

LAKSON EQUITY FUND
Annual Report 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

2-Star (One Year)
3-Star (Three Years)
3-Star (Five Years)
AM2+ : Asset Manager Rating by PACRA

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2024

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Equity Fund ('LEF' or 'Fund') is pleased to submit its report together with Audited Financial Statements for the year ended June 30, 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 Fund closed FY24 with a return of 80.47% vs 89.24% of the benchmark, underperforming the benchmark by -8.77%. As of June 30, 2024, the fund had 92.1% exposure in equities, 7.6% in cash and 0.3% in other assets. Sector allocation is skewed towards Commercial Banks (23.9%), Oil & Gas Exploration (22.3%), Power Gen & Dist (5.9%), Cement (14.2%), Fertilizer (10.4%) and others (23.3%). The fund size of LEF as of June 30, 2024 is PKR 2,537 million.

Earning Per Unit (EPU)

EPU is not being disclosed as we feel determination of weighted average units for calculating EPU is not practicable for open end funds.

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payout of PKR 11.00 per unit (11.00% of face value of PKR 100/-) amounting to PKR 157.3557 million in cash during the year ended June 30, 2024.

Principal Risk and Uncertainties

The economic instability, rising current account deficit, declining FX reserves, higher than expected inflation, PKR devaluation, lower than expected financial aid by both unilateral/bilateral donor agencies, further monetary tightening and worsening of external relations remains a risk for all business sectors in Pakistan.

Asset Manager and Fund Rating

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company at 'AM2+'.

Additional Matters:

1. The detail of Directors of the Management Company is disclosed in this Annual Report.
2. The financial statements prepared by the Management Company present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in unit holders' funds.
3. Proper books of accounts of the Fund have been maintained.
4. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
5. Relevant International Financial Reporting Standards, as applicable in Pakistan, provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 ('NBFC Regulations'), directives issued by the Securities & Exchange Commission of Pakistan and requirements of the constitutive documents of

the Fund have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.

6. The system of internal control is adequate and sound in design and has been effectively implemented and monitored.
7. There are no significant doubts upon the Fund's ability to continue as a going concern.
8. Key financial data has been summarized in this Annual Report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges have been fully disclosed in these financial statements.
10. The statement as to the value of investments of the provident fund is not applicable in the case of the Fund as such expenses are borne by the Management Company.
11. The pattern of unit holding as at June 30, 2024 is given in this Annual Report.
12. A performance table / key financial data is annexed to this annual report.

External Auditor

The existing auditors M/s. BDO Ebrahim & Co., Chartered Accountants have completed their term and therefore retired from the office. The Board of Directors, on the recommendations of the Audit Committee, has approved the appointment of M/s. Yousuf Adil., Chartered Accountants as the auditor for the fund ensuing year ending June 30, 2025.

Economy Review

Economic challenges faced by Pakistan met with a breather at the start of FY24 as Pakistan signed IMF's 9-month Stand-By Arrangement (SBA) worth US\$3 billion.

We saw continuation of positive outcomes from fiscal and regulatory reforms initiated under guidelines given by the IMF.

Concerted efforts to narrow the current account deficit yielded success. Growth in exports, remittances, outpacing import demand, narrowed the current account balance to a deficit of cumulative US\$626 million in FY24 compared to US\$2,077 million in FY23.

This balanced approach further added on to assistance from bilateral and multilateral lenders, raising State Bank of Pakistan's (SBP) foreign exchange reserves by 2x YoY to a of US\$9.4 billion. Resultantly import cover also reached 2x in Jun-2024 compared to 1.3x a year ago.

An expected new program to be approved with IMF during FY25 will further strengthen reserves. The stable external account led to almost flat in Pakistani Rupee (PKR) against the US dollar during the second half of FY24, closing at PKR278/USD on Jun-2024 (+4% YoY).

With a stable currency and high base effect from the previous year, Pakistan continued its disinflationary phase that began in 3QFY24. Consumer Price Index (CPI) for FY24 averaged ~24%, compared to 29% in FY23.

Amid disinflation, the Monetary Policy Committee (MPC) initiated a monetary easing cycle for the first time in four years, trimming Policy Rate by 1.5% to 20.5% in June-2024. The secondary market continued to price in further anticipation of near-term rate cut, remaining below the revised benchmark rates.

Towards the end of fiscal year, the government announced the Federal Budget for FY25, outlining higher tax measures that is targeted to improve FY25 fiscal deficit to 5.9% of GDP (lowest in seven years), while targeting primary balance of 1.2% of GDP for the year.

Equity Market Review

KSE-100 delivered exceptional returns of 89% for FY24, marking a 21-year high, closing at 78k points. Beginning of monetary easing cycle with a 150bps cut in Policy rate to 20.5% announced by the Statement Bank in June 2024 fueled by softening of inflation figures, improved foreign inflows, satisfactory reports

issued by IMF on its SBA reviews and announcement of an ambitious FY25 Budget were the key drivers behind the market performance during the period.

The budget announcement improved investors' confidence in Pakistan's fiscal health and its ability to secure the Executive Board approval for the new IMF facility expected by the end of this month.

Average trade volumes for quarter were increased by 140% YoY in FY24 in terms of shares traded and 118% YoY in terms of US\$ value traded.

Foreign investors participation (FIP) During FY24, we saw foreign net inflows (Foreign investors participation - FIP), increasing to US\$140mn compared to merely US\$2.9mn in FY23. This mainly reflects improved investors' confidence in Pakistan fiscal health and continuation of the reform process initiated under the IMF guidelines.

Future Outlook

The SBP has finally began monetary easing cycle with first cut of 150bps in Policy rate announced in June-2024, followed by another 100bps cut in July-2024. Policy rate now stands at 19.5%. This easing stance followed a four-year period of tightening and stable rates cycle, and complemented the ongoing disinflation trend with CPI dropping to 11.8% in May 2024. Additionally, a close-to-break-even Balance of Payments, supported by elevated remittances, contributed to the stability of SBP's foreign exchange reserves.

We expect Pakistan to enter single-digit inflation figure from August-2024 onwards, due to favorable base effect from last year's elevated prices. This will create room for further rate cuts ahead. Anticipation of monetary easing was already reflected in secondary market yields trading below the benchmark rate since Oct-2023.

Moreover, announcement of ambitious revenue target in the FY25 Budget, helped the government to secure IMF's staff-level agreement on a 37-month, US\$7bn Extended Fund Facility Arrangement (EFF), which is subject to IMF's Executive Board approval. The key focus areas outlined by the fund include 1) fiscal consolidation with tall revenue targets (FY24 fiscal deficit already reported some improvement), 2) disinflation-supportive monetary policy stance, 3) energy sector reforms including no direct subsidy, 4) privatization of profitable State-Owned Enterprises (SOEs) and 4) taxation of agriculture sector from Jan-2025.

Going forward, investor sentiment is expected to receive a significant boost this month as the IMF program for Pakistan nears final approval at the Board level. Concurrently, ongoing negotiations with friendly countries including China, Saudi Arabia and UAE for debt restructuring and privatization program are seen as a crucial step towards the Fund program. These developments, coupled strong corporate earnings and progress over resolution of energy sector circular debt results, are poised to improve investor confidence and continue unlocking valuations from the prevailing ~4x P/E. Extended political noise is a key hinderance to the aforementioned triggers.

Acknowledgment

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: September 12, 2024
Karachi**

لیکسن ایکویٹی فنڈ
30 جون 2024 کو ختم ہونے والے سال کے لیے
منجنت کمپنی کے ڈائریکٹرز کی رپورٹ

لیکسن ایکویٹی فنڈ ("LEF") کی منجنت کمپنی لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے 30 جون 2024 کو ختم ہونے والے سال کے لیے اپنی رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

فنڈ کا مقصد بنیادی طور پر ایکویٹی اور متعلقہ سسٹم کیو ریٹیز میں سرمایہ کاری کے ذریعے سرمایہ کی مالیت میں طویل مدتی اضافہ حاصل 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 لگا پا جائے گا۔

نمایاں سرگرمیاں

LEF ایک فعال انداز میں چلایا جانے والا اوپن اینڈ ایکویٹی فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ LEF خالص اثاثوں کا کم از کم 70% حصہ لسٹڈ ایکویٹی کیو ریٹیز میں رکھتا ہے۔ مختلف شعبوں اور اسٹاکس میں اثاثوں کو ہر شعبے اور اس مخصوص شعبے میں انفرادی اسٹاکس کی متعلقہ کشش کی بنیاد پر مختص کیا جاتا ہے جس میں مارکیٹ کے حالات، مواقع، سیاسی اور اقتصادی عوامل کو پیش نظر رکھتے ہوئے وٹا فو قیام تبدیل کی جاسکتی ہے۔ LEF کو ریٹنیمپشن کی تعمیل کے لیے خالص اثاثوں کے 15% تک قرض لینے کی اجازت ہے تاہم LEF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔

فنڈ کی کارکردگی

LEF نے منیج مارک منافع 89.24% کے مقابلے میں 80.47% منافع کے ساتھ مالی سال 2024 کا اختتام منیج مارک کے مقابلے میں 8.77% کمتر کارکردگی کے ساتھ کیا۔ 30 جون 2024 کے مطابق فنڈ، ایکویٹیز میں 92.1%، کیٹس میں 7.6% اور دیگر میں 0.3% سرمایہ کاری رکھتا ہے۔ شعبہ جاتی تفویض کا ہیکٹا ڈا اس طرح ہے: کمرشل بینکس (23.9%)، آئل اینڈ گیس ایکسپلوریشن (22.3%)، پاور جنریشن اور سٹری بیٹن (5.9%)، سمنٹ (14.2%)، فیر ٹیلز (10.4%) اور دیگر (23.3%)۔ 30 جون 2024 کے مطابق LEF کا فنڈ حجم 2,537 ملین روپے ہے۔

فی شیئر آمدنی (EPU)

فی شیئر آمدنی (EPU) ظاہر نہیں کی گئی کیوں کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے معیروں اور طریقوں کا تعین اوپن اینڈ فنڈز کے لیے قابل عمل نہیں ہے۔

12- کارکردگی کی جدول / اہم مالیاتی ڈیٹا اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹر میسرز IBDO برائیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس اپنی معاد پوری کر چکے ہیں، اس لیے اپنے عہدے سے سبکدوش ہو گئے ہیں۔ آڈٹ کمپنی کی - غارشات پر پورڈ آف ڈائریکٹرز نے میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2025 کو ختم ہونے والے سال کے لیے فیکٹر کے آڈیٹر کے طور پر تعینات کرنے کی منظوری دے دی ہے۔

معاشی جائزہ

ملک کو درپیش معاشی چیلنجز کے حوالے سے مالی سال 2024 کے آغاز میں اس وقت کچھ راحت ملی، جب پاکستان نے آئی ایم ایف کے 9 ویں کے اسٹیٹڈ ہائی معاہدے (SBA) پر دستخط کیے جس کی مالیت 3 ارب ڈالر ہے۔

ہم نے آئی ایم ایف کی جانب سے دی گئی ہدایات کے تحت شروع کی گئی مالیاتی اور ریگولیٹری اصلاحات کے مثبت نتائج کا تسلسل دیکھا۔ کرنٹ اکاؤنٹ خسارے کو کم کرنے کی کوششوں کے نتیجے میں کامیابی ملی۔ برآمدات اور ترسیلات زر میں اضافے نے درآمدی طلب کو پیچھے چھوڑ دیا، جس کی وجہ سے کرنٹ اکاؤنٹ بیلنس کا فرق کم ہو کر مالی سال 2024 میں مجموعی خسارہ 626 ملین ڈالر رہا، جو مالی سال 2023 میں 2,077 ملین ڈالر تھا۔

اس متوازن حکمت عملی نے دو طرفہ اور کثیر الجہتی قرض دہندگان کی جانب سے معاونت میں مزید اضافہ کیا، جس سے اسٹیٹ بینک آف پاکستان کے زرمبادلہ ذخائر میں سال پر سال 2 گنا اضافہ ہوا اور یہ 9.4 ملین امریکی ڈالر تک پہنچ گئے۔ اس کے نتیجے میں جون 2024 میں اپورٹ کو بھی ایک سال قبل کے 1.3 گنا کے مقابلے میں 2 گنا تک پہنچ گیا۔

مالی سال 2025 کے دوران آئی ایم ایف کے ساتھ متوقع سنے پروگرام کی منظوری سے زرمبادلہ کے ذخائر مزید مستحکم ہوں گے۔ مستحکم ایکسٹرنل اکاؤنٹ کی وجہ سے مالی سال 2024 کی دوسری ششماہی کے دوران امریکی ڈالر کے مقابلے میں پاکستانی روپے میں تقریباً استحکام رہا، جو جون 2024 میں 278 روپے فی امریکی ڈالر (شبت 4 فیصد، سال پر سال) پر بند ہوا۔

مستحکم کرنسی اور ہائی میس اثرات کے ساتھ، گزشتہ سال کے مقابلے میں پاکستان نے مالی سال 2024 کی تیسری سہ ماہی میں شروع ہونے والے افراط زر میں کمی کا سلسلہ جاری رکھا۔ مالی سال 2024 کے لئے کمزور پرائس انڈیکس (سی پی آئی) اور طے 24 فیصد تھا جبکہ مالی سال 2023 میں یہ 29 فیصد تھا۔ تقریباً زر کے دوران، مانیٹری پالیسی کمیٹی (MPC) نے چار سال میں پہلی بار مالیاتی نرمی کا عمل شروع کیا اور جون 2024 میں شرح سود کو 1.5 فیصد کم کر کے 20.5 فیصد کر دیا۔ شرح سود میں مزید کمی کی توقع پر، ثانوی مارکیٹ میں قیمتوں میں اضافہ جاری رہا، جو نظر ثانی شدہ شیڈ مارکٹ شروعوں سے کم رہا۔ مالی سال کے اختتام پر حکومت نے مالی سال 2025 کے لئے وفاقی بجٹ کا اعلان کیا، جس میں اضافی ٹیکس اقدامات کی نشاندہی کی گئی ہے، جن کا مقصد مالی سال 2025 کے مالی خسارے کو جی ڈی پی کے 5.9 فیصد (سات سالوں میں سب سے کم) تک لانا ہے، جبکہ سال کے لئے جی ڈی پی کے 1.2 فیصد کے پرائمری بیلنس کا ہدف مقرر کیا گیا ہے۔

انگلوینی مارکیٹ کا جائزہ

کے ایس ای 100 نے مالی سال 2024 کے لئے 89 فیصد کا غیر معمولی منافع دیا، جو 21 سال میں سب سے زیادہ تھا اور 78 ہزار پوائنٹس پر بند ہوا۔ جون 2024ء میں اسٹیٹ بینک کی جانب سے شرح سود میں 150 بی پی پی ایس کی کٹوتی کے ساتھ مالیاتی نرمی کے سلسلے کا آغاز، افراط زر کے اعداد و شمار میں بہتری، غیر ملکی سرمایہ کاری میں اضافے، آئی ایم ایف کی جانب سے "ایس بی اے" کے جائزوں پر جاری کردہ قسطی بخشش رپورٹس اور مالی سال 2025 کے جرات مندانہ بجٹ کا اعلان اس عرصے کے دوران مارکیٹ کی کارکردگی کے اہم محرکات تھے۔

بجٹ کے اعلان سے پاکستان کے مالی حالات اور اس ماہ کے آخر تک متوقع آئی ایم ایف کی نئی قسط بندی کے لئے انگریزی یوروڈ کی منظوری حاصل کرنے کی اس کی صلاحیت پر سرمایہ کاروں کے اعتماد میں اضافہ ہوا ہے۔

سرمایہ کے دوران اوسط تجارتی حجم میں مالی سال 2024ء میں حصص کی تجارت کے لحاظ سے سال بہ سال 140 فیصد اور امریکی ڈالر میں مالیت کے لحاظ سے تجارت میں سال بہ سال 118 فیصد اضافہ ہوا۔

مالی سال 2024ء کے دوران غیر ملکی سرمایہ کاروں کی شرکت (FIPI) کے معاملے میں ہم نے غیر ملکی سرمائے کی خالص آمد میں اضافہ دیکھا، جو مالی سال 2023ء کے صرف 2.9 ملین امریکی ڈالر کے مقابلے میں بڑھ کر 140 ملین امریکی ڈالر ہو گئی۔ یہ بنیادی طور پر پاکستان کی مالیاتی صحت اور آئی ایم ایف کی ہدایات کے تحت شروع کیے گئے اصلاحاتی عمل کے تسلسل پر سرمایہ کاروں کے اعتماد میں اضافے کی عکاسی کرتا ہے۔

مستقبل کا منظر نامہ

اسٹیٹ بینک نے جون 2024ء میں اعلان کردہ شرح سود میں 150 بی پی پی ایس کی پہلی کٹوتی کے ساتھ مالیاتی نرمی کا عمل شروع کر دیا ہے، جس کے بعد جولائی 2024ء میں مزید 100 بی پی پی ایس کی کٹوتی کی گئی۔ شرح سود اب 19.5 فیصد ہے۔ نرمی کا یہ انداز چار سال کے عرصے پر محیط سخت گیری اور مضخم شرح سود کا سلسلہ دیکھنے کے بعد سامنے آیا اور مئی 2024ء میں سی پی آئی کے 11.8 فیصد تک گرنے کے ساتھ، اس نے جاری افراط زر کے رجحان کو مکمل کیا۔ مزید برآں ترسیلات درآمد میں اضافے کی مدد سے ایک تقریباً ہم سطح توازن ادائیگی (بیلنس آف پیمنٹس) نے اسٹیٹ بینک کے زرمبادلہ ذخائر میں استحکام لانے میں اہم کردار ادا کیا۔

ہم توقع کرتے ہیں کہ پاکستان میں اگست 2024ء کے بعد سے افراط زر کی شرح سنگس ڈیجٹ میں آجائے گی، جس کی وجہ گزشتہ سال کی پرجھی ہوئی قیمتوں کے سائیکل میں اثرات ہیں۔ اس سے آگے چل کر شرح سود میں مزید کٹوتی کی گنجائش پیدا ہوگی۔ اکتوبر 2023ء کے بعد سے شیڈ مارک شرح سے پیچھے خرابی کرنے والی ثانوی مارکیٹ کے منافع سے مالیاتی نرمی کی توقعات پہلے ہی ظاہر ہو چکی تھیں۔

مزید برآں، مالی سال 2025ء کے بجٹ میں محصولات کے زائد ہدف کے اعلان سے حکومت کو آئی ایم ایف کے ساتھ اسٹاف لیول پر 37 ماہ کے 7 ارب ڈالر مالیاتی توسیعی فنڈ فیملیاتی ارتھوگنٹ (ای ایف ایف) معاہدہ کرنے میں مدد ملی، جو آئی ایم ایف کے انگریزی یوروڈ کی منظوری سے مشروط ہے۔ فنڈ کی طرف سے بیان کردہ اہم توجہ طلب شعبوں میں (1) محصولات کے بڑے اہداف کے ساتھ مالی استحکام (مالی سال 2024ء کے مالی خسارے میں پہلے ہی کچھ بہتری کی اطلاع دی گئی ہے)، (2) افراط زر کم کرنے میں معاونت کرنے والی مانیٹری پالیسی پر مبنی موقف، (3) توانائی کے شعبے میں اصلاحات بشمول براہ راست سبسڈی کی ممانعت، (4) سرکاری ملکیت والے منافع بخش اداروں کی ہیکاری اور (5) جنوری 2025ء سے زرعی شعبے پر ٹیکس لگانا شامل ہیں۔

آگے چل کر سرمایہ کاروں کے جذبات گورواں مادنمایاں تقویت ملنے کی توقع ہے کیونکہ پاکستان کے لئے آئی ایم ایف پروگرام، یوروڈ کی سطح پر حتمی منظوری کے قریب ہے۔ اس کے ساتھ ساتھ دوست ممالک بشمول چین، سعودی عرب اور متحدہ عرب امارات کے ساتھ قرضوں کی ری اسٹرکچرنگ اور ہیکاری پروگرام

کے لیے جاری مذاکرات کو فنڈ پروگرام کی جانب ایک اہم قدم کے طور پر دیکھا جا رہا ہے۔ یہ عوامل، مٹھام کا رپورٹ آمدنی اور توانائی شعبے کے گروشی قرضوں کے مسئلے کے حل میں پیش رفت کے ساتھ مل کر، سرمایہ کاروں کے اعتماد کو بہتر بنانے اور موجودہ 4x P/E مالیتی قدر و قیمت میں تبدیلیاں لانا جاری رکھنے پر آمادہ دکھائی دیتے ہیں۔ سیاسی شور و غل میں اضافہ مذکورہ محرکات کی رول میں حائل ایک اہم رکاوٹ ہے۔

اظہار تشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے کرسٹی سیٹل ڈیپازیری سمیٹی آف پاکستان لمیٹڈ اور پاکستان انسائیکسچج لمیٹڈ کا ان کے مسلسل تعاون اور حمایت پر شکر گزار ہے۔ منجھٹ سمیٹی کے ڈائریکٹرز فنڈ کی ترقی اور دآش مندرامہ انتظام وانصرام کے لیے منجھٹ سمیٹی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے دشانہ بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 12 ستمبر 2024

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2024

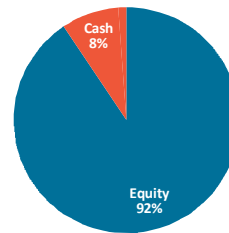
Fund Facts

Fund Type	Open-End
Category	Equity Fund
Net Assets (PKR Mil.)	2,537
NAV (30.06.2024)	159.8057
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	BDO Ebrahim & Co
Management Fee	Up to 3% of average annual net assets of the scheme calculated on daily basis. (wef May 23, 2023)
Front End Load	3.00%
Back End Load	None
Launch Date	November 13, 2009
Benchmark	KSE-100 Index*
Dealing Days	Mon-Fri
Cut-Off Time	04:00 PM
Asset Manager Rating	AM2+ by PACRA (25.Aug.2023)
Risk Profile	High Risk

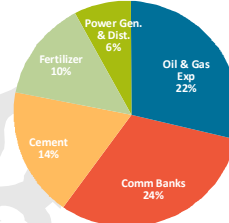
Fund Performance

	LEF	KSE-30
FY24 - YTD	80.47%	89.24%
June-24	3.16%	3.38%
2 Months	10.05%	10.33%
3 Months	18.22%	17.07%
6 Months	24.89%	25.61%
12 Months	80.47%	89.24%
CY24 - YTD	24.89%	25.61%
3 Years	57.76%	65.66%
5 Years	102.88%	128.24%
Since Inception	481.02%	631.15%

Asset Allocation



Sectorwise Exposure



Investment Committee

Babar Ali Lakhani	Chief Executive Officer
Kashif Mustafa	Executive Director & COO
Mustafa O. Pasha, CFA	Chief Investment Officer
Hassan Bin Nasir	
Mirza Danial Baig	

Investment Objective

The investment objective of the Lakson Equity Fund ("LEF") 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.

The LEF achieved its investment objective by building a diverse portfolio comprising of fundamentally strong stocks that offered high growth potential in the form of capital appreciation and/or high dividend yields. The LEF did not take exposure in any speculative stocks and only stocks with the potential to perform in the present, challenging economic environment were selected.

Investment Strategy

The LEF invests in fundamentally sound stocks based on the recommendations of its team of equity analysts and market dynamics. The asset allocation to different sectors and different stocks in the same sector remained dynamic, keeping in view the market conditions, opportunities and the relative attractiveness of each sector and individual stocks. The asset allocation pattern of the LEF changed from time to time keeping in view the market conditions, opportunities, political and economic factors. The LEF aims to build a diverse portfolio ranging across companies deemed the most attractive among peers. Companies with high earnings potential despite a weak economic outlook were sought, resulting in a portfolio that was heavily invested with stocks offering high dividend yields and lower price to earnings multiples relative to the market. The LEF adopted a combination of top-down and bottom-up methodologies to invest in fundamentally sound stocks.

Economic Review

Economic challenges faced by Pakistan met with a breather at the start of FY24 as Pakistan signed IMF's 9-month Stand-By Arrangement (SBA) worth US\$3 billion.

We saw continuation of positive outcomes from fiscal and regulatory reforms initiated under guidelines given by the IMF.

Concerted efforts to narrow the current account deficit yielded success. Growth in exports, remittances, outpacing import demand, narrowed the current account balance to a deficit of cumulative US\$626 million in FY24 compared to US\$2,077 million in FY23.

This balanced approach further added on to assistance from bilateral and multilateral lenders, raising State Bank of Pakistan's (SBP) foreign exchange reserves by 2x YoY to a of US\$9.4 billion. Resultantly import cover also reached 2x in Jun-2024 compared to 1.3x a year ago.

An expected new program to be approved with IMF during FY25 will further strengthen reserves. The stable external account led to almost flat in Pakistani Rupee (PKR) against the US dollar during the second half of FY24, closing at PKR278/USD on Jun-2024 (+4% YoY).

With a stable currency and high base effect from the previous year, Pakistan continued its disinflationary phase that began in 3QFY24. Consumer Price Index (CPI) for FY24 averaged ~24%, compared to 29% in FY23.

Amid disinflation, the Monetary Policy Committee (MPC) initiated a monetary easing cycle for the first time in four years, trimming Policy Rate by 1.5% to 20.5% in June-2024. The secondary market continued to price in further anticipation of near-term rate cut, remaining below the revised benchmark rates.

Towards the end of fiscal year, the government announced the Federal Budget for FY25, outlining higher tax measures that is targeted to improve FY25 fiscal deficit to 5.9% of GDP (lowest in seven years), while targeting primary balance of 1.2% of GDP for the year.

Equity Market Review

KSE-100 delivered exceptional returns of 89% for FY24, marking a 21-year high, closing at 78k points. Beginning of monetary easing cycle with a 150bps cut in Policy rate to 20.5% announced by the State Bank in June 2024 fueled by softening of inflation figures, improved foreign inflows, satisfactory reports issued by IMF on its SBA reviews and announcement of an ambitious FY25 Budget were the key drivers behind the market performance during the period.

The budget announcement improved investors' confidence in Pakistan's fiscal health and its ability to secure the Executive Board approval for the new IMF facility expected by the end of this month.

Average trade volumes for quarter were increased by 140% YoY in FY24 in terms of shares traded and 118% YoY in terms of US\$ value traded.

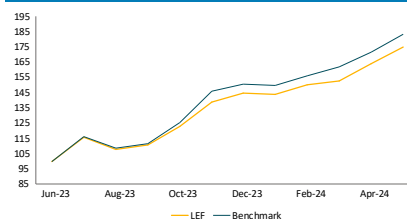
Foreign investors participation (FIP) During FY24, we saw foreign net inflows (Foreign investors participation - FIP), increasing to US\$140mn compared to merely US\$2.9mn in FY23. This mainly reflects improved investors' confidence in Pakistan fiscal health and continuation of the reform process initiated under the IMF guidelines.

Fund Performance

The LEF Fund closed FY24 with a return of 80.47% vs 89.24% of the benchmark, underperforming the benchmark by -8.77%. As of June 30, 2024, the fund had 92.1% exposure in equities, 7.6% in cash and 0.3% in other assets. Sector allocation is skewed towards Commercial Banks (23.9%), Oil & Gas Exploration (22.3%), Power Gen & Dist (5.9%), Cement (14.2%), Fertilizer (10.4%) and others (23.3%). The fund size of LEF as of June 30, 2024 is PKR 2,537 million.

Performance Table	FY24	FY23
Net Assets - Ending (PKR Mil.)	2,537.00	1,465
Highest Offer Price (PKR)	177.4908	106.9158
Lowest Offer Price (PKR)	97.8418	91.4671
Highest Redemption Price (PKR)	171.6711	103.4101
Lowest Redemption Price (PKR)	94.6337	88.8030
Beginning NAV - Ex-Div. (PKR)	94.6431	91.9923
Interim Distributions (PKR)	11.0000	5.34
Final Distribution (PKR)	-	-
Ending NAV - Ex-Div. (PKR)	159.8057	91.9923
Return	80.47%	80.47%
Net Income / (Loss) (PKR Mil.)	1,228.26	174.78

LEF vs. Benchmark



Distributions	FY24	FY23
Interim Distributions (PKR)	11.0000	5.34
Final Distribution	-	-
NAV before Distribution	105.6432	91.9923
NAV after Distribution	159.8239	91.9923
Distribution Date	28-Jun-24	23-Jun-23

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payout of PKR 11.00 per unit (11.00% of face value of PKR 100/-) amounting to PKR 157.3557 million in cash during the year ended June 30, 2024.

Future Outlook

The SBP has finally began monetary easing cycle with first cut of 150bps in Policy rate announced in June-2024, followed by another 100bps cut in July-2024. Policy rate now stands at 19.5%. This easing stance followed a four-year period of tightening and stable rates cycle, and complemented the ongoing disinflation trend with CPI dropping to 11.8% in May 2024. Additionally, a close-to-break-even Balance of Payments, supported by elevated remittances, contributed to the stability of SBP's foreign exchange reserves.

We expect Pakistan to enter single-digit inflation figure from August-2024 onwards, due to favorable base effect from last year's elevated prices. This will create room for further rate cuts ahead. Anticipation of monetary easing was already reflected in secondary market yields trading below the benchmark rate since Oct-2023.

Moreover, announcement of ambitious revenue target in the FY25 Budget, helped the government to secure IMF's staff-level agreement on a 37-month, US\$7bn Extended Fund Facility Arrangement (EFF), which is subject to IMF's Executive Board approval. The key focus areas outlined by the fund include 1) fiscal consolidation with tall revenue targets (FY24 fiscal deficit already reported some improvement), 2) disinflation-supportive monetary policy stance, 3) energy sector reforms including no direct subsidy, 4) privatization of profitable State-Owned Enterprises (SOEs) and 4) taxation of agriculture sector from Jan-2025.

Going forward, investor sentiment is expected to receive a significant boost this month as the IMF program for Pakistan nears final approval at the Board level. Concurrently, ongoing negotiations with friendly countries including China, Saudia Arabia and UAE for debt restructuring and privatization program are seen as a crucial step towards the Fund program. These developments, coupled strong corporate earnings and progress over resolution of energy sector circular debt results, are poised to improve investor confidence and continue unlocking valuations from the prevailing ~4x P/E. Extended political noise is a key hinderance to the aforementioned triggers.

Circumstances Materially Affecting Interests of Unit Holders

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company at "AM2+". The VIS Credit Rating Company Limited has given the one-year performance ranking of "2-Star", three-year and five-year performance rankings of "3-Star" to the LEF Fund.

Other Disclosures

Lakson Investments Limited or any of its delegates did not receive any soft commission from its broker(s) or dealer(s).

There was no unit split undertaken during the year.

As of June 30, 2024, the LEF does not employ leverage.

Breakdown of Unit Holding by Size

Units Range	No. of Clients	Units Held
Holding upto 100	12	307
101 - 500	10	2,483
501 - 1,000	5	4,097
1,001 - 5,000	7	17,519
5,001 - 10,000	2	10,544
10,001 - 50,000	5	111,470
50,001 - 100,000	3	253,359
100,001 - 500,000	4	1,134,993
500,001 - 1,000,000	-	-
1,000,001 - 5,000,000	3	7,967,385
5,000,001 - above	1	6,372,909
	52	15,875,064

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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 Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON EQUITY FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Lakson Equity Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

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


Badiuddin Akber
 Chief Executive Officer
 Central Depository Company of Pakistan Limited

Karachi: September 16, 2024



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 Pakistan

INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE UNIT HOLDERS' OF LAKSON EQUITY FUND

Opinion

We have audited the financial statements of Lakson Equity Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the statement of cash flows for the year ended June 30, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	<p>Existence and Valuation of investments</p> <p>As disclosed in note 6 to the accompanying financial statements of the fund for the year ended June 30, 2024, the investments held by the Fund comprised of equity instruments amounting to Rs. 2,377.412 million which represent 94% of the Net Assets Value (NAV) of the Fund.</p> <p>As these investments represent a significant element of the statement of assets and liabilities, any discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We evaluated the design and implementation of key controls over investment, and tested controls over acquisition, disposals and periodic valuation of investments portfolio. We performed substantive audit procedures on year-end balance of equity instruments including review of custodian's statement, related reconciliations and re-performance of valuation based on share prices from the Pakistan Stock Exchange (PSX).

BDO Ebrahim & Co. Chartered Accountants

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

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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	In view of the significance of the above-mentioned balances in relation to the Fund's total assets and NAV, we considered the existence and valuation of investments as a key audit matter.	<ul style="list-style-type: none"> We assessed the Fund's compliance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the investment concentration and exposure limits. We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment, ensuring compliance with the NBFC Regulations and the relevant accounting requirements.

Information other than the financial statements and auditor's report thereon

The Management Company ("Lakson Investments Limited") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Lakson Investments Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 12 SEP 2024

UDIN: AR202410067Ghq6CfsgBO


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

**Statement of Assets and Liabilities
As at June 30, 2024**

	Note	2024 (Rupees)	2023
ASSETS			
Bank balances	5	194,948,512	147,735,670
Investments	6	2,377,411,929	1,372,908,316
Dividend and other receivables	7	1,879,456	1,408,119
Mark-up accrued on bank balances		3,378,174	1,514,312
Advances and deposit	8	2,650,000	2,650,000
TOTAL ASSETS		2,580,268,070	1,526,216,417
LIABILITIES			
Payable to the Management Company	9	28,055,921	25,310,559
Remuneration payable to the Trustee	10	317,994	226,734
Annual fee payable to Securities and Exchange Commission of Pakistan	11	192,575	399,131
Accrued expenses and other liabilities	12	6,955,650	3,818,003
Payable against purchase of investments		7,818,915	31,843,423
TOTAL LIABILITIES		43,341,055	61,597,850
NET ASSETS		2,536,927,016	1,464,618,567
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			
		2,536,927,016	1,464,618,567
CONTINGENCIES AND COMMITMENTS			
	14		
		-----Number of units-----	
Number of units in issue	15	15,875,064	15,475,162
		-----Rupees-----	
Net assets value per unit		159.8057	94.6431

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

Income Statement For the year ended June 30, 2024

		2024	2023
Income	Note	(Rupees)	
Gain on sale of investments - net		171,104,607	15,060,747
Unrealised appreciation / (diminution) on revaluation of investment classified at fair value through profit or loss' - net"	6.1	898,667,702	(28,268,924)
Dividend income on investments - net		202,512,594	212,997,804
Interest income on Government and other debt securities		1,441,388	3,189,848
Mark-up on bank balances		33,086,078	28,878,129
		<u>1,306,812,369</u>	<u>231,857,604</u>
Expenses			
Remuneration of the Management Company	9.1	60,302,522	41,222,792
Sindh sales tax on remuneration of the Management Company	9.2	7,839,328	5,358,963
Remuneration of the Trustee	10	3,567,152	3,385,185
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11	2,049,008	399,148
Auditors' remuneration	16	401,012	405,408
Fees and subscription		575,609	340,308
Printing charges		35,595	32,205
Brokerage expenses		3,292,958	4,649,962
SECP supervisory fee		2,500	2,500
Settlement charges		454,880	1,251,024
Bank charges		27,872	26,453
		<u>78,548,436</u>	<u>57,073,947</u>
Net income for the year before taxation		<u>1,228,263,933</u>	<u>174,783,657</u>
Taxation	17	-	-
Net income for the year after taxation		<u>1,228,263,933</u>	<u>174,783,657</u>
Allocation of net income for the year:			
Net income for the year after taxation		1,228,263,933	174,783,657
Income already paid on units redeemed		(128,530,877)	(86,672,992)
Accounting income available for distribution		<u>1,099,733,056</u>	<u>88,110,666</u>
Accounting income available for distribution			
Relating to capital gains		960,473,194	5,181,700
Excluding capital gains		139,259,863	82,928,966
		<u>1,099,733,056</u>	<u>88,110,666</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

**Statement of Comprehensive Income
For the year ended June 30, 2024**

	2024	2023
	(Rupees)	
Net income for the year	1,228,263,933	174,783,657
Other comprehensive income for the year	-	-
Total comprehensive income	<u>1,228,263,933</u>	<u>174,783,657</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.



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



Chief Executive Officer



Chief Financial Officer



Director

**Statement Of Movement in Unit Holders' Fund
For the year ended June 30, 2024**

	Year ended 2024		Year ended 2023	
	Capital value	Undistributed income	Capital value	Undistributed income
				------(Rupees)-----
Net assets at beginning of the year	1,894,437,544	(429,818,978)	1,464,618,567	(443,189,513)
Issuance of 7,937,559 units (2023: 2,223,908 units)				
Capital value	747,526,878	-	205,884,537	-
Element of income	360,931,342	-	4,294,896	-
Total proceeds on issuance of units	1,108,458,220	-	210,179,433	-
Redemption of 7,537,657 units (2023: 12,094,188 units)				
Capital value	(713,387,216)	-	(713,387,216)	-
Element of loss	(265,139,870)	(128,530,877)	(993,670,747)	(86,672,992)
Total payments on redemption of units	(978,527,086)	(128,530,877)	(1,107,057,963)	(86,672,992)
Dividend distribution during the period @ Rs. 11 per unit on June 28, 2024 (2023: Rs.5.337 per unit)	-	(157,355,742)	-	(74,740,130)
Total comprehensive income for the year	-	1,228,263,933	1,228,263,933	174,783,657
Net assets as at end of the year	2,024,368,678	512,558,337	2,536,927,016	1,464,618,567
Undistributed loss brought forward:				
Realized loss	(401,550,054)		(177,742,050)	
Unrealized loss	(28,266,944)		(265,447,463)	
	(429,818,978)		(443,189,513)	
Accounting income available for distribution:				
Relating to capital gains	960,473,194		5,181,700	
Excluding capital gains	139,259,863		82,928,966	
	1,099,733,056		88,110,666	
Dividend distribution during the period @ Rs. 11 per unit on June 28, 2024 (2023: Rs.5.337 per unit)	(157,355,742)		(74,740,130)	
Undistributed income / (loss) at end of the year	512,558,337		(429,818,978)	
Undistributed income / (loss) carried forward:				
Realized loss	(386,109,365)		(401,550,054)	
Unrealized income / (loss)	898,667,702		(28,268,924)	
	512,558,337		(429,818,978)	
Net assets value per unit at beginning of the year		94.6431		92.5778
Net assets value per unit at end of the year		159.8057		94.6431

The annexed notes from 1 to 25 form an integral part of these financial statements.

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


Chief Executive Officer


Chief Financial Officer


Director

Statement of Cash Flow
For the year ended June 30, 2024

	2024	2023
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	1,228,263,933	174,783,657
Adjustments for:		
Unrealised (appreciation) / diminution on revaluation of investment classified at fair value through profit or loss - net"	(898,667,702)	28,268,924
Dividend income on investment at fair value through profit or loss	(202,512,594)	(28,878,129)
Mark-up on bank balances and Investments - at amortised cost	(1,306,812,369)	(212,997,804)
	<u>(1,179,728,732)</u>	<u>(38,823,352)</u>
(Increase) / decrease in assets		
Investments	(105,835,911)	699,269,595
Dividend and other receivables	-	(127,323)
	<u>(105,835,911)</u>	<u>699,142,272</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	2,745,362	(315,206)
Remuneration payable to the Trustee	91,260	(81,331)
Annual fee payable to Securities and Exchange Commission of Pakistan	(206,556)	(193,802)
Accrued expenses and other liabilities	3,137,647	2,697,848
Payable against purchase of investments	(24,024,509)	17,282,255
	<u>(18,256,796)</u>	<u>19,389,764</u>
Profit received on bank balances	1,304,948,507	31,728,675
Dividend received on investments	202,041,258	212,889,042
Net cash generated from operating activities	<u>203,168,326</u>	<u>924,326,401</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	1,108,458,220	210,179,433
Payments on redemption of units	(1,107,057,963)	(1,188,605,280)
Dividend paid in cash	(157,355,742)	(74,740,130)
Net cash used in financing activities	<u>(155,955,484)</u>	<u>(1,053,165,977)</u>
Net increase / (decrease) in cash and cash equivalents	47,212,842	(128,839,576)
Cash and cash equivalents at beginning of the year	147,735,670	276,575,247
Cash and cash equivalents at end of the year	<u>194,948,512</u>	<u>147,735,671</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

Notes to the Financial Statements For the year ended June 30, 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 Limited. 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 "Equity Scheme" as per the Circular 07 of 2009 issued by 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 The Pakistan Credit Rating Company Limited (PACRA) has maintained asset manager rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) dated August 25, 2023 (AM2+ as on August 26, 2022).

On May 23, 2024, VIS assigned following rankings to the Fund based on the performance review for the year ended June 30, 2024 (trailing 12 months for 1 Year ranking, trailing 36 months for 3 Year ranking, and trailing 60 months for 5 Year ranking.)

1-year ranking: MFR 2-Star
 3-year ranking: MFR 3-Star
 5-year ranking: MFR 3-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

- 2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as 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, the provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Where 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 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.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

These financial statements have been prepared under accrual basis of accounting except for cash flows information.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan rupees ('Rupees' or 'Rs'), which is the Fund's functional and presentation currency.

2.4 Use of judgments and estimates

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

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

Classification and valuation of investment

For details please refer notes 4.2.1.1 and to these financial statements.

Impairment of investment

For details please refer note 4.2.1.2 to these financial statements.

Provision for taxation

For details please refer notes 4.4 and 17 to these financial statements.

Other assets

Judgement is involved in assessing the realisability of other assets balances.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies"	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026

	Effective date (annual periods beginning on or after)
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified and measured at: amortised cost or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model on which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (refer note 4.2.1.2). Interest income, foreign exchange gains and losses and impairment are recognised in income statement.

4.2.1.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investment, advances and deposits, dividend and mark-up receivable and bank balances.

4.2.1.3 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.1.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer

price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.7 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value per unit

The net assets value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.
- Mark up on bank deposits is recognised on a time apportionment basis using effective rate.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

4.10 Expenses

All expenses including NAV based expenses are recognised in the income statement on a time apportionment basis.

4.11 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions. Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

			June 30, 2024	June 30, 2023
5	BANK BALANCES	Note	(Rupees)	
	Current accounts		7,703	7,703
	Savings accounts	5.1	194,940,809	147,727,967
			<u>194,948,512</u>	<u>147,735,670</u>
5.1	These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 19% to 22% (2023: 11.50% to 19.50%) per annum.			
6	INVESTMENTS			
	At fair value through profit or loss			
	Listed equity securities	6.1	2,377,411,929	1,372,908,316
	Market treasury bills	6.2	-	-
	Government securities			
	Market Treasury Bills		-	-
			<u>2,377,411,929</u>	<u>1,372,908,316</u>



6.1 Listed equity securities at fair value through profit or loss

Following are the details of investments in shares of listed companies - (fully paid up ordinary shares of Rs. 10 each unless stated otherwise):

Sectors / Companies	Holding as at July 01, 2023	Number of Shares		Disposed during the period during the period	Holding as at June 30, 2024	(Rupees)				[%]		Par value of shares held as a percentage of total paid up capital of the investee company	
		Purchased during the year				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) - net	Market value as percentage of total investments	Market value as percentage of net assets			
Commercial Banks													
Bank Alfalah Limited	1,184,514	128,677		142,180	1,171,011	38,247,026	79,652,168	41,405,143	3.35	0.03	0.01		
Faysal Bank Limited	1,076,350	951,317		120,300	1,907,367	51,137,706	100,022,325	48,884,620	4.21	0.04	0.02		
Habib Bank Limited	577,708	130,700		708,408	-	-	-	-	-	-	0.00		
MCB Bank Limited	549,252	127,757		139,938	537,071	67,775,929	121,925,858	54,149,929	5.13	0.05	0.00		
Meezan Bank Limited	599,953	27,164		30,515	536,602	48,572,905	128,457,153	79,884,247	5.40	0.05	0.01		
Bank Islami Pakistan Limited	1,808,300	138,800		1,947,300	-	-	-	-	-	-	0.00		
United Bank Limited	704,780	144,945		123,010	724,715	91,892,286	185,709,972	93,898,685	7.81	0.07	0.01		
						297,535,652	615,758,477	318,222,624	25.90	0.24			
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	-	57,599		1,710	55,889	44,449,087	51,948,267	7,499,179	2.19	0.02	0.01		
						44,449,087	51,948,267	7,499,179	2.19	0.02			
Fertilizers													
Engro Corporation Limited (6.1.1)	224,070	-		40,895	183,175	47,605,351	60,944,154	13,338,804	2.56	0.02	0.00		
Engro Fertilizer Limited	490,923	51,300		74,170	468,053	39,907,771	77,799,770	37,892,049	3.27	0.03	0.00		
Fauji Fertilizer Bin Qasim Limited	-	2,384,273		1,062,430	1,321,843	27,685,085	46,885,771	19,196,687	1.97	0.02	0.01		
Fauji Fertilizer Company Limited	556,411	241,012		284,120	513,303	56,586,220	83,863,444	27,277,224	3.53	0.03	0.01		
						171,788,376	269,493,139	97,704,763	11.34	0.11			
Pharmaceuticals													
Ferozsons Laboratories Limited	40,540	-		40,540	-	-	-	-	-	-	0.00		
The Searl Company Limited (6.1.2)	9,893	440,000		449,893	-	27,438,373	25,697,888	(1,740,485)	1.08	0.01	0.03		
Highnoon Laboratories Limited	29,900	62,040		18,695	73,245	30,222,479	52,266,167	22,043,688	2.20	0.02	0.04		
AGP Limited	-	546,931		-	546,931	39,663,577	50,520,016	10,856,440	2.13	0.02	0.06		
						97,324,430	128,486,072	31,159,642	5.40	0.05			
Cement													
Lucky Cement Company Limited (6.1.2)	83,418	40,775		20,690	103,503	55,286,662	93,849,275	38,562,613	3.95	0.04	0.00		
Kohat Cement Company Limited	171,883	27,500		194,955	4,428	774,848	1,108,904	334,056	0.05	0.00	0.00		
D.G. Khan Cement Company Limited	-	462,000		462,000	-	-	-	-	-	-	0.00		
Maple Leaf Cement Factory Limited	804,673	1,542,384		284,185	2,062,872	66,861,167	78,389,136	11,527,969	3.30	0.03	0.04		
Pioneer Cement Limited	269,170	442,065		82,075	629,160	61,993,123	106,107,834	44,714,711	4.46	0.04	0.03		
Cherat Cement Company Limited	177,992	198,433		376,425	-	52,095,002	85,805,235	33,710,233	3.61	0.03	0.00		
Fauji Cement Company Limited	1,958,687	1,523,561		136,930	3,745,318	236,410,803	365,260,385	128,849,582	15.36	0.14	0.03		
						76,588,278	151,819,652	75,231,374	6.39	0.06			
Power Generation & Distribution													
Hub Power Company Limited	900,574	263,823		233,445	930,952	76,588,278	151,819,652	75,231,374	6.39	0.06	0.01		
Engro Powergen Qadirpur Limited	-	1,123,000		1,123,000	-	-	-	-	-	-	0.00		
						76,588,278	151,819,652	75,231,374	6.39	0.06			
Oil and Gas Exploration Companies													
Mar Petroleum Company Limited (6.1.2)	85,842	-		24,595	60,847	92,161,300	165,037,752	72,876,452	6.94	0.07	0.01		
Oil and Gas Development Company Ltd (6.1.1)	820,702	492,155		142,245	1,170,612	104,897,579	158,465,746	53,568,168	6.67	0.06	0.00		
Pakistan Oilfield Limited	265,152	-		66,965	198,187	79,625,591	97,099,739	17,474,148	4.08	0.04	0.01		
Pakistan Petroleum Limited (6.1.1)	879,647	597,103		154,050	1,322,700	93,065,273	154,901,397	61,836,124	6.52	0.06	0.01		
						369,749,743	575,504,634	205,754,891	24.21	0.23			

Sectors / Companies	Holding as at July 01, 2023	Purchased during the year	Disposed during the period during the period	Holding as at June 30, 2024	Number of Shares			Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) - 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
								(Rupees)	(%)				
Oil and Gas Marketing Companies	122,241	-	122,241	-				435,063	632,761	-	0.03	0.00	0.00
	132,606	41,250	170,049	3,807				46,869,963	62,510,016	15,640,053	2.63	0.02	0.02
	668,548	731,492	415,165	984,875				47,305,027	63,142,778	15,837,751	2.66	0.02	
Food & Personal Care Products	1,041,018	-	1,041,018	-				18,519,430	22,762,256	4,242,826	0.96	0.01	0.00
	4,128,026	1,723,925	3,285,744	2,586,207				18,519,430	22,762,256	4,242,826	0.96	0.01	0.05
Automobile Assembler	-	41,131	-	41,131				25,036,519	26,162,606	1,126,088	1.10	0.01	0.01
								25,036,519	26,162,606	1,126,088	1.10	0.01	
Technology and Communication	153,729	-	153,729	-				75,416,803	77,858,597	2,441,794	3.27	0.03	0.00
	279,036	21,000	113,905	186,131				-	-	-	-	-	0.02
	2,489,598	-	2,489,598	-				75,416,803	77,858,597	2,441,794	3.27	0.03	0.00
Refinery	86,391	14,300	100,691	-				-	-	-	-	-	0.00
								-	-	-	-	-	
Engineering	189,790	176,142	51,770	314,162				18,619,878	29,217,066	10,597,188	1.23	0.01	0.02
	-	1,764,698	1,764,698	-				18,619,878	29,217,066	10,597,188	1.23	0.01	0.00
Total as at June 30, 2024								1,478,744,227	2,377,411,929	898,667,702	100.00	0.94	
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 (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP, of following companies:

	June 30, 2024	June 30, 2023	June 30, 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
	<u>560,000</u>	<u>560,000</u>	<u>120,890,900</u>	<u>66,558,600</u>

- 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 June 30 2024 amounted to Rs. 1.198 mln (June 30 2023: Rs.1.244 mln) and are included in the Fund's investments in these financial statements.

6.2 Government securities - at fair value through profit or loss

6.2.1 Market Treasury Bills (Face value of Rs 100 each)

Name of Security	Date of Issuance	Number certificates-----				Balance as at June 30, 2024			Market value as % of total investments	Market value as % of net assets
		Holding as at 01 July 2023	Purchases during the year	Sold during the year	Holding as at 30 June 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) - net		
		(Number 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 June 30, 2024						-----			-----	
Total as at June 30, 2023						-----			-----	

		June 30, 2024	June 30, 2023
7	DIVIDEND AND OTHER RECEIVABLES	Note	(Rupees)
	Dividend receivable	7.1	854,512
	Withholding tax recoverable	7.2	772,791
			<u>1,879,456</u>
			<u>1,408,119</u>

- 7.1 The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001.
- 7.2 The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 150 and 151 of ITO 2001. The management is confident that the same shall be refunded after filing refund application.

		June 30, 2024	June 30, 2023
8	ADVANCES AND DEPOSITS	Note	(Rupees)
	Security deposits with:		
	National Clearing Company of Pakistan Limited	2,550,000	2,550,000
	Central Depository Company of Pakistan Limited	100,000	100,000
		<u>2,650,000</u>	<u>2,650,000</u>
9	PAYABLE TO THE MANAGEMENT COMPANY		
	Remuneration payable to the Management Company	9.1 6,082,358	3,652,834
	Sindh Sales Tax on Management Company's remuneration	9.2 790,706	474,868
	Federal Excise Duty on Management Company's remuneration	9.3 21,182,857	21,182,857
		<u>28,055,921</u>	<u>25,310,559</u>
9.1	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 year ended June 30, 2024 is 2.80% of average annual net assets calculated on daily basis.		
9.2	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 9.3.		
9.3	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 (2023: 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 June 30, 2024 would have been higher by Re. 1.33 (30 June 2023: Re. 1.37) per unit.		

10 REMUNERATION PAYABLE TO THE TRUSTEE

		June 30, 2024	June 30, 2023
	Note	(Rupees)	
Trustee fee payable	10.1	282,435	201,674
Sindh sales tax payable on Trustee fee	10.2	35,559	25,060
		<u>317,994</u>	<u>226,734</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of the Trust Deed as per the tariff specified therein, based on the average net assets of the Fund. The fee is paid to the Trustee on monthly basis in arrears.

Earlier the tariff structure applicable to the Fund was as follows:

Upto Rs. 1 billion	0.20% per annum of net assets value
Over Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets value exceeding Rs. 1,000 million

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

		June 30, 2024	June 30, 2023
	Note	(Rupees)	
11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	11.1	192,575	399,131

11.1 As per Regulation 62 of the NBFC Regulations, an Asset Management Company managing a CIS, shall pay SECP an annual fee of 0.095% of the average annual net assets. During the reporting period, Management Company has charged the fee accordingly. The fee is payable annually in arrears.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

Withholding tax payable	5,042,242	1,498,039
Brokerage payable	1,035,795	1,404,155
Auditors' remuneration	273,189	256,004
Fee payable to Central Depository Company of Pakistan Limited	197,251	-
Fee payable to National Clearing Company of Pakistan Limited	355,634	575,761
Dividend payable	51,538	16,836
Professional tax	-	67,208
	<u>6,955,650</u>	<u>3,818,003</u>

13 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the year ended June 30, 2024 is 3.64% (June 30, 2023: 2.77%) which includes 0.5% (June 30, 2023: 0.33%) representing government levies (comprising of Workers Welfare Fund and SECP fee, etc.). As per SRO 639(I)/2019, dated June 20, 2019 the total expense ratio of the Equity Scheme shall be capped up to 4.5%.

14 CONTINGENCIES AND COMMITMENTS

14.1 There are no contingencies and commitments as at the reporting date. (2023: Rs. Nil).

		June 30, 2024	June 30, 2023
15	NUMBER OF UNITS IN ISSUE	Note	(No. of units)
	Total outstanding as of 1 July	15,475,162	25,308,428
	Issued during the year	15.1 7,937,559	2,260,922
	Redemptions during the year	15.2 (7,537,657)	(12,094,188)
	Total units in issue	<u>15,875,064</u>	<u>15,475,162</u>

15.1 Includes 0.798 million (2023: 0.014 million) units on the conversion of units from the related funds.

15.2 Includes 2.064 million (2023: 4.765 million) units on the conversion of units to the related funds.

16 AUDITORS' REMUNERATION

Annual audit fee	230,000	200,000
Half year review fee	115,000	125,000
Out of pocket and sales tax expenses	56,012	80,408
	<u>401,012</u>	<u>405,408</u>

17 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.

18 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of cumulative weighted average number of outstanding units is not practicable.

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company and the holding company, key management personnel, other funds being managed by the Management Company and also include entities having holding 10% or more in the units of the Fund as at June 30, 2024. It also includes staff retirement funds of the above related parties / connected persons.

19.1 Details of balance with related parties / connected persons at the year end

	June 30, 2024	June 30, 2023
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable (including the Sindh Sales Remuneration payable	<u>6,082,358</u>	<u>3,652,834</u>
Sindh sales tax payable on remuneration of Management Company	<u>790,706</u>	<u>474,868</u>
Federal excise duty	<u>21,182,857</u>	<u>21,182,857</u>
Central Depository Company of Pakistan Limited Trustee of the Fund		
Remuneration payable (Including Sindh sales tax)	<u>317,994</u>	<u>226,734</u>
Security Deposit	<u>100,000</u>	<u>100,000</u>
Settlement charges payable	<u>197,251</u>	<u>-</u>

19.2 Details of transaction with related parties / connected persons for the year end

Lakson Investments Limited - Management Company of the Fund		
Remuneration for the year	<u>60,302,522</u>	<u>41,222,792</u>
Sindh sales tax on remuneration of Management Company	<u>7,839,328</u>	<u>5,358,963</u>
Central Depository Company of Pakistan Limited Trustee of the Fund		
Remuneration for the year (including Sindh Sales Tax of Rs.410,380 (2023: Rs. 389,446))	<u>3,567,152</u>	<u>3,385,185</u>
Settlement charges for the year	<u>205,880</u>	<u>168,024</u>

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

	Number of Units					Year ended June 30, 2024					Rupees		
	Number of units issued during the year 2023	Units issued during the year	Refund / Adjustment of units as element of income	Units redeemed during the year	Number of units as at June 30, 2024	Balance as at July 01, 2023	Units issued during the year	Units redeemed during the year	Gross Dividend during the year	Balance as at June 30, 2024			
Directors, Chief Executive and their spouse and minors	2,052,766	872,042	36,422	580,479	2,380,751	194,280,112	119,131,367	85,095,342	18,862,928	380,457,597			
Other key management personnel	27,576	41,331	1,576	15,798	54,685	2,609,900	5,305,229	2,403,859	313,946	8,738,899			
Associated companies / undertakings of the Management Company													
Accuray Surgical Limited Employees Contributory Provident Fund	15,749	52,064	-	67,813	-	1,490,554	7,378,517	10,040,304	-	-			
Century Insurance Company Limited, Gratuity Fund	16,454	97,916	-	114,370	-	1,557,219	13,563,937	16,986,101	-	-			
Century Insurance Company Limited	12,660	86,561	-	99,221	-	1,198,218	11,775,276	14,610,995	-	-			
Employees Contributory Provident Fund Trust	137,713	984,714	-	1,122,427	-	13,033,593	135,724,937	166,863,384	-	-			
Century Paper & Board Mills Limited ECPFT	142,925	912,799	-	1,055,723	-	13,526,852	126,246,419	156,889,908	-	-			
Century Paper & Board Mills Limited EGF	111,555	902,818	-	1,014,374	-	10,557,941	123,873,887	150,744,944	-	-			
Colgate Palmolive Pakistan Limited ECPFT	159,720	1,001,591	-	1,161,311	-	15,116,389	138,886,695	172,555,976	-	-			
Colgate Palmolive Pakistan Limited EGF	78,077	500,785	-	578,863	-	7,389,489	69,195,460	86,157,571	-	-			
Cyber Internet Services (Private) Limited Employees CPFT	1,604	13,454	-	15,058	-	151,813	1,837,714	2,233,991	-	-			
Hasnali Karabhai Foundation ECPFT Trust													
Lakson Business Solutions Limited	1,335	64	-	-	1,399	126,314	10,277	-	14,681	223,558			
Employees Contributory Provident Fund Trust	16,312	53,428	-	69,741	-	1,543,832	7,648,517	10,360,950	-	-			
Lakson Investments Limited ECPFT	24,903	85,762	-	110,665	-	2,356,854	12,201,050	16,454,739	-	-			
Merit Packaging Limited Employees Contributory Provident Fund Trust	13,458	53,506	-	66,965	-	1,273,750	7,480,295	9,869,800	-	-			
Merit Packaging Limited Employees Gratuity Fund	62,122	509,998	-	572,121	-	5,879,446	68,982,449	84,310,292	-	-			
Siza Foods Private Limited Employees Contributory Provident Fund Trust	3,229	47,459	-	50,688	-	305,591	6,421,194	7,531,056	-	-			
Siza Services Private Limited Employees Contributory Provident Fund Trust	18,158	97,990	-	116,148	-	1,718,503	13,620,381	17,278,246	-	-			
Sybird (Private) Limited ECPFT													
Holding more than 10% units													
Sindh General Provident Investment Fund	4,104,675	282,507	-	-	4,387,183	388,479,214	45,151,430	-	45,151,430	701,096,830			
Sindh Province Pension Fund	5,962,533	410,376	-	-	6,372,909	564,312,640	65,587,867	-	65,587,867	1,018,427,214			
CDC Trustee-Punjab Pension Fund Trust	1,896,702	130,542	-	-	2,027,244	179,509,801	20,863,727	-	20,863,727	323,965,217			

Year ended June 30, 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 June 30, 2023	Balance as at July 01, 2022	Units issued during the year	Units redeemed during the year	Gross Dividend during the year	Balance as at June 30, 2023
5,398,402	622,993	32,113	4,000,343	2,052,766	794,095,573	93,478,571	259,459,944	7,462,079	194,280,128
40,418	25,067	1,387	39,296	27,576	6,237,167	2,336,874	3,877,868	11,599	2,609,900
38,322	30,635	864	54,071	15,749	3,547,751	3,005,762	4,566,357	-	1,490,554
44,407	17,356	-	45,309	16,454	4,111,090	1,640,434	3,634,436	82,998	1,557,219
56,457	16,138	171	60,106	12,660	5,226,652	1,546,480	4,954,385	48,095	1,198,218
524,848	145,265	-	532,400	137,713	48,589,298	13,730,084	43,010,411	694,673	13,033,593
482,065	150,762	-	489,902	142,975	44,628,471	14,249,701	39,418,738	720,963	13,576,852
495,562	117,672	-	502,079	111,555	45,915,040	11,122,138	40,894,414	562,728	10,557,941
546,010	168,478	-	554,768	159,720	50,548,430	15,924,180	44,353,497	805,683	15,116,389
244,803	82,359	-	249,084	78,077	22,663,278	7,784,370	20,000,520	393,850	7,389,489
148,497	-	-	148,497	-	13,107,516	-	12,116,592	-	-
7,370	1,516	88	7,370	1,604	682,343	147,561	609,561	-	151,813
1,283	52	-	-	1,335	118,736	4,791	-	6,845	126,314
36,940	17,207	-	37,834	16,312	3,419,801	1,626,332	3,114,048	82,284	1,543,832
65,549	28,990	131	69,168	24,903	6,068,420	2,700,775	5,512,183	113,993	2,356,854
33,251	23,851	595	44,238	13,458	3,078,259	2,332,114	3,648,927	13,186	1,273,750
677,111	-	-	677,111	-	62,741,012	-	64,853,573	-	-
137,120	88,801	1,433	165,232	62,122	12,694,235	8,503,372	13,712,266	181,514	5,879,446
-	380	-	380	-	-	-	73,426	-	-
637,853	-	-	637,853	-	59,051,035	-	-	-	-
27,622	3,406	-	27,799	3,229	2,557,144	321,922	2,251,634	16,288	305,591
54,472	22,864	229	59,407	18,158	5,042,971	2,189,313	4,858,743	70,570	1,718,503
3,879,598	225,078	-	-	4,104,675	359,164,631	-	-	20,705,414	388,479,214
5,635,581	326,952	-	-	5,962,533	521,729,694	-	-	30,077,096	564,312,640
1,792,698	104,005	-	-	1,896,702	175,267,045	-	-	9,567,628	179,509,801
Holding more than 10% units									
Sindh General Provident Investment Fund									
Sindh Province Pension Fund									
CDC Trustee-Punjab Pension Fund Trust									

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

Associated companies / undertakings of the Management Company

Accury Surgical Limited Employees Contributory Provident Fund
Century Insurance Company Limited, 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 (Private) Limited Employees CPFT
Gam Corporation Private Limited Employees Contributory Provident Fund
Hasanali Karabhai Foundation ECPFT 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 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

Holding more than 10% units

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

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework

The Asset Management Company's Board of Directors has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Committee of the Management Company oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

20.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, receivable against sale of marketable securities and security deposits and dividend receivable on securities.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

- Analysing of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

Exposure to credit risk

The maximum exposure to credit risk as at the reporting date is as follows:

	2024		2023	
	Balance as per the Statement	Maximum Exposure	Balance as per the Statement	Maximum Exposure
	----- (Rupees) -----			
Bank balances (including profit due)	198,326,686	198,326,686	149,249,982	149,249,982
	2,377,411,929	-	1,372,908,316	-
Dividend receivable	854,512	854,512	635,328	635,328
Deposits and Advances (Central Depository Company of Pakistan and National Clearing Company Limited)"	2,650,000	2,650,000	2,650,000	2,650,000
	2,579,243,126	201,831,198	1,525,443,626	152,535,310

Difference in the balance as per the Statement of Assets and Liabilities and maximum exposure in investments is due to the fact that investments in equity securities of Rs. 2,377,411,929 (2023: Rs. 1,372,908,316) do not carry credit risk.

Bank balances

The Fund's cash and cash equivalent at the reporting date are with banks having the following credit ratings:

Rating	2024 (Rupees)	2023	2024 (%)	2024
AAA	749,342	711,064	0.38	0.48
AA+	16,148,960	146,789,945	8.14	99.36
AA	114,059	165,024	0.06	0.11
A+	181,282,506	10,675	91.41	0.01
A	-	19,657	0.00	0.01
B	-	24,106	0.00	0.02
AA-	-	15,199	0.00	0.01
A-	24,106	-	0.01	0.00
	198,318,972	147,735,670	100.00	100.00

Above total balances include profit due Rs. 3,378,174 (2023: Rs. 1,514,312).

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affects the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

Details of Fund's concentration of credit risk of financial instruments by industry-wise distribution are as follows:

	2024		2023	
	(Rupees)	(%)	(Rupees)	(%)
Bank balances (including profit due)	198,326,686	97.77	147,735,670	97.33
National Clearing Company of Pakistan Limited	2,550,000	1.26	2,550,000	1.68
Central Depository Company of Pakistan - security deposit	100,000	0.05	100,000	0.07
Dividend receivable	854,512	0.42	635,328	0.42
Other receivables	1,024,944	0.51	772,791	0.51
	<u>202,856,142</u>	<u>100.00</u>	<u>151,793,789</u>	<u>100.00</u>

Past due and impaired assets and collaterals held

None of the financial assets of the Fund are past due or impaired as at June 30, 2024.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations, mainly by a guaranteed settlement mechanism of NCCPL.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund is entitled to borrow, with prior approval of trustee, for meeting redemptions. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue.

Maturity analysis for financial liabilities

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

		2024
		Contractual cash flows
		Carrying amount Less than 3 month
		----- (Rupees) -----
Financial liabilities		
(excluding unit holders' fund)		
Payable to the Management Company *	6,082,358	6,082,358
Remuneration payable to the Trustee	282,435	282,435
Accrued expenses and other liabilities *	1,913,407	1,913,407
Payable against purchase of investments	7,818,915	7,818,915
	<u>16,097,114</u>	<u>16,097,114</u>
Unit holders' fund	<u>2,536,927,016</u>	<u>2,536,927,016</u>
		2023
		Contractual cash flows
		Carrying amount Less than 3 month
		----- (Rupees) -----
Financial liabilities		
(excluding unit holders' fund)		
Payable to the Management Company *	3,652,834	3,652,834
Remuneration payable to the Trustee	201,674	201,674
Accrued expenses and other liabilities *	2,319,964	3,818,003
Payable against purchase of investments	31,843,423	31,843,423
	<u>38,017,895</u>	<u>39,515,934</u>
Unit holders' fund	<u>1,464,618,567</u>	<u>1,464,618,567</u>

* excluding provision for workers' welfare fund, federal excise duty on Management Company's remuneration, annual fee payable to Securities and Exchange Commission of Pakistan and Sindh Sales Tax payable on Management Company's remuneration.

20.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

The Fund is exposed to interest rate risk and equity price risk.

20.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

Exposure to interest rate risk

	2024	2023
	(Rupees)	
Variable-rate instrument		
Financial assets (bank balances)	<u>194,940,809</u>	<u>147,727,967</u>

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased unit holder fund and income statement by Rs.1,949,408 (June 30, 2023: Rs. 1,477,279). The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

None of the other assets and Fund's liabilities are exposed to interest rate risk.

A summary of the Fund's interest rate gap position, categorised by the earlier of contractual re-pricing or maturity date is as follows:

----- June 30, 2024 -----				
	Interest rate %	Exposed to interest rate risk no later than one year	Not exposed to interest rate risk	Total
	Note	----- Rupees -----		
Financial assets				
Bank balances				
(including profit due)	5.1	194,940,809	3,385,877	198,326,686
Investments		-	2,377,411,929	2,377,411,929
Dividend receivable		-	854,512	854,512
Security deposit		-	2,650,000	2,650,000
		<u>194,940,809</u>	<u>2,384,302,317</u>	<u>2,579,243,126</u>

----- June 30, 2023 -----				
	Interest rate %	Exposed to interest rate risk no later than one year	Not exposed to interest rate risk	Total
	Note	----- Rupees -----		
Financial assets				
Bank balances				
(including profit due)	5.1	147,727,967	1,522,015	149,249,982
Investments		-	1,372,908,316	1,372,908,316
Dividend receivable		-	635,328	635,328
Security deposit		-	2,650,000	2,650,000
		<u>147,727,967</u>	<u>1,377,715,659</u>	<u>1,525,443,626</u>

20.3.2 Other price risk

The Fund is exposed to equity price risk i.e. the risk of unfavourable changes in the fair value of equity securities as a result changes in the levels of Pakistan Stock Exchange Index and the value of individual shares, which arises from investments measured at fair value through income statement.

The management of the Fund monitors the proportion of equity securities in its investment portfolio based on market indices. The Fund's policy is to manage price risk through diversification and selection of securities within the specified limits set by internal risk management guidelines or the requirements of NBFC regulations.

The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of the issued capital of that investee company and the net assets of the Fund with overall limit of 30% or index weight whichever is higher subject to maximum of 35% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations).

The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary goal of the Fund's investment strategy is to maximise investment returns.

Details of the Fund's investment in industrial / economic sector are given in note 6.1.

Sensitivity analysis - equity price risk

All of the Fund's listed equity investments are listed on Pakistan Stock Exchange Limited. For such investments classified as at fair value through profit or loss the impact on income statement and unit holders' fund, due to a 5% increase or decrease in the fair values of the equity investments, would have been an increase or decrease of Rs. 118,870,596 (2023: Rs. 68,645,416).

20.4 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

20.5 Unit holder's fund management

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

20.6 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 at the end of the reporting period. 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 or indirectly (Level 2).

- Unobservable inputs for the asset or liability (Level 3).

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

		2024					
		Carrying amount			Fair Value		
		Fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Total
On-balance sheet financial instruments							
		(Rupees)					
Financial assets measured at fair value							
Listed equity securities	20.6.2	2,377,411,929	-	2,377,411,929	2,377,411,929	-	2,377,411,929
		2,377,411,929	-	2,377,411,929	2,377,411,929	-	2,377,411,929
Financial assets not measured at fair value							
Bank balances - Held at amortized cost	20.6.1	-	194,948,512	194,948,512	-	-	-
Dividend receivable		-	1,879,456	1,879,456	-	-	-
Advances and deposits		-	2,650,000	2,650,000	-	-	-
Mark-up accrued on bank balances		-	3,378,174	3,378,174	-	-	-
		-	202,856,142	202,856,142	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	20.6.1	-	6,082,358	6,082,358	-	-	-
Remuneration payable to the Trustee		-	282,435	282,435	-	-	-
Accrued expenses and other liabilities		-	6,955,650	6,955,650	-	-	-
Payable against the purchase of equity investment		-	7,818,915	7,818,915	-	-	-
		-	21,139,357	21,139,357	-	-	-
		2023					
		Carrying amount			Fair Value		
		Fair value through profit and loss	Amortized cost	Total	Level 1	Level 2	Total
On-balance sheet financial instruments							
		(Rupees)					
Financial assets measured at fair value							
Listed equity securities	20.6.2	1,372,908,316	-	1,372,908,316	1,372,908,316	-	1,372,908,316
		1,372,908,316	-	1,372,908,316	1,372,908,316	-	1,372,908,316
Financial assets not measured at fair value							
Bank balances - Held at amortized cost	20.6.1	-	147,735,670	147,735,670	-	-	-
Dividend receivable		-	635,328	635,328	-	-	-
Security deposit		-	2,650,000	2,650,000	-	-	-
Return receivable on bank balances		-	1,514,312	1,514,312	-	-	-
		-	152,535,310	152,535,310	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	20.6.1	-	3,652,834	3,652,834	-	-	-
Remuneration payable to the Trustee		-	201,674	201,674	-	-	-
Accrued expenses and other liabilities		-	3,818,003	3,818,003	-	-	-
Payable against the purchase of equity investment		-	31,843,423	31,843,423	-	-	-
		-	39,515,934	39,515,934	-	-	-

20.6.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

20.6.2 For level 1 investments at fair value through profit or loss' - 'Investment in respect of equity securities, the Fund uses daily quotation rates which are taken from Pakistan Stock Exchange Limited at the reporting date.

21 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance of units	Payable against redemption of units	Dividend payable	Total
Opening balance as at July 1, 2023	-	-	-	-
Receivable against issuance of units	(1,108,458,220)	-	-	(1,108,458,220)
Payable against redemption of units	-	1,107,057,963	-	1,107,057,963
Dividend payable	-	-	157,355,742	157,355,742
	(1,108,458,220)	1,107,057,963	157,355,742	155,955,484
Amount received on issuance of units	1,108,458,220	-	-	1,108,458,220
Amount paid on redemption of units	-	(1,107,057,963)	-	(1,107,057,963)
Dividend paid	-	-	(157,355,742)	(157,355,742)
	1,108,458,220	(1,107,057,963)	(157,355,742)	(155,955,484)
Closing balance as at June 30, 2024	-	-	-	-

22 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top brokers, members of the Investment Committee, Fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company are as follows:

22.1 Unit holding pattern of the Fund

Category	June 30, 2024		
	Number of Investors	Investment Amount	% of Total net assets
	----- (Rupees) -----		
Individual investor	32	14,268,188	0.01
Associated Companies and Directors	11	380,681,154	0.15
Foreign Individuals	3	5,607,726	0.00
Retirement Funds	5	2,072,902,151	0.82
Other Corporate investors	1	63,467,797	0.03
Total	52	2,536,927,016	100.00

Category	June 30, 2023		
	Number of Investors	Investment Amount	% of Total net assets
	----- (Rupees) -----		
Individual investor	25	5,101,152	0.35
Associated Companies and Directors	24	271,507,691	18.54
Foreign Individuals	3	3,168,461	0.22
Retirement Funds	5	1,148,598,698	78.42
Other Corporate investors	3	36,242,564	2.47
Total	60	1,464,618,567	100.00

22.2 List of top 10 brokers by percentage of commission paid

Name of broker	2024	2023
	Commission paid (Percentage)	
JS Global Capital Limited	18.54%	11.95%
Vector Capital (Private) Limited	17.13%	9.94%
Ismail Iqbal Securities (Private) Limited	13.97%	9.57%
Chase Securities	12.13%	9.10%
Topline Securities Limited	11.65%	8.96%
Global Securities Pakistan Limited	8.11%	7.84%
Intermarket Securities Limited	6.23%	7.75%
Insight Securities	5.38%	6.19%
BMA Capital Management Limited	3.63%	6.06%
Optimus Markets (Private) Limited	1.27%	5.29%

22.3 Particulars of the Investment Committee and Fund manager

Following are the members of the investment committee of the Fund:

- Mr. Babar Ali Lakhani (Chairman Investment Committee)
- Mr. Kashif Mustafa - (Executive Director & COO)
- Mr. Mustafa O. Pasha - (Chief Investment Officer)
- Mr. Hassan Bin Nasir
- Mr. Danial Baig

Mr. Babar Ali Lakhani - Chief Executive Officer

Mr. Lakhani has over twenty three years of investment and portfolio management experience in domestic and international equity and fixed income markets. Mr. Lakhani most recently served as the Chief Investment Officer of Century Insurance, a Public Limited Company listed on the Karachi and Lahore Stock Exchanges of Pakistan. He was an Investment Associate at High Street Advisors and a Research Analyst at Credit Suisse Equity Group (formerly Credit Suisse First Boston). Mr. Lakhani brings extensive investment experience, globally practiced portfolio management discipline, and a comprehensive understanding of the global asset management industry to Lakson Investments Limited.

Mr. Lakhani received his BA in Finance from Bentley College, and his MBA from Brandeis University.

Mr. Lakhani is a member of the Global Association of Risk Professionals (GARP), the Society of Financial Service Professionals and the Young Presidents' Organization (YPO). Mr. Lakhani is a member of the Alumni Trustee Committee of Brandeis University and is the school's representative in Pakistan.

Mr. Lakhani was looking after Lakson Asset Allocation Emerging Market Fund and Lakson Asset Allocation Global Commodities Fund. Subsequently, Mr. Umair and Mr. Pasha have designated to manage the Lakson Asset Allocation Emerging Market Fund and Lakson Asset Allocation Global Commodities Fund respectively.

Mr. Kashif Mustafa – Executive Director and COO

Mr. Mustafa has more than fifteen years of experience working in the financial markets of Pakistan local & international brokerage houses, and leading Asset Management Companies. Mr. Mustafa's experience includes; Financial Analysis, Equity Research, Investment Advisory and Business Development.

Mr. Mustafa O. Pasha, CFA – Chief Investment Officer

Mr. Pasha has over fifteen years of experience in the asset management and investment advisory industry. He did his Bachelors in Economics from McGill University (Montreal, Canada) in 2006 and obtained his CFA charter in 2012.

He was previously associated with BMA where he initially served as a fixed income analyst and later became the in house economist for the entire BMA group. Between 2009 - 2012 he supervised fixed income/money market investments across all mutual funds and institutional/HNW accounts advised by BMA. He is also managing Lakson Tactical Fund.

Mr. Hassan Bin Nasir - Fund Manager

Mr. Hassan Bin Nasir has over thirteen years of experience and currently holds positions of Vice President Fixed Income in Lakson Investments Limited. He completed his Masters in Business Administration in Finance major from Bahria University, Pakistan. He has immense experience in managing portfolios across Collective Investment Schemes, Separate

Managed Accounts with Strong Fixed Income background, investment strategy and trading experience in instruments including, Government Securities, Corporate Debt Securities, Banking Products and Shariah Compliant Corporate Debt Securities. He is managing the following funds:

- Lakson Income Fund
- Lakson Money Market Fund
- Lakson Asset Allocation Developed Markets Fund

Mr. Mirza Danial Baig

Mr. Baig has a Master's degree in Business Administration, with over eight (8) years of experience in asset management and banking. He has knowledge base in NBFC Rules & Regulations, AML Regulations, corporate governance, formulation of internal policies/mechanisms, development and execution of multi-faceted compliance programs.

He has been associated with Lakson Investments since September 2022, as Manager Compliance, where he is responsible for overseeing the Compliance Function.

22.4 Directors meeting attendance

2023 - 2024

Name of directors	Meeting Attended	September 04, 2023	October 20, 2023	February 27, 2024	April 30, 2024
Mr. Iqbal Ali Lakhani	4	✓	✓	✓	✓
Mr. Babar Ali Lakhani	4	✓	✓	✓	✓
Mr. Amin Mohammed Lakhani	4	✓	✓	✓	✓
Mr. Jamil Ahmed Mughal	4	✓	✓	✓	✓
		4	4	4	4

22.5 Rating of the Fund and the management company

Details of the ratings of the Fund and the Management Company are given in note 1.4 to the financial statements.

23 CORRESPONDING FIGURES

Corresponding figures have been arranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

24 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

25 DATE OF AUTHORISATION FOR ISSUE

- 25.1 These financial statements were authorized for issue by the Board of Directors of the Management Company on September 12, 2024.

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


Chief Executive Officer


Chief Financial Officer


Director

Performance Table	FY24	FY23	FY22	FY21
Net Assets - Beginning (PKR Mil.)	1,465	2,343	3,160	2,932
Net Assets - Ending (PKR Mil.)	2,537	1,465	2,343	3,160
Net Asset value per share	159.8057	94.6431	92.5778	114.5388
Selling Price for units	165.2232	97.8515	95.3552	117.9750
Repurchase Price for units	159.8057	94.6431	92.5778	114.5388
Highest Offer Price (PKR)	177.4908	106.9158	123.1612	124.8151
Lowest Offer Price (PKR)	97.8418	91.4671	93.9138	92.0618
Highest Redemption Price (PKR)	171.6711	103.4101	119.5739	121.1797
Lowest Redemption Price (PKR)	94.6337	88.803	91.1784	89.3803
Beginning NAV - Ex-Div. (PKR)	94.6431	92.5778	114.5388	87.9078
Interim Distributions (PKR)	11.000	5.337	Nil	2.6
Final Distribution (PKR)	-	-	-	-
Ending NAV - Ex-Div. (PKR)	159.8057	94.6431	92.5778	114.5388
Return	80.47%	8.16%	-19.18%	33.23%
Net Income / (loss) (PKR Mil.)	1,228	99	(580)	689
Total Distribution (PKR Mil.)	157	75	Nil	62
Accumulated Capital Growth	651	(419)	(442)	138
Average Annual return of the Fund				
One Year	80.47%	8.16%	-19.18%	33.23%
Two year	44.32%	-5.51%	7.02%	28.59%
Three year	57.76%	16.47%	3.93%	2.52%
Since inception (November 13,2009)	481.02%	221.95%	197.65%	276.55%
Distributions	FY24	FY23	FY22	FY21
Interim Distribution	11.0000	5.3370	-	2.6000
Final Distribution	Nil	Nil	-	-
NAV before Distribution	105.6432	97.3293	-	118.1700
NAV after Distribution	159.8239	91.9923	-	115.5700
Distribution Date	28-Jun-24	22-Jun-23	-	26-Jun-21

Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

During FY24

Summary of Actual Proxy voted by CIS:

	Resolutions	For	Against	Abstain*
Number	2	2	-	-
(%ages)	100%	100%	-	-

Note: The proxy voting policy of the Lakson Equity Fund (LEF) is available on the website of Lakson Investments Limited, the Management Company. A detailed information regarding actual proxies voted by the Management Company in respect of the Lakson Equity Fund (LEF) is also available without charge upon request to all unit holders.



A Lakson Group Company

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