,512	-	1,829,326
18,158	68,952	-	58,226	28,883	1,718,503	8,870,381	7,774,858	-	4,173,150
4,104,675	-	-	-	4,104,675	388,479,214	-	-	-	593,060,756
5,962,533	-	-	-	5,962,533	564,312,640	-	-	-	861,491,861
1,896,702	-	-	-	1,896,702	179,509,801	-	-	-	274,043,539

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 ECPFT
Century Paper & Board Mills Limited EGF
Colgate Palmolive Pakistan Limited ECPFT
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 ECPFT
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 Countributory Provident Fund Trust
Sybrid (Private) Limited ECPFT

Holding more than 10% units

Sindh General Provident Investment Fund
Sindh Province Pension Fund
CDC Trustee-Punjab Pension Fund Trust

Lakson Investments Limited - Management Company of the Fund
Directors, Chief Executive and their spouse and minors
Other key management personnel

Nine Month Ended March 31, 2023									
Number of units					(Rupees)				
Number of units as at 01 July 2022	Units issued during the Year	Refund / Adjustment of units as element of income	Units redeemed during the Year	Number of units as at March 31, 2023	Balance as at 01 July 2022	Units issued during the Year	Units redeemed during the Year	Gross Dividend during the period	Balance as at March 31, 2023
-	-	-	-	-	-	-	-	-	-
5,398,402	119	-	1,891,659	3,506,863	794,095,573	33,261,598	48,885,680	-	342,856,155
40,418	1,052	-	-	41,469	6,237,167	-	-	-	4,054,333

Associated companies / undertakings of the Management Company

Accuray Surgical Limited Employees Contributory Provident Fund
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	-	-	38,322	-	3,547,751	-	3,075,595	-	-
44,407	-	-	28,856	15,551	4,111,090	-	2,077,000	-	1,520,414
-	-	-	-	-	-	-	-	-	-
56,457	-	-	47,445	9,012	5,226,652	-	3,756,000	-	881,049
524,848	-	-	394,687	130,162	48,589,298	-	29,975,000	-	12,725,541
482,065	-	-	346,977	135,088	44,628,471	-	25,890,000	-	13,207,141
495,962	-	-	390,523	105,438	45,915,040	-	30,335,000	-	10,308,402
546,010	-	-	395,049	150,962	50,548,430	-	29,235,000	-	14,759,110
244,803	-	-	171,006	73,796	22,663,278	-	12,610,000	-	7,214,837
148,497	-	-	123,791	24,705	13,747,516	-	9,675,000	-	2,415,382
7,370	-	-	5,854	1,516	682,343	-	462,000	-	148,225
1,283	-	-	-	1,283	118,736	-	-	-	125,391
36,940	-	-	21,522	15,418	3,419,801	-	1,570,000	-	1,507,343
65,549	-	-	44,265	21,284	6,068,420	-	3,155,000	-	2,080,877
33,251	-	-	30,780	2,471	3,078,259	-	2,375,000	-	241,559
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
677,711	-	-	677,711	-	62,741,012	-	64,853,573	-	-
137,120	-	-	103,109	34,010	12,694,235	-	7,832,000	-	3,325,102
-	380	-	-	380	-	35,733	35,733	-	37,154
637,853	-	-	637,853	-	59,051,035	-	-	-	-
27,622	-	-	21,152	6,470	2,557,144	-	1,596,000	-	632,551
54,472	-	-	41,249	13,223	5,042,921	-	3,140,000	-	1,292,754

Holding more than 10% units

Bashir Dawood
Sindh General Provident Investment Fund
Sindh Province Pension Fund

3,080,034	-	-	-	3,080,034	285,142,758	-	-	-	301,126,286
3,879,598	-	-	-	3,879,598	359,164,631	-	-	-	379,297,416
5,635,581	-	-	-	5,635,581	521,729,694	-	-	-	550,974,978

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

	----- (Un-Audited) -----			
	As at 31 March 2024			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets measured at fair value				
profit and loss account				
Listed equity securities	2,213,500,368	-	-	2,213,500,368
	<u>2,213,500,368</u>	<u>-</u>	<u>-</u>	<u>2,213,500,368</u>
	----- (Audited) -----			
	As at 30 June 2023			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets measured at fair value				
profit and loss account				
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>

15 GENERAL

15.1 The corresponding figures have been re-arranged wherever necessary

15.2 Figures have been rounded off to the nearest rupee

16 DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on April 30, 2024.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



A Lakson Group Company

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