

LAKSON INCOME 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 Shahra-e-Faisal,
Karachi, Pakistan.

Auditors

Yousuf Adil Chartered Accountants
Cavish Court, A-35 Shahrah-e-Faisal,
K.C.H.S.U Block 7 & 8 Bangalore Town,
Karachi, Pakistan.

Bankers to the Fund

AlBaraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Finca Microfinance Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Mobilink Microfinance Bank Limited
National Bank of Pakistan
NRSP Microfinance Bank Limited
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

Adam Securities
Amir Noorani
BMA Capital Management Limited
Elixir Securities Pvt Limited
Ismail Iqbal Securities
Metro Capital Pvt Limited
Pearl Securities Pvt Limited
Pyramid Financial Consultants
Rabia Fida
Topline Securities Pvt Limited
Vector Capital Pvt Limited

Rating

A+(f) Fund Stability Rating by PACRA
AM2+ : Asset Manager Rating by PACRA

LAKSON INCOME 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 Income Fund ("LIF") 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 investment objective of the Scheme is to provide competitive total returns through investment in a diversified portfolio of fixed income securities. The Scheme shall invest in various fixed income securities with a mix of short term, medium term, and longer-term maturities depending on the assessment by the Management Company of interest rate trends and prospective returns.

Principal Activities

The Fund is an open-end income fund and is listed on Pakistan Stock Exchange Limited. LIF invests in Investment-grade Debt Securities, Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts, and other fixed income instruments. The overall duration of the portfolio is kept below 4 years while at least 25% of Net Assets are kept in the form of cash or Treasury Bills of maximum 90 days maturity. LIF is managed through a team-driven, top-down process utilizing active sector rotation, duration and yield curve management. Economic conditions are constantly monitored to forecast interest rate changes. The added value for LIF comes from identifying opportunities to shift investments between various maturities and between different instruments. LIF is allowed to borrow up to 15% of Net Assets to meet redemptions however LIF did not utilize this facility during the period under review.

Fund Performance

The LIF posted an annualized return of 13.24% in the 3QFY24 against the benchmark return of 22.14% p.a. The LIF underperformed by -8.9%. As of March 31, 2024, the LIF portfolio maintains 47.9% in cash, 3.9% in TFCs/Sukuks, 3.1% in T-bills, 18.1% in PIBs and 24.8% In Commercial Paper while the weighted average maturity of the LIF portfolio stood at 488 days. The fund size of the LIF as of March 31, 2024 is PKR 5,940 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.

Fixed Income Market Review

During January, T-bill auctions showed consistent yield declines, reflecting market sentiment amidst a steady policy rate. The Monetary Policy Committee's decision to maintain the policy rate signaled a cautious approach amidst anticipated inflationary pressures. February witnessed yield fluctuations, indicating shifting market expectations regarding monetary policy actions. Despite a notable decline in inflation, uncertainty prevailed regarding the timing of potential rate cuts. March saw stability in T-bill rates due to robust bank deposit rates and shifting investment patterns. Anticipation of yield decreases in April underscored market optimism, despite lingering uncertainty over monetary policy decisions. The first quarter showcased a dynamic fixed income landscape, influenced by inflationary concerns, market expectations, and monetary policy deliberations.

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 انکم فنڈ

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

بینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انکم فنڈ ("LIF") کی بینجمنٹ 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

اس اسکیم کی سرمایہ کاری کا مقصد فلسفہ انکم سیکیورٹیز کے متنوع پورٹ فولیو میں سرمایہ کاری کے ذریعے مسابقتی مجموعی منافع جات فراہم کرنا ہے۔ یہ اسکیم مختصر مدتی، وسط مدتی اور طویل مدتی میچورٹیز کے امتزاج کے ساتھ مختلف فلسفہ انکم سیکیورٹیز میں سرمایہ کاری کرے گی، جس کا انحصار بینجمنٹ کمپنی کی جانب سے شرح سود کے رجحانات اور ممکنہ منافع کے تخمینے پر ہوگا۔

نمایاں سرگرمیاں

LIF ایک اوپن اینڈ انکم فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ LIF انویسٹمنٹ گریڈڈ ڈیٹ سیکیورٹیز، گورنمنٹ سیکیورٹیز، سٹریٹفیکس آف انویسٹمنٹس، Clean Placements، ٹرم ڈپازٹ ریسیٹس اور دیگر فلسفہ انکم انسٹرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کا مجموعی دورانیہ 4 سال سے کم رکھا جاتا ہے اور خالص اثاثوں کا کم از کم 25% کیش یا زیادہ سے زیادہ 90 دن کی میچورٹی والے ٹریژری بلز کی شکل میں رکھا جاتا ہے۔ LIF کا نظم و نسق فعال سیٹر گردش، دورانیہ اور yield curve management سے استفادہ کرتے ہوئے ٹیم کے بل بوتے پر پیش قدمی کرنے والے ٹاپ ڈاؤن پروسس کے ذریعے چلایا جاتا ہے۔ شرح سود میں تبدیلیوں کی پیش گوئی کے لیے معاشی صورت حال کی مسلسل نگرانی کی جاتی ہے۔ LIF کی قدر و قیمت میں اضافہ مختلف میچورٹیز اور مختلف انسٹرومنٹس کے درمیان سرمایہ کاری کو منتقل کرنے کے مواقع کی نشاندہی سے ہوتا ہے۔ LIF کوریڈیمپشنز کی تکمیل کے لیے خالص اثاثوں کے 15% تک قرض لینے کی اجازت ہے، تاہم LIF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی

LIF نے سالانہ بینچ مارک منافع 22.14% کے مقابلے میں مالی سال 2024ء کی تیسری سہ ماہی میں 13.24% سالانہ منافع حاصل کیا۔ LIF نے منفی 8.9% کم تر کارکردگی کا مظاہرہ کیا۔ 31 مارچ 2024ء کے مطابق LIF پورٹ فولیو کی سرمایہ کاری 47.9%

کیش میں، 3.9% TFCs/سکوکس میں، 3.1% ٹی بلز میں، 18.1% پی آئی بیز اور 24.8% کمرشل پیپر میں کی گئی ہے، جبکہ LIF پورٹ فولیو کی تخمینہ شدہ اوسط میچورٹی 488 دن رہی۔ 31 مارچ 2024ء کے مطابق LIF کا فنڈ حجم 5,940 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 آجائے 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 کا بینہ 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 ریشو“ سے ظاہر ہوتا ہے۔

فلسفہ انکم مارکیٹ کا جائزہ

جنوری کے دوران ٹی بل کی نیلامی سے حاصل شدہ آمدنی میں مسلسل کمی دیکھی گئی، جس سے مستحکم پالیسی ریٹ کے تناظر میں مارکیٹ کے جذبات کی عکاسی ہوتی ہے۔ مانیٹری پالیسی کمیٹی کا پالیسی ریٹ برقرار رکھنے کا فیصلہ متوقع افراط زر کے دباؤ کے درمیان محتاط نقطہ نظر کی نشاندہی کرتا ہے۔ فروری میں پیداواری اتار چڑھاؤ دیکھا گیا، جس سے مالیاتی پالیسی کے اقدامات کے بارے میں مارکیٹ کی توقعات میں تبدیلی کا اشارہ ملتا ہے۔ افراط زر میں نمایاں کمی کے باوجود شرح سود میں ممکنہ کٹوتی کے وقت کے حوالے سے غیر یقینی صورتحال برقرار ہے۔ مارچ میں بینک ڈپازٹس کی مضبوط شرح اور سرمایہ کاری کے بدلتے ہوئے طریقوں کی وجہ سے ٹی بل کی شرح میں استحکام دیکھا گیا۔ مالیاتی پالیسی سے متعلق فیصلوں کے حوالے سے غیر یقینی صورتحال کے باوجود اپریل میں پیداواری کمی کے امکان نے مارکیٹ کی امید کو اجاگر کیا۔ پہلی سہ ماہی نے افراط زر کے خدشات، مارکیٹ کی توقعات اور زری پالیسی پر مشاورت سے متاثر ہو کر ایک متحرک فلسفہ آمدنی کا منظر نامہ دکھایا۔

مستقبل کا منظر نامہ

پاکستان اور عالمی مالیاتی فنڈ (آئی ایم ایف) کے درمیان 3 ارب ڈالر کے ٹیل آؤٹ پیکج 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 کثیرالجہتی 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، سیکورٹیز 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: 30 اپریل 2024ء

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

		March 31 2024 (Unaudited)	June 30, 2023 (Audited)
	Note	(Rupees)	
ASSETS			
Bank balances	6	1,479,032,509	39,589,225
Investments	7	4,386,319,839	537,133,989
Mark-up accrued		88,702,332	8,546,993
Deposits, prepayments and other receivables		16,897,906	18,304,734
TOTAL ASSETS		5,970,952,587	603,574,941
LIABILITIES			
Payable to the Management Company	8	23,241,960	18,870,811
Payable to the Trustee		406,172	39,725
Annual fee payable to Securities and Exchange			
Commission of Pakistan		359,396	219,604
Accrued expenses and other liabilities	9	7,099,600	8,188,977
TOTAL LIABILITIES		31,107,128	27,319,117
NET ASSETS		5,939,845,459	576,255,824
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		5,939,845,459	576,255,824
CONTINGENCIES AND COMMITMENTS	10		
		(Number of units)	
Number of units in issue		52,977,608	5,650,860
		(Rupees)	
Net assets value per unit		112.1199	101.9766

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 INCOME 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,	
		2024	2023	2024	2023
		(Rupees)			
Note					
INCOME					
Realized gain / (loss) on sale of investment					
at fair value through profit or loss - net		7,056,033	(9,871,590)	(218,381)	(22,715)
Unrealised (loss) / gain on appreciation of investments classified as					
financial asset at fair value through profit or loss' - net		(65,104,763)	(29,555,364)	(30,904,739)	(415,756)
		(58,048,730)	(39,426,954)	(31,123,120)	(438,471)
Markup on:					
- Bank balances calculated using effective interest method		69,751,325	26,306,405	59,185,916	168,347
- Government and other debt securities using effective interest method		405,245,894	112,232,070	234,799,674	20,904,988
		474,997,219	138,538,475	293,985,591	21,073,335
Income from Margin Trading System		6,124	572,190	288	41,304
		416,954,613	99,683,711	262,862,758	20,676,168
EXPENSES					
Remuneration to the Management Company	8.1	18,648,000	10,507,377	13,153,337	1,784,207
Sindh Sales tax on remuneration to the Management Company	8.2	2,424,635	1,363,573	1,709,933	229,563
Remuneration to the Trustee		1,894,660	814,556	1,175,212	126,603
Annual fee to the Securities and Exchange Commission of Pakistan		1,676,715	191,663	1,040,035	28,067
Annual Supervisory fee of SECP on PSX Listing Fee		1,878	1,880	590	(11,832)
Auditors' remuneration		456,972	530,090	116,020	112,894
Fees and subscription		1,029,927	1,385,783	364,854	507,613
Brokerage expenses		693,745	65,369	113,624	1,578
Printing charges		25,582	6,780	8,463	6,780
Bank and settlement charges		420,717	655,564	273,753	584,490
		27,272,830	15,522,635	17,955,820	3,369,964
Net income / (loss) from operating activities		389,681,783	84,161,076	244,906,938	17,306,204
Net income / (loss) for the period before taxation		389,681,783	84,161,076	244,906,938	17,306,204
Taxation	11	-	-	-	-
Net income / (loss) for the period after taxation		389,681,783	84,161,076	244,906,938	17,306,204
Allocation of Net Income for the period:					
Net income for the year after taxation		389,681,783	84,161,076	244,906,938	17,306,204
Income already paid on units redeemed		(27,346,271)	(55,500,216)	(24,741,407)	(3,501,467)
		362,335,512	28,660,861	220,165,531	13,804,737
Accounting income available for distribution					
Relating to capital gains		-	-	-	-
Excluding capital gains		362,335,512	28,660,861	220,165,531	13,804,737
Accounting income available for distribution		362,335,512	28,660,861	220,165,531	13,804,737

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

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2024	2023	2024	2023
	(Rupees)			
Net income / (loss) for the period after taxation	389,681,783	84,161,076	244,906,938	17,306,204
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>389,681,783</u>	<u>84,161,076</u>	<u>244,906,938</u>	<u>17,306,204</u>

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON INCOME FUND
CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS'S 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	531,233,960	45,021,864	576,255,824	2,575,601,975	42,744,662	2,618,346,637
Issuance of 73,741,082 units (2023: 35,559,619 units)						
-Capital Value	7,519,864,786	-	7,519,864,786	3,605,645,786	-	3,605,645,786
-Element of Income /(loss)	263,081,057	-	263,081,057	43,184,592	-	43,184,592
	7,782,945,843	-	7,782,945,843	3,648,830,377	-	3,648,830,377
Redemption of 26,414,333 units (2023: 56,080,741 units)						
-Capital Value	(2,693,643,887)	-	(2,693,643,887)	(5,686,430,075)	-	(5,686,430,075)
-Element of Income /(loss)	(88,047,832)	(27,346,271)	(115,394,103)	(42,986,561)	(55,500,216)	(98,486,776)
	(2,781,691,719)	(27,346,271)	(2,809,037,990)	(5,729,416,635)	(55,500,216)	(5,784,916,851)
Total comprehensive income for the period	-	389,681,783	389,681,783	-	84,161,076	84,161,076
Net assets at end of the period	5,532,488,084	407,357,376	5,939,845,459	495,015,717	71,405,522	566,421,239
Undistributed income brought forward						
- Realized income		46,702,062			41,578,656	
- Unrealized income		(1,680,198)			1,166,006	
		45,021,864			42,744,662	
Accounting income / (loss) available for distribution						
Relating to capital gains		-			-	
Excluding capital gains		362,335,512			28,660,860	
		362,335,512			28,660,860	
Undistributed income / (loss) at end of the period		407,357,376			71,405,522	
Undistributed income / (loss) carried forward comprises of:						
- Realized income		472,462,139			100,960,886	
- Unrealized income		(65,104,763)			(29,555,364)	
		407,357,376			71,405,522	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		101.9766			101.3972	
Net assets value per unit at end of the period		112.1199			106.8410	

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

	Nine Month Ended	
	March 31,	
	2024	2023
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	389,681,783	84,161,076
Adjustments for non-cash charges and other items:		
Unrealised appreciation in the fair value of investments classified as 'held for trading' - net	65,104,763	29,555,364
	454,786,546	113,716,440
(Decrease) / Increase in assets		
Investments - net	(3,914,290,613)	1,299,169,338
Mark-up receivable	(80,155,339)	-
Receivable from Margin Trading System	-	45,750,265
Deposits, prepayments and other receivables	1,406,828	8,179,267
	(3,993,039,125)	1,353,098,870
(Decrease) in liabilities		
Payable to the Management Company	4,371,149	(2,254,678)
Payable to the Trustee	366,447	(183,611)
Annual fee payable to Securities and Exchange Commission of Pakistan	139,792	(607,872)
Accrued expenses and other liabilities	(1,089,378)	(21,828,762)
	3,788,010	(24,874,923)
Net cash generated / (used in) operating activities	(3,534,464,569)	1,441,940,288
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issue of units	7,782,945,843	3,648,830,377
Cash paid on redemption of units	(2,809,037,990)	(5,784,916,851)
Net cash (used in) / generated from financing activities	4,973,907,853	(2,136,086,474)
Net (decrease) / increase in cash and cash equivalents	1,439,443,284	(694,146,186)
Cash and cash equivalents at the beginning of the period	39,589,225	698,062,481
Cash and cash equivalents at the end of the period	1,479,032,509	3,916,394

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 INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

The Lakson Income Fund (the "Fund") was established under the Trust Deed executed on August 18, 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 September 18, 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). 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.

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

The Fund is categorised as "Income Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and it primarily invests in Government securities, certificates of investment, certificates of deposits, term deposit receipts, commercial papers, reverse repo, preference shares, spread transactions and corporate debt securities, etc. subject to the guidelines issued by SECP from time to time.

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

The Pakistan Credit Rating Agency Limited (PACRA) has maintained A+(f) (Fund Stability Rating) dated March 11, 2024 and has also maintained asset manager rating of the Company to AM2+ (stable outlook), on August 25, 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim 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,

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 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 financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency. All amount have been rounded off to the nearest of rupees, unless otherwise indicated.

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 SIGNIFICANT JUDGEMENTS AND ESTIMATES

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.

5 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)	June 30, 2023 (Audited)
	Note	(Rupees)	
6	BANK BALANCES		
Local currency			
In profit and loss sharing accounts	6.1	1,479,025,035	39,581,751
In current accounts		7,474	7,474
		<u>1,479,032,509</u>	<u>39,589,225</u>
6.1	These represents profit and loss account maintained with banks carrying profit rates ranging from 18% to 22% (June 30, 2023: 11.25% to 19.5%) per annum.		
7	INVESTMENTS		
Financial assets classified as fair value through profit or loss			
Government Securities			
-Market Treasury Bills	7.1	2,637,792,702	200,873,402
-Pakistan Investment Bonds	7.2	1,083,000,830	-
		3,720,793,532	200,873,402
-Listed equity securities (Spread Transaction)	7.3	-	-
-Term Finance Certificates - Unlisted	7.4	186,952,018	336,260,587
		186,952,018	336,260,587
Financial assets classified at amortised cost			
-Short term sukuk	7.5	164,601,687	-
-Certificate of Deposit	7.6	313,972,602	-
		478,574,289	-
		<u>4,386,319,839</u>	<u>537,133,989</u>

7.1 Market Treasury Bills

Name of security	Date of issue	Date of maturity	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Balance as at March 31, 2024			Market value as a percentage of net assets of Fund	Market value as a percentage of total investments
							Carrying value	Market value	Unrealised (diminution)/ appreciation		
----- (Rupees) -----											
Treasury Bills - 03 months	4-May-23	27-Jul-23	-	180,000	180,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 03 months	10-Aug-23	2-Nov-23	-	13,570,000	13,570,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 03 months	22-Jun-23	14-Sep-23	1,485,000	3,835,000	5,320,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 03 months	7-Sep-23	30-Nov-23	-	21,820,000	21,820,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 03 months	21-Sep-23	14-Dec-23	-	2,500,000	2,500,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 03 months	24-Aug-23	16-Nov-23	-	7,000,000	7,000,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 03 months	30-Nov-23	22-Feb-24	-	6,740,000	6,740,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 03 months	19-Oct-23	11-Jan-24	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 03 months	2-Nov-23	25-Jan-24	-	2,700,000	2,700,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 03 months	20-Apr-23	13-Jul-23	600,000	-	600,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 03 months	7-Mar-24	30-May-24	-	3,750,000	3,750,000	-	-	-	-	0.00%	0.00%
Treasury Bills - 01 Year	30-Nov-23	29-Nov-24	-	2,400,000	-	2,400,000	212,292,778	210,104,400	(2,188,378)	3.54%	4.79%
Treasury Bills - 01 Year	19-Oct-23	18-Oct-24	-	500,000	-	500,000	45,066,065	44,743,050	(323,015)	0.75%	1.02%
Treasury Bills - 01 Year	2-Nov-23	1-Nov-24	-	14,600,000	6,000,000	8,600,000	769,618,977	763,930,260	(5,688,717)	12.86%	17.42%
Treasury Bills - 01 Year	16-Nov-23	15-Nov-24	-	4,000,000	-	4,000,000	356,051,389	352,726,400	(3,324,989)	5.94%	8.04%
Treasury Bills - 01 Year	14-Dec-23	13-Dec-24	-	1,600,000	-	1,600,000	140,270,915	139,063,360	(1,207,555)	2.34%	3.17%
Treasury Bills - 01 Year	11-Jan-24	10-Jan-25	-	6,900,000	2,350,000	4,550,000	394,237,184	391,995,240	(2,241,944)	6.60%	8.94%
Treasury Bills - 01 Year	28-Dec-23	27-Dec-24	-	8,770,000	250,000	8,520,000	740,950,870	735,229,992	(5,720,878)	12.38%	16.76%
Total as at March 31, 2024							2,658,488,177	2,637,792,702	(20,695,475)	44.41%	60.14%
Total as at June 30, 2023							201,130,084	200,873,402	(256,682)	34.86%	37.40%

7.2 Pakistan Investment Bonds

Name of security	Date of issue	Date of maturity	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Balance as at March 31, 2024			Market value as a percentage of net assets of Fund	Market value as a percentage of total investments
							Carrying value	Market value	Unrealised (diminution)/ appreciation		
----- (Rupees) -----											
Pakistan Investment Bond - 2 Year	30-Dec-21	30-Dec-23	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond - 3 Year	22-Oct-20	22-Oct-23	-	4,500,000	4,500,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond - 5 Year	19-Oct-23	19-Oct-28	-	2,723,000	-	2,723,000	265,078,515	260,890,630	(4,187,885)	4.39%	5.95%
Pakistan Investment Bond - 5 Year	14-Dec-23	14-Dec-28	-	5,580,000	2,000,000	3,580,000	346,388,184	344,360,200	(2,027,984)	5.80%	7.85%
Pakistan Investment Bond - 5 Year	21-Sep-23	21-Sep-28	-	5,000,000	-	5,000,000	487,675,053	477,750,000	(9,925,053)	8.04%	10.89%
Total as at March 31, 2024							1,099,141,752	1,083,000,830	(16,140,922)	18.23%	24.69%
Total as at June 30, 2023							-	-	-	-	-

7.3 Listed equity securities (Spread Transaction) - At fair value through profit and loss held for trading

Name of the investee company

	Holding as at 01 July 2023	Purchases during the year	Disposed during the year	Number of holdings at the end of the period	Carrying value	Market value	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	% of holding in investee company
	----- (Number of Shares) -----				----- (Rupees) -----			----- % -----		
Refinery										
Attock Refinery	-	187,500	187,500	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	1,820,000	1,820,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Cement										
Maple Leaf Cement	-	1,067,500	1,067,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Oil and Gas Exploration Companies										
Oil and Gas Development Company Limited	-	865,000	865,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	500	500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	-	218,500	218,500	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	340,000	340,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Technology and Communication										
TRG Pakistan Limited	-	759,000	759,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Total as at March 31, 2024					-	-	-	-	-	-
Total as at June 30, 2023					-	-	-	-	-	-

7.4 Term Finance Certificates - Un-listed

Name of security	Issue Date	Rate	----- (Number of certificates) -----				Balance as at March 31, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
			Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealised (diminution) / appreciation		
----- (Rupees) -----											
Performing											
Commercial Banks											
Bank Al Habib Limited Tier-II 10 years (face value of Rs. 5000	06-Dec-18	23.14%	12,600	-	1,500	11,100	55,638,300	56,136,752	498,451	0.95%	1.28%
Samba Bank Limited TFC (face value of Rs. 100,000 each)	01-Mar-21	24.56%	360	-	-	360	35,919,284	35,835,266	(84,018)	0.60%	0.82%
Jahangir Siddiqui Company Limited PPTFC (face value of Rs. 5,000 each)	18-Jul-17	0.00%	15,000	-	15,000	-	-	-	-	0.00%	0.00%
Jahangir Siddiqui Bank Limited (face value of Rs. 100,000 each)	28-Dec-21	24.97%	1,250	-	1,000	250	25,147,225	24,980,000	(167,225)	0.42%	0.57%
NRSP Micro Finance Bank (face value of Rs. 100,000 each)	09-Jul-21	25.89%	700	-	-	700	70,000,000	70,000,000	-	1.18%	1.60%
Total as at March 31, 2024							186,704,809	186,952,018	247,208	3.15%	4.26%
Total as at June 30, 2023							804,352,687	817,962,008	13,609,321	33.68%	46.84%

				----- (Number of certificates) -----				Balance as at March 31, 2024			Market value as a percentage of net assets	Market value as a percentage of total investments
Name of security	Note	Issue Date	Rate	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Impairment	Market value		
----- (Rupees) -----												
Non-performing												
Silk Bank Limited PPTFC - 08 years (face value of Rs. 5,000 each)	7.4.1	10-Aug-17	0.00%	16,000	-	-	16,000	31,968,000	31,968,000	-	-	-
Total as at March 31, 2024								31,968,000	31,968,000	-	-	-
Total as at June 30, 2023								63,934,400	(31,966,400)	31,968,000	-	-

- 7.4.1** This represents unlisted term finance certificates issued by Silk Bank Limited. Total size of the issue is Rs. 2,000 million and the term of the TFCs is eight years commencing from the date of issue of TFCs which was August 2017 and ending on August 2025. Profit on the instrument shall be payable semi-annually in arrears on the outstanding balance and the first such profit payment shall fall due 6 months from the issue date and subsequently every six months thereafter. Profit rate shall be the average six months KIBOR + 1.85% per annum. The instrument will be structured to redeem 0.14% of the issue amount during the first 7 years and remaining 99.86% in the last two semi annual instalments of 49.93% each. The instrument is unsecured and subordinated to all other indebtedness of the Bank. The latest available rating of the instrument is BBB+ rated on Dec 23, 2021, after that there is no credit rating available as the TFC in non- performing.

During the previous year 2022, the issuer defaulted the coupon payment which was due on February 10, 2022, as a result the investment was classified as non-performing asset on February 25, 2022 and the markup income / coupon was suspended accordingly. As per the requirements of Circular No. 33 of 2012 issued by the SECP on October 24, 2012, the profit accrued upto February 10, 2022 was reversed and an unrealised loss of Rs. 15.98 million, which is 20% of outstanding principal amount of Rs. 79.93 million was recorded as an unrealised loss in the year ended June 30,2022. Till June 2023, further provision of Rs 31.97 million was recorded , which is 40% of the principal amount followed by an another provision of Rs. 31.98 million during the period ended March 31, 2024 which is remaining 40% of principal amount.

- 7.4.2** The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 date July 07, 2010 prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for category assigned to such schemes or with the investment requirement of their consecutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria a laid down in the circular. Lakson Asset Management Limited (the Management Company) classified Lakson Income Fund (the Fund) as an 'Income Scheme' in accordance with the said circular. As at March 31, 2024, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade. The following are the details of non-compliant investments held by the Fund:

Name of Non-compliant investment	Note	Type of Investment	Value of investment before provision	Provision held (if any)	Value of Investment after provision	Investment as percentage of Net Assets
----- (Rupees) -----						
Silk Bank Limited	7.4.1	Term Finance Certificate	70,827,654	70,827,654	-	-

7.5

Sukuk Certificates
At amortised cost

Name of security	Profit payments	Date of Maturity	Mark-up rate	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)	Credit rating	Market value as a percentage of total investments	Market value as a percentage of net assets	Face value as percentage of size of the issue
III- Sukuk-6M	Semi-annually	Aug 13, 2024	6 months KIBOR plus base rate of 0.5%	-	160	-	160	160,000,000	164,601,687	-	N/A	3.75%	2.77%	-
Total as at March 31, 2024								160,000,000	164,601,687	-		3.75%	2.77%	-
Total as at June 30, 2023								-	-	-				

7.6

Certificated of Deposit

Certificate of Deposit						Balance as at March 31, 2024					Carrying value as % of total investments	Carrying value as % of net assets
Name of security	Note	Placement Date	Maturity Date	Term (Number of Days)	Mark-up Rate	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		
						(Rupees) -----					----- (%) -----	
Orix Leasing Private Company Limited		12-Jan-24	13-Jan-25	367	21.25%	-	300,000,000	-	300,000,000	313,972,602	7.16%	5.29%
Total as at March 31, 2024							300,000,000	-	300,000,000	313,972,602	7.16%	5.29%
Total as at June 30, 2023							-	-	-	-	-	-

		March 31 2024 (Unaudited)	June 30, 2023 (Audited)
	Note	(Rupees)	
8 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	8.1	4,155,934	288,009
Sindh Sales Tax on remuneration to Management Company	8.2	540,666	37,442
Federal Excise Duty on remuneration to Management Company	8.3	18,545,360	18,545,360
		23,241,960	18,870,811

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 1.5% 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 0.63% 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, 2023: 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 7.3.

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 Management Company together with various other asset management companies challenging the levy of FED.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, being prudent the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 18.54 million (2022: 18.54 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. 0.35 (June 30, 2023: Rs.3.28) per unit.

		March 31 2024 (Unaudited)	June 30, 2023 (Audited)
	Note	(Rupees)	
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		314,201	418,177
Brokerage payable		665,068	72,154
NCCPL payable		195,659	275,015
Printing and stationery payable		10,327	-
Dividend payable		-	360,935
Withholding tax payable		533,252	1,592,719
PACRA rating fee payable		459,871	544,047
Others		4,921,223	4,925,930
		7,099,600	8,188,977

10 CONTINGENCIES AND COMMITMENTS

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

11 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..

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee and the custodian, SIZA Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company, key management personnel and other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at March 31, 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)	
12.1 Details of balance with related parties / connected persons for the period ended		
Lakson Investments Limited - Management Company		
Remuneration payable	4,155,934	288,009
Sindh Sales Tax payable on Management Company's remuneration*	540,666	37,442
Federal Excise Duty	18,545,360	18,545,360
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	406,172	39,725
Security deposit	100,000	100,000
	March 31,	
	2024	2023
	(Unaudited)	
	(Rupees)	
12.2 Details of transaction with related parties / connected persons during the period ended		
Lakson Investments Limited - Management Company		
Remuneration to the Management Company	18,648,000	10,507,377
Sindh Sales Tax on Remuneration to the Management Company	2,424,635	1,363,573
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee	1,894,660	814,556
Settlement charges	21,838	12,882

12.3 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	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	Balance as at March 31, 2024
Lakson Investments Limited - Management Company	2,436,757	-	-	2,436,757	248,492,201	-	-	273,208,959
Directors, Chief Executive and their spouse and minors	644,155	30,532,392	1,140,867	30,035,680	65,688,718	3,233,117,827	122,550,000	3,367,597,447
Associated companies								
Accuray Surgical Limited Employees Contributory Provident Fund	24,507	77,676	-	102,183	2,499,186	8,119,000	-	11,456,756
Alan Private Limited	30,959	93,327	-	124,287	3,157,136	10,000,000	-	13,934,993
Century Insurance Co. Ltd., GF	40,998	168,277	-	209,274	4,180,796	17,185,000	-	23,463,815
Century Insurance Company Limited Employees Contributory Provident Fund Trust	37,421	184,803	39,387	182,836	3,816,040	18,850,000	4,345,000	20,499,606
Century Paper & Board Mills Limited ECPFT	397,677	1,997,006	-	2,394,683	40,553,743	203,725,000	-	268,491,643
Century Paper & Board Mills Limited EGF	375,309	1,897,860	-	2,273,169	38,272,743	198,955,102	-	254,867,523
Colgate Palmolive Pakistan Limited ECPFT	362,676	1,835,603	-	2,198,280	36,984,504	186,890,000	-	246,470,885
Colgate Palmolive Pakistan Limited EGF	413,366	2,383,983	-	2,797,349	42,153,710	250,678,018	-	313,638,512
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	205,515	1,076,059	-	1,281,573	20,957,701	109,725,000	-	143,689,882
Hasanali & Gulbanoo Lakhani Foundation	153,318	-	393	152,925	15,634,832	-	39,437	17,145,907
Hasanali Karabhai Foundation ECPF Trust	5,546	8,529	-	14,076	565,595	903,000	-	1,578,160
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,975	-	-	5,975	609,292	-	-	669,896
Lakson Investments Limited ECPFT	24,210	72,338	673	95,875	2,468,841	7,615,000	75,000	10,749,506
Merit Packaging Limited Employees Contributory Provident Fund Trust	38,745	139,316	-	178,061	3,951,081	14,565,000	-	19,964,218
Merit Packaging Limited Employees Gratuity Fund	24,816	94,277	15,404	103,689	2,530,669	9,744,803	1,700,000	11,625,626
Premier Fashions Private Limited	-	519,864	462,810	57,054	-	55,251,314	50,500,000	6,396,876
Siza Commodities Private Limited	-	4,408,431	3,385,946	1,022,485	-	468,529,639	373,500,000	114,640,872
Siza Foods Private Limited Employees Contributory Provident Fund Trust	216,283	1,044,329	147,440	1,113,172	22,055,758	106,925,000	16,500,000	124,808,742
Siza Services Private Limited	-	3,288,964	-	3,288,964	-	362,963,135	-	368,758,289
Siza Services Private Limited Employees Countributory Provident Fund Trust	18,396	101,720	-	120,115	1,875,931	10,425,000	-	13,467,335
Sybrid (Private) Limited ECPFT	41,010	200,155	-	241,165	4,182,070	20,383,000	-	27,039,428
Sybrid Private Limited	733	-	-	733	74,732	-	-	82,165
Accuray Surgicals Limited	-	940,908	-	940,908	-	100,000,000	-	105,494,527

Nine Month Ended March 31, 2023								
-----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 March 31, 2023	Balance as at July 01, 2022	Units issued during the period	Units redeemed during the period	Balance as at March 31, 2023	
Lakson Investments Limited - Management Company	4,731,345	-	2,486,627	2,244,718	479,745,098	-	-	239,827,844
Directors, Chief Executive and their spouse and minors	11,264,336	47,991	10,499,609	812,718	1,142,172,080	5,013,339	1,088,345,487	86,831,555
Associated companies								
Accuray Surgical Limited Employees Contributory Provident Fund	66,608	-	66,608	-	6,753,859	-	1,502,548	-
Alan Private Limited	28,819	-	-	28,819	2,922,197	-	-	3,079,082
Century Insurance Co. Ltd., GF	137,690	-	104,730	32,960	13,961,393	-	1,350,000	3,521,487
Century Insurance Company Limited	689,220	-	689,220	-	69,885,024	-	5,993,905	-
Century Insurance Company Limited Employees Contributory Provident Fund Trust	153,348	-	119,376	33,972	15,549,009	-	-	3,629,572
Century Paper & Board Mills Limited ECPFT	1,238,383	-	846,455	391,928	125,568,562	-	21,000,000	41,873,980
Century Paper & Board Mills Limited EGF	1,227,783	-	864,106	363,677	124,493,743	-	19,400,000	38,855,638
Colgate Palmolive Pakistan Limited ECPFT	459,111	-	253,617	205,494	46,552,576	-	-	21,955,168
Colgate Palmolive Pakistan Limited EGF	679,863	-	301,290	378,573	68,936,194	-	-	40,447,142
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	766,914	-	573,062	193,852	77,762,926	-	9,900,000	20,711,315
Gam Corporation Private Limited Employees Contributory Provident Fund	551,315	-	440,112	111,203	55,901,792	-	9,200,000	11,881,059
Hasanali & Gulbanoo Lakhani Foundation	140,840	1,872	-	142,712	14,280,750	195,550	-	15,247,448
Hasanali Karabhai Foundation ECPF Trust	27,072	-	21,827	5,245	2,745,072	-	263,000	560,409
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,630	-	-	5,630	570,916	-	-	601,567
Lakson Investments Limited ECPFT	106,345	-	92,728	13,617	10,783,081	-	1,674,000	1,454,902
Merit Packaging Limited Employees Contributory Provident Fund Trust	82,313	-	82,313	-	8,346,298	-	1,085,164	-
Merit Packaging Limited Employees Gratuity Fund	25,513	-	25,513	(0)	2,586,956	-	772,083	(0)
Siza Commodities Private Limited	-	5,859	-	5,859	-	612,103	-	626,034
Siza Foods Private Limited Employees Contributory Provident Fund Trust	468,090	-	365,795	102,294	47,462,965	-	6,400,000	10,929,212
Siza Private Limited	3,248	-	-	3,248	329,301	-	-	346,981
Siza Services Private Limited	-	1,340	-	1,340	-	140,027	-	143,214
Siza Services Private Limited Employees Countributory Provident Fund Trust	94,831	-	74,901	19,930	9,615,604	-	1,200,000	2,129,299
Sybrid (Private) Limited ECPFT	199,699	-	159,126	40,573	20,248,926	-	3,375,000	4,334,869
Sybrid Private Limited	682	-	-	682	69,170	-	-	72,884

13 TOTAL EXPENSE RATIO (TER)

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 1.22% as of March 31, 2024 and this includes 0.20% representing Government levies and SECP fee etc. As per NBFC Regulation the total expense ratio of the Income Scheme shall be capped up to 2.5% (excluding government levies).

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 Asset Management Company 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 (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); and
- Inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs) (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.

March 31, 2024 (Un-audited)				
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial assets classified as fair value through profit or loss				
- Market Treasury Bills	-	2,637,792,702	-	2,637,792,702
- Pakistan Investment Bonds	-	1,083,000,830	-	1,083,000,830
- Listed equity securities (Spread Transaction)	-	-	-	-
- Term Finance Certificates - Listed	-	186,952,018	-	186,952,018
	-	3,907,745,550	-	3,907,745,550
	June 30, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial assets classified as fair value through profit or loss				
- Market Treasury Bills	-	200,873,402	-	200,873,402
- Term Finance Certificates - Listed	-	336,260,587	-	336,260,587
	-	537,133,989	-	537,133,989

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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