

LAKSON EQUITY FUND

Quarterly Report (September 30, 2024)



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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===== **Vision** =====

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

===== **Mission** =====

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

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

Fund's Information

Management Company

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

**Board of Directors of
the Management Company**

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

Chief Financial Officer

Mr. Junaid Arshad

**Company Secretary
of the Management Company**

Ms. Nobia Shams

Audit Committee

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

**Human Resource and
Remuneration Committee**

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S,
Main Shahra-e-Faisal,
Karachi, Pakistan.

Auditors

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



Bankers to the Fund

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

LAKSON EQUITY FUND

REVIEW REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY FOR THE PERIOD ENDED SEPTEMBER 30, 2024

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Equity Fund ("LEF") is pleased to submit its review report together with Condensed Interim Financial Information for the period ended September 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 closed 1QFY25 with a return of 4.13% against the benchmark return of 3.35%, outperforming the benchmark by 0.78%. The fund maintains 95.9% exposure in equities, 3.4% in cash and 0.7% in others. Sector allocation is skewed towards Commercial Banks (28.8%), Oil & Gas Exploration (15.9%), Fertilizer (11.8%), Cement (17.8%) and Power Gen. & Dist (4.5%). The fund size of LEF as of September 30, 2024 is PKR 3,102 mln.

Earning per Unit (EPU)

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

Economic Review

Pakistan's economic trajectory remained positive in the third quarter of 2024, building upon the reforms initiated under the IMF Stand-by-Agreement in 2023. A key milestone was the approval of a 37-month Extended Fund Facility (EFF) from the IMF, providing a much-needed boost to the country's foreign exchange reserves. The current account deficit narrowed significantly during this period, even turning into a surplus in August due to increased remittances and a decline in trade deficits. Exports grew by 7% year-on-year, while imports rose by 14%. Remittances from overseas Pakistanis surged by 44%.

A combination of stable currency improved the current account balance, and support from international lenders led to a 26-month high in foreign exchange reserves, reaching \$9.5 billion in September.

The State Bank of Pakistan (SBP) continued its monetary easing policy, reducing the interest rate by 300 basis points to 17.5%. This decision was supported by a faster-than-expected decline in inflation, which fell to an average of 10.4% in July-August 2024 from 27.8% in the same period last year. In August, Pakistan achieved single-digit inflation for the first time in three years, primarily due to lower food prices, a stable currency, and declining international oil prices.

In recognition of positive developments, Moody's Ratings upgraded Pakistan's sovereign rating to Caa2 from Caa3, marking the first upgrade in nine years. The agency cited improved macroeconomic conditions, government liquidity, and external positions as key factors behind the rating increase.

Equity Market Review

The KSE-100 index continued its upward trajectory in the third quarter of 2024, delivering a 3.4% return and bringing its year-to-date performance to 30%. The index reached a new all-time high of 82,248 points in September, buoyed by anticipation of the IMF's approval for the \$7 billion EFF. While foreign investors were net sellers during the quarter, with a net outflow of \$21.8 million, domestic investors, including mutual funds and individuals, stepped in to absorb the selling pressure. Mutual funds and individuals combined were net buyers with an inflow of \$66 million. Average trading volumes declined slightly in U.S. dollar terms but increased in terms of shares traded.

Sector-wise, pharmaceuticals, transport, and fertilizer outperformed the broader market, driven by strong corporate earnings and investor interest in high-dividend-yielding stocks. The power sector underperformed due to negative news regarding potential revisions to power companies' capacity purchase agreements.

Future Outlook

As we move into the fourth quarter of 2024, Pakistan's economic outlook appears cautiously optimistic, with real GDP growth expected to gradually rebound to 4.5% over FY25–27. This recovery will be supported by reduced fiscal drag, ongoing reforms, and improving financial conditions. The country's tight monetary and fiscal policies are anticipated to sustain disinflation, with inflation projected to align with the State Bank of Pakistan's target range of 5–7% by FY26, following a decline from a peak of 38% in May 2023 to 9.6% in August 2024.

The FY25 budget targets a primary surplus of 1% of GDP, aiming for a rise to 2% by the end of the program through enhanced revenue collection and tax measures. This fiscal consolidation is crucial for improving debt sustainability, with the current account deficit expected to remain modest at around 1% of GDP. Additionally, gross reserves are projected to increase to USD 22.5 billion by FY28, supported by multilateral disbursements. Structural reforms focusing on state-owned enterprises, governance, and trade liberalization will be essential for enhancing productivity and supporting long-term growth. Overall, while challenges remain, targeted policies and reforms position Pakistan for a gradual recovery and improved economic resilience in the coming quarters.

Acknowledgement

The Board is thankful to its valued investors, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, the Trustee of the Fund – Central Depository Company of Pakistan Limited and the management of the Pakistan Stock Exchange Limited for their continued cooperation and support. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company for the growth and the prudent management of the Fund.

For and on Behalf of the Board



Chief Executive Officer



Director

Dated: October 28, 2024

لیکسن ایکویٹی فنڈ

30 ستمبر 2024ء کو ختم ہونے والی مدت کے لیے

مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن ایکویٹی فنڈ ("LEF") کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے 30 ستمبر 2024ء کو ختم ہونے والی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی معلومات پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

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

نمایاں سرگرمیاں

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

فنڈ کی کارکردگی

LEF نے بینچ مارک منافع 3.35% کے مقابلے میں 4.13% منافع کے ساتھ مالی سال 2025ء کی پہلی سہ ماہی کا اختتام کیا، فنڈ نے بینچ مارک کے مقابلے میں 0.78% بہتر کارکردگی کا مظاہرہ کیا۔ فنڈ، ایکویٹیز میں 95.9%، کیش میں 3.4% اور دیگر 0.7% دیگر اثاثوں میں سرمایہ کاری رکھتا ہے۔ شعبہ جاتی تفویض کا جھکاؤ اس طرح ہے: کمرشل بینک (28.8%)، آئل اینڈ گیس ایکسپلوریشن (15.9%)، فریٹلائزر (11.8%)، سیمنٹ (17.8%) اور پاور جنریشن اینڈ ڈسٹری بیوشن (4.5%)۔ 30 ستمبر 2024ء کے مطابق LEF کا فنڈ حجم 3,102 ملین روپے ہے۔

فی یونٹ آمدنی (EPU)

فی یونٹ آمدنی (EPU) ظاہر نہیں کی گئی، کیوں کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے موزوں اوسط پونٹس کا تعین اوپن اینڈ فنڈز کے لیے قابل عمل نہیں ہے۔

معاشی جائزہ

2024ء کی تیسری سہ ماہی میں پاکستان کی معاشی سمت مثبت رہی جس کی بنیاد 2023 میں آئی ایم ایف اسٹینڈ بائی ایگریمنٹ کے تحت شروع کی گئی اصلاحات پر مبنی ہے۔ ایک اہم سنگ میل آئی ایم ایف سے 37 ماہ کی توسیعی فنڈ سہولت (ای ایف ایف) کی منظوری تھی، جس سے ملک کے زر مبادلہ کے ذخائر میں انتہائی ضروری اضافہ ہوا۔ اس عرصے کے دوران کرنٹ اکاؤنٹ خسارہ نمایاں طور پر کم ہوا، یہاں تک کہ ترسیلات زر میں اضافے اور تجارتی خسارے میں کمی کی وجہ سے اگست میں سرپلس میں تبدیل ہو گیا۔ برآمدات میں سال بہ سال 7 فیصد اضافہ ہوا جبکہ درآمدات 14 فیصد بڑھیں۔ بیرون ملک مقیم پاکستانیوں کی ترسیلات زر میں 44 فیصد اضافہ ہوا۔ مستحکم کرنسی اور بین الاقوامی قرض دہندگان کی جانب سے مدد کے امتزاج سے کرنٹ اکاؤنٹ بیلنس میں بہتری آئی اور زر مبادلہ کے ذخائر 26 ماہ کی بلند ترین سطح پر پہنچ گئے جو ستمبر میں 9.5 ارب ڈالر تک جا پہنچے تھے۔

اسٹیٹ بینک آف پاکستان (ایس بی پی) نے مانیٹری نرمی کی پالیسی جاری رکھتے ہوئے شرح سود میں 300 بیس پوائنٹس کی کمی کر کے اسے 17.5 فیصد کر دیا۔ اس فیصلے کو افراط زر میں توقع سے زیادہ تیزی سے کمی سے مدد ملی، جو جولائی تا اگست 2024 میں اوسطاً 10.4 فیصد تک گر گئی جو گزشتہ سال کے اسی عرصے میں 27.8 فیصد تھی۔ اگست میں، پاکستان نے تین سال میں پہلی بار افراط زر کی سنگل ڈیجٹ شرح حاصل کی، جس کی بنیادی وجہ کھانے پینے کی اشیاء کی قیمتوں میں کمی، مستحکم کرنسی اور تیل کی بین الاقوامی قیمتوں میں کمی ہے۔ مثبت پیش رفت کے اعتراف میں موڈیز ریٹنگز نے پاکستان کی خود مختار ریٹنگ کو "CAA3" سے بڑھا کر "CAA2" کر دیا، جو 9 سال میں پہلی اپ گریڈ ہے۔ ایجنسی نے درجہ بندی میں بہتری کے پس پردہ اہم عوامل کے طور پر بہتر میکرو اکنامک حالات، سرکاری لیکویڈیٹی اور بیرونی پوزیشنوں کا حوالہ دیا۔

ایکویٹی مارکیٹ کا جائزہ

کے ایس ای 100 انڈیکس نے 2024 کی تیسری سہ ماہی میں بھی اپنی ترقی کا سفر جاری رکھا، اس نے 3.4 فیصد منافع دیا اور اس کی "سال بہ تاحال" (year-to-date) کارکردگی 30 فیصد تک پہنچ گئی۔ آئی ایم ایف کی جانب سے 7 ارب ڈالر کے "ای ایف ایف" کی منظوری کی توقع کے سبب انڈیکس ستمبر میں 82 ہزار 248 پوائنٹس کی نئی بلند ترین سطح پر پہنچ گیا تھا جبکہ سہ ماہی کے دوران 21.8 ملین ڈالر کے خالص اخراج (نیٹ آؤٹ فلو) کے ساتھ غیر ملکی سرمایہ کار، خالص فروخت کنندہ (نیٹ سیلرز) تھے، میوچل فنڈز اور افراد

سمیت ملکی سرمایہ کاروں نے فروخت کے دباؤ کو جذب کرنے کے لئے مداخلت کی۔ میوچل فنڈز اور افراد مشترکہ طور پر 66 ملین ڈالر کی سرمایہ کاری کے ساتھ خالص خریدار (نیٹ بائرز) تھے۔ امریکی ڈالر کے لحاظ سے اوسط تجارتی حجم میں قدرے کمی واقع ہوئی لیکن خرید و فروخت ہونے والے حصص کے لحاظ سے اضافہ ہوا۔

سیکٹر کے لحاظ سے فارماسیوٹیکل، ٹرانسپورٹ اور فرٹیلائزر نے وسیع تر مارکیٹ کے مقابلے میں بہتر کارکردگی کا مظاہرہ کیا، جس کی وجہ مستحکم کارپوریٹ آمدنی اور زیادہ منافع دینے والے حصص میں سرمایہ کاروں کی دلچسپی ہے۔ پاور کمپنیوں کے کیپیٹیٹی پر چیز معاہدوں پر ممکنہ نظر ثانی سے متعلق منفی خبروں کی وجہ سے بجلی کے شعبے نے کمتر کارکردگی کا مظاہرہ کیا۔

مستقبل کا منظر نامہ

جیسا کہ ہم 2024 کی چوتھی سہ ماہی میں داخل ہو رہے ہیں، پاکستان کا معاشی منظر نامہ محتاط طور پر امید افزا دکھائی دیتا ہے، مالی سال 2025-2027 کے دوران جی ڈی پی کی حقیقی نمو بتدریج 4.5 فیصد تک بڑھنے کی توقع ہے۔ اس بحالی کو مالی مشکلات میں کمی، جاری اصلاحات اور مالی حالات میں بہتری سے مدد ملے گی۔ ملک کی سخت مالیاتی اور زری پالیسیوں کے سبب افراط زر میں کمی کا سلسلہ برقرار رہنے کا امکان ہے اور مالی سال 2026 تک افراط زر کی شرح اسٹیٹ بینک آف پاکستان کے 5-7 فیصد کے ہدف کی حد کے مطابق رکھنے کی توقع ہے، افراط زر مئی 2023 میں 38 فیصد کی بلند ترین سطح سے کم ہو کر اگست 2024 میں 9.6 فیصد پر آگئی تھی۔

مالی سال 2025ء کے بجٹ میں جی ڈی پی کے ایک فیصد کے پرائمری سرپلس کا ہدف رکھا گیا ہے، جس کا مقصد محصولات کی زائد وصولی اور ٹیکس اقدامات کے ذریعے پروگرام کے اختتام تک 2 فیصد تک اضافہ کرنا ہے۔ یہ مالیاتی استحکام قرضوں کی پائیداری کو بہتر بنانے کے لئے اہم ہے، کرنٹ اکاؤنٹ خسارہ، جی ڈی پی کے تقریباً 1 فیصد تک، کم رہنے کی توقع ہے۔ مزید برآں مالی سال 2028ء تک کثیرالجہتی وصولیوں کی مدد سے مجموعی زرمبادلہ ذخائر بڑھ کر 22.5 ارب ڈالر تک پہنچنے کا امکان ہے۔ پیداواری صلاحیت بڑھانے اور طویل مدتی ترقی میں معاونت کے لئے سرکاری ملکیت کے اداروں، گورننس اور تجارت کو آزاد بنانے کے عمل (ٹریڈ لبرلائزیشن) پر مرکوز ڈھانچا جاتی (اسٹرکچرل) اصلاحات ضروری ہوں گی۔ مجموعی طور پر، اگرچہ چیلنجز بدستور موجود ہیں، اہدائی پالیسیاں اور اصلاحات پاکستان کو بتدریج بحالی اور آنے والی سہ ماہیوں کے دوران بہتر معاشی چلک دکھانے کی پوزیشن میں لے آئی ہیں۔

اظہار تشکر

بورڈ اپنے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی۔ سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کا ان کے مسلسل تعاون اور مدد پر شکریہ ادا کرتا ہے۔ مینجمنٹ کمپنی کے ڈائریکٹرز فنڈ کی ترقی اور دانشمندانہ انتظام و انصرام کے لیے مینجمنٹ کمپنی کی ٹیم کی کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے ومنجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر


تاریخ: 28 اکتوبر 2024ء

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2024

	Note	September 30 2024 (Unaudited)	June 30, 2024 (Audited)
(Rupees)			
Assets			
Bank balances	5	105,785,096	194,948,512
Investments	6	3,004,525,906	2,377,411,929
Dividend and other receivables		18,029,977	1,879,456
Mark-up accrued on bank balances		1,451,542	3,378,174
Advances and deposit		3,777,094	2,650,000
Total assets		3,133,569,615	2,580,268,070
Liabilities			
Payable to the Management Company	8.	22,949,763	28,055,921
Remuneration payable to the Trustee		379,334	317,994
Annual fee payable to Securities and Exchange Commission of Pakistan		238,652	192,575
Accrued expenses and other liabilities	9.	6,186,341	6,955,650
Payable against purchase of investments		1,325,995	7,818,915
Total liabilities		31,080,086	43,341,055
Contingencies and commitments	11.		
Net Assets		3,102,489,529	2,536,927,016
Unit holders' fund (as per the statement attached)		3,102,489,529	2,536,927,016
(Number of units)			
Number of units in issue		18,513,490	15,875,064
(Rupees)			
Net assets value per unit		167.5799	159.8057

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

For Lakson Investments Limited
(Management Company)


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER



DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

		Quarter Ended September 30,	
	<i>Note</i>	2024	2023
Income		(Rupees)	
Gain / (loss) on sale of held for trading investments - net		67,208,333	15,828,158
Unrealised (loss) on revaluation of held for trading investments - net	<i>6.1</i>	37,188,383	107,117,391
		104,396,716	122,945,549
Dividend income on investments - net		55,927,702	49,436,722
Return / markup on:			
- Bank balances calculated using effective interest method		5,447,668	4,392,985
- Government and other debt securities using effective interest method		-	421,100
		5,447,668	4,814,085
Total Income / (loss)		165,772,086	177,196,356
Expenses			
Remuneration of the Management Company		22,619,934	12,966,152
Sindh Sales Tax on remuneration of the Management Company		3,392,956	1,685,600
Remuneration of the Trustee		1,156,570	772,435
Annual fee to the Securities and Exchange Commission of Pakistan		716,373	410,595
SECP supervisory fee		637	644
Auditors' remuneration		193,469	133,308
Legal and professional charges		98,280	124,313
Fees and subscription		7,183	6,998
Printing charges		10,556	8,475
Brokerage, settlement and bank charges		2,422,195	792,447
Total Expenses		30,618,153	16,900,966
Net income / (loss) from operating activities		135,153,933	160,295,390
Net income / (loss) for the period before taxation		135,153,933	160,295,390
Taxation	<i>12.</i>	-	-
Net income / (loss) for the period after taxation		135,153,933	160,295,390
Allocation of Net Income for the period:			
Net income for the period		135,153,933	160,295,390
Income already paid on units redeemed		(272,640)	(25,105)
Accounting income available for distribution		134,881,293	160,270,285
Relating to capital gains		104,188,980	122,926,377
Excluding capital gains		30,692,313	37,343,908
Accounting income available for distribution		134,881,293	160,270,285

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

For Lakson Investments Limited
(Management Company)


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter Ended September 30,	
	2024	2023
	(Rupees)	
Net income / (loss) for the period after taxation	135,153,933	160,295,390
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	<u>135,153,933</u>	<u>160,295,390</u>

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

For Lakson Investments Limited
(Management Company)



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF UNIT HOLDERS' FUND (UN AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter Ended September 30,					
	2024			2023		
	Capital Value	Undistributed	Total	Capital Value	Undistributed	Total
(Rupees)						
Net assets at beginning of the period	2,024,368,678	512,558,337	2,536,927,016	1,894,437,544	(429,818,978)	1,464,618,567
Issuance of 3,181,056 units (2023: 901,577 units)						
- Capital value	508,350,936	-	508,350,936	85,328,042	-	85,328,042
- Element of gain / (loss)	9,293,909	-	9,293,909	4,812,320	-	4,812,320
Total proceeds on issuance of units	517,644,844	-	517,644,844	90,140,362	-	90,140,362
Redemption of 542,630 units (2023: 1,898 units)						
- Capital value	(86,715,398)	-	(86,715,398)	(179,633)	-	(179,633)
- Element of gain / (loss)	(248,226)	(272,640)	(520,866)	(254)	(25,105)	(25,358)
Total payments on redemption of units	(86,963,624)	(272,640)	(87,236,264)	(179,886)	(25,105)	(204,991)
Total comprehensive income / (loss) for the period	-	135,153,933	135,153,933	-	160,295,390	160,295,390
Net assets as at end of the period	2,455,049,898	647,439,630	3,102,489,529	1,984,398,019	(269,548,693)	1,714,849,327
Undistributed loss brought forward:						
- Realized (loss)/ income		(386,109,365)			(401,550,054)	
- Unrealized (loss)/ income		898,667,702			(28,268,924)	
		512,558,337			(429,818,978)	
Accounting income available for distribution:						
Relating to capital gains	104,188,980			122,926,377		
Excluding capital gains	30,692,313			37,343,908		
	134,881,293			160,270,285		
Undistributed income at end of the period		647,439,630			(269,548,693)	
Undistributed income /(loss) brought forward:						
- Realized (loss)/ income		610,251,246			(376,666,084)	
- Unrealized (loss)/ income		37,188,383			107,117,391	
Undistributed income /(loss) at end of the period		647,439,630			(269,548,693)	
Net assets value per unit at beginning of the period			159.8057			94.6431
Net assets value per unit at end of the period			167.5799			104.7246

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

For Lakson Investments Limited
(Management Company)



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

LAKSON EQUITY FUND
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter Ended September 30,	
	2024	2023
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period	135,153,933	160,295,390
Adjustments for:		
Unrealised loss on revaluation of held for trading investments - net	(37,188,383)	(107,117,391)
Dividend income on investment at fair value through profit or loss	(55,927,702)	(49,436,722)
Mark-up on bank balances and Investments - at amortised cost	(5,447,668)	(4,814,085)
	<u>36,590,180</u>	<u>(1,072,809)</u>
(Increase) / Decrease in assets		
Investments	(589,925,594)	(176,434,609)
Dividend and other receivables	39,777,180	29,777,117
Mark-up accrued on bank balances	7,374,300	5,146,911
Advances, deposits and prepayments	(1,127,094)	(1,044,802)
	<u>(543,901,208)</u>	<u>(142,555,383)</u>
Increase / (Decrease) in liabilities		
Payable to the Management Company	(5,106,158)	610,515
Remuneration payable to the Trustee	61,340	20,098
Annual fee payable to Securities and Exchange Commission of Pakistan	46,077	(266,357)
Accrued expenses and other liabilities	(769,309)	(2,862,988)
Payable against purchase of equity investments	(6,492,918)	(27,686,622)
	<u>(12,260,968)</u>	<u>(30,185,354)</u>
Net cash used in operating activities	<u>(519,571,996)</u>	<u>(173,813,546)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	517,644,844	90,140,362
Payment against redemption of units	(87,236,264)	(204,991)
Net cash generated from / (used in) financing activities	430,408,580	89,935,371
Net Increase / (decrease) in cash and cash equivalents	(89,163,416)	(83,878,175)
Cash and cash equivalents at beginning of the period	194,948,512	147,735,670
Cash and cash equivalents at end of the period	<u>105,785,096</u>	<u>63,857,495</u>

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

For Lakson Investments Limited
(Management Company)


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

LAKSON EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 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. Units are offered for public subscription on a continuous basis. The units can also be redeemed by surrendering them to the Fund.

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

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

- 1.4** Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 23 August 2024.

On May 23, 2024, VIS assigned following rankings to the Fund based on the performance review:

1 Year : 2-Star
3 Year : 3-Star
5 Year : 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-States Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds alongwith necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 30 September has been extracted from the audited financial statements of the Company for the year ended 30 June 2024, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the quarter ended 30 September 2024 have been extracted from the unaudited condensed interim financial information for the quarter ended 30 September 2023.

- 2.2** This condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2024. However, selected explanatory notes are included to explain events and transactions that are significant.

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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2024.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

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

2.6 Critical accounting estimates and judgements

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

The significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2024.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2024.

4 FINANCIAL RISK MANAGEMENT

The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2024.

		September 30	June 30,
	<i>Note</i>	2024	2024
		(Unaudited)	(Audited)
		(Rupees)	
5 BANK BALANCES			
In profit and loss sharing accounts	5.1	105,777,393	194,940,809
In current account		7,703	7,703
		<u>105,785,096</u>	<u>194,948,512</u>

- 5.1** These accounts carry profit at the rates of 15% to 18% (June 30, 2024: 19% to 22%) per annum.

6 INVESTMENTS

At fair value through profit or loss
- held for trading

Listed equity securities	6.1	<u>3,004,525,906</u>	<u>2,377,411,929</u>
		<u>3,004,525,906</u>	<u>2,377,411,929</u>

6.1 At fair value through profit or loss

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

Sectors / Companies	Holding as at July 01, 2024	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at September 30, 2024	Carrying value as at September 30, 2024	Market value as at September 30, 2024	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Commercial Banks											
Bank Al-Falah Limited	1,171,011	173,700	-	521,421	823,290	56,233,099	49,932,539	(6,300,561)	1.66%	1.61%	0.61%
Faysal Bank Limited	1,907,367	640,755	-	-	2,548,122	133,453,896	116,958,800	(16,495,096)	3.89%	3.77%	2.44%
Habib Bank Limited	-	324,165	-	-	324,165	44,429,882	41,181,922	(3,247,960)	1.37%	1.33%	0.22%
MCB Bank Limited	537,071	-	-	-	537,071	121,925,858	129,111,868	7,186,010	4.30%	4.16%	0.48%
Meezan Bank Limited	536,602	-	-	-	536,602	128,457,153	122,425,746	(6,031,406)	4.07%	3.95%	0.54%
Bank Al Habib Limited	-	500,950	-	-	500,950	58,100,601	49,443,765	(8,656,836)	1.65%	1.59%	0.45%
National Bank of Pakistan Limited	-	2,133,650	-	-	2,133,650	113,989,330	128,019,000	14,029,670	4.26%	4.13%	1.27%
United Bank Limited	724,715	188,095	-	-	912,810	235,384,626	266,011,090	30,626,464	8.85%	8.57%	0.75%
						891,974,445	903,084,730	11,110,285	30.06%	29.11%	
Chemicals											
Lucky Core Industries Limited	55,889	7,605	-	-	63,494	58,943,912	66,734,099	7,790,187	2.22%	2.15%	0.69%
						58,943,912	66,734,099	7,790,187	2.22%	2.15%	
Fertilizers											
Engro Corporation Limited (6.1.1)	183,175	-	-	-	183,175	60,944,154	55,633,911	(5,310,243)	1.85%	1.79%	0.35%
Engro Fertilizer Limited	468,053	84,040	-	-	552,093	92,118,450	105,041,214	12,922,764	3.50%	3.39%	0.41%
Fauji Fertilizer Bin Qasim Limited	1,321,843	511,032	-	1,500,000	332,875	12,134,938	16,683,695	4,548,757	0.56%	0.54%	0.36%
Fauji Fertilizer Company Limited	513,303	507,325	-	150,948	869,680	149,596,316	193,460,316	43,864,000	6.44%	6.24%	1.28%
						314,793,858	370,819,136	56,025,278	12.34%	11.95%	
Pharmaceuticals											
Ferozsons Laboratories Limited	-	70,000	-	-	70,000	21,550,841	20,330,800	(1,220,041)	0.68%	0.66%	2.32%
The Searl Company Limited (6.1.2)	449,893	-	-	-	449,893	25,697,888	25,621,406	(76,482)	0.85%	0.83%	3.21%
Highnoon Laboratories Limited	73,245	8,945	-	-	82,190	58,693,697	56,393,025	(2,300,672)	1.88%	1.82%	4.04%
AGP Limited	546,931	146,881	-	-	693,812	65,561,986	76,839,679	11,277,693	2.56%	2.48%	7.09%
						171,504,412	179,184,910	7,680,498	5.96%	5.78%	
Cement											
Lucky Cement Company Limited	103,503	9,770	-	5,000	108,273	98,299,757	95,717,663	(2,582,094)	3.19%	3.09%	0.33%
Kohat Cement Company Limited	4,428	2,000	-	-	6,428	1,610,904	1,953,791	342,887	0.07%	0.06%	0.04%
D.G. Khan Cement Company Limited	-	507,559	-	-	507,559	44,745,579	37,305,587	(7,439,993)	1.24%	1.20%	1.16%
Maple Leaf Cement Factory Limited	2,062,872	698,541	-	250,000	2,511,413	95,410,938	81,470,238	(13,940,700)	2.71%	2.63%	4.76%
Pioneer Cement Limited	629,160	269,560	-	-	898,720	153,958,667	162,848,064	8,889,397	5.42%	5.25%	3.96%
Cherat Cement Company Limited	-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	3,745,318	3,374,841	-	-	7,120,159	165,570,960	179,997,620	14,426,660	5.99%	5.80%	5.35%
						559,596,805	559,292,961	(303,844)	18.62%	18.03%	
Power Generation & Distribution											
Hub Power Company Limited	930,952	239,130	-	-	1,170,082	184,142,332	139,637,586	(44,504,746)	4.65%	4.50%	1.01%
						184,142,332	139,637,586	(44,504,746)	4.65%	4.50%	
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (6.1.2)	60,847	7,825	13,760	66,952	15,480	4,664,503	6,587,359	1,922,856	0.22%	0.21%	0.14%
Oil and Gas Development Company Limited (6.1.1)	1,170,612	227,836	-	70,000	1,328,448	179,801,223	190,539,297	10,738,074	6.34%	6.14%	0.31%
Pakistan Oilfield Limited	198,187	16,605	-	-	214,792	105,754,530	134,229,965	28,475,435	4.47%	4.33%	0.91%
Pakistan Petroleum Limited (6.1.1)	1,322,700	278,657	-	25,000	1,576,357	186,354,749	168,386,455	(17,968,294)	5.60%	5.43%	0.80%
						476,575,005	499,743,075	23,168,070	16.63%	16.11%	
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited (6.1.2)	3,807	3,500	-	3,500	3,807	618,866	614,031	(4,835)	0.02%	0.02%	0.01%
Sui Northern Gas Pipelines Limited	984,875	258,260	-	-	1,243,135	80,191,180	79,237,425	(953,755)	2.64%	2.55%	1.96%
						80,810,046	79,851,456	(958,590)	2.66%	2.57%	

Sectors / Companies	Holding as at July 01, 2024	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at September 30, 2024	Carrying value as at September 30, 2024	Market value as at September 30, 2024	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Food & Personal Care Products											
Fauji Foods Limited	2,566,207	594,620	-	-	3,160,827	28,371,041	26,708,988	(1,662,053)	0.89%	0.86%	5.98%
						28,371,041	26,708,988	(1,662,053)	0.89%	0.86%	
Automobile Assembler											
Millat Tractors Limited	41,131	5,645	-	-	46,776	29,742,722	25,905,017	(3,837,705)	0.86%	0.83%	1.06%
						29,742,722	25,905,017	(3,837,705)	0.86%	0.83%	
Technology and Communication											
Systems Limited	186,131	-	-	9,500	176,631	73,884,747	71,692,757	(2,191,991)	2.39%	2.31%	1.60%
						73,884,747	71,692,757	(2,191,991)	2.39%	2.31%	
Engineering											
Mughal Iron & Steel Industries Limited	314,162	742,786	-	-	1,056,948	96,998,197	81,871,192	(15,127,005)	2.72%	2.64%	8.40%
						96,998,197	81,871,192	(15,127,005)	2.72%	2.64%	
Total as at September 30, 2024						2,967,337,523	3,004,525,906	37,188,383	100.00%	96.84%	
Total as at June 30, 2024						1,478,744,227	2,377,411,929	898,667,702	100.00%	93.71%	

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

	September 30, 2024 ----- (Number of shares) -----	June 30, 2024	September 30, 2024 ----- (Rupees) -----	June 30, 2024
Engro Corporation Limited	160,000	160,000	48,595,200	56,649,600
Oil and Gas Development Company Limited	70,000	70,000	10,040,100	8,596,700
Pakistan Petroleum Limited	330,000	330,000	35,250,600	35,366,100
	560,000	560,000	114,164,400	100,612,400

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 September 30, 2024 amounted to Rs. 1.177 mln (June 30 2024: Rs.1.198 mln) and are included in the Fund's investments in these financial statements. Later the tax on bonus shares was revoked in the year 2018.

As per Finance Act 2023, section 236Z has been reimposed and is liable to deduct 10% tax on bonus shares issued by the companies. Subsequently in the year 2024, tax in the shape of 399 shares of Mari Petroleum Limited have been withheld by the company. Market value of these shares as at September 30, 2024 amounted to Rs. 0.170 mln (June 30 2024: Rs.Nil) and are included in the Fund's investments in these financial statements.

	Note	September 30 2024 (Unaudited)	June 30, 2024 (Audited)
8. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	8.1	1,536,475	6,082,358
Sindh Sales Tax on Management Company's remuneration	8.2	230,431	790,706
Federal Excise Duty on Management Company's remuneration	8.3	21,182,857	21,182,857
		22,949,763	28,055,921

8.1 As per regulation 61 of the NBFC and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 3% of average annual net assets of the fund, calculated on daily basis. The effective management fee rate for the period ended September 30, 2024 is 0.76% of average annual net assets calculated on daily basis.

8.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 15% (June 30, 2024: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011 effective from July 01, 2024.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, being prudent the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 21.182 million (2022: 21.182 million), including SST @ 13%, and 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 and SST not been made, the net asset value of the Fund as at September 30, 2024 would have been higher by Rs. 1.14 (30 June 2024: Rs. 1.33) per unit.

	September 30 2024 (Unaudited)	June 30, 2024 (Audited)
9. ACCRUED EXPENSES AND OTHER LIABILITIES		
Withholding tax payable	2,130,593	5,042,242
Brokerage payable	3,112,690	1,035,795
Auditors' remuneration	193,418	273,189
Fee payable to Central Depository Company of Pakistan Limited	249,546	197,251
Fee payable to National Clearing Company of Pakistan Limited	446,634	355,634
Dividend payable	51,538	51,538
Other Payable	1,922	-
	6,186,341	6,955,650

10. TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), Total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 4.06% as of September 30, 2024 and this includes 0.61% representing Government levies and SECP fee etc. As per NBFC Regulation the total expense ratio of the Equity Scheme shall be capped up to 4.5% (excluding government levies).

11. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at September 30, 2024.

12. TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

13. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee of the fund, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having holding more than 10% in the units of the Funds as September 30, 2024.

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

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

	September 30 2024 (Unaudited) (Rupees)	June 30, 2024 (Audited)
13.1 Balance as at period / year ended		
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable	<u>1,536,475</u>	<u>6,082,358</u>
Sindh Sales Tax payable on Management Company's remuneration*	<u>230,431</u>	<u>790,706</u>
Federal Excise Duty	<u>21,182,857</u>	<u>21,182,857</u>
* Sales tax and FED is paid / payable to the management company for onward payment to the Government.		
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	<u>331,161</u>	<u>281,411</u>
Sindh Sales Tax payable on Trustee remuneration*	<u>48,173</u>	<u>36,583</u>
Security deposit	<u>100,000</u>	<u>100,000</u>
Settlement charges payable	<u>249,546</u>	<u>197,251</u>
13.2 Transactions during the period	September 30,	2023
Lakson Investments Limited - Management Company of the Fund	2024	(Rupees) (Unaudited)
Remuneration to the Management Company	<u>22,619,934</u>	<u>31,439,564</u>
Sindh sales tax on remuneration of Management Company *	<u>3,392,956</u>	<u>4,087,143</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the period	<u>1,006,053</u>	<u>2,322,663</u>
Sindh Sales Tax on Trustee remuneration*	<u>150,517</u>	<u>301,946</u>
Settlement charges	<u>52,295</u>	<u>138,231</u>

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

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

Quarter ended September 30, 2024									
-----Number of units-----					-----Rupees-----				
Number of units as at July 01, 2024	Units issued during the period	Refund / Adjustment of units as element of income	Units redeemed during the period	Number of units as at September 30, 2024	Balance as at July 01, 2024	Units issued during the period	Units redeemed during the period	Gross Dividend during the period	Balance as at September 30, 2024
-	-	-	-	-	-	-	-	-	-
2,380,751	168,982	-	76,311	2,473,422	380,457,597	27,500,000	12,500,000	-	414,495,885
54,685	25,440	-	18,106	62,018	8,738,899	4,110,562	2,800,986	-	10,393,024
Associated companies / undertakings of the Management Company									
Accuray Surgical Limited Employees Contributory Provident Fund	30,911	-	4,962	25,949	-	5,031,500	797,399	-	4,348,459
Century Insurance Co. Ltd., GF	50,381	-	-	50,381	-	8,217,000	-	-	8,442,847
Century Insurance Company Limited Employees Contributory Provident Fund Trust	39,373	-	-	39,373	-	6,415,000	-	-	6,598,125
Century Paper & Board Mills Limited ECPFT	527,504	-	-	527,504	-	85,745,000	-	-	88,399,076
Century Paper & Board Mills Limited EGF	506,344	-	-	506,344	-	82,643,000	-	-	84,853,124
Colgate Palmolive Pakistan Limited ECPFT	497,288	-	-	497,288	-	80,763,000	-	-	83,335,422
Colgate Palmolive Pakistan Limited EGF	615,847	-	-	615,847	-	100,170,200	-	-	103,203,499
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	298,109	-	-	298,109	-	48,515,000	-	-	49,957,134
Hasanali Karabhai Foundation ECPF Trust	6,189	-	-	6,189	-	1,004,500	-	-	1,037,098
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	1,399	-	-	1,399	223,558	-	-	-	234,433
Lakson Investments Limited ECPFT	35,094	-	-	35,094	-	5,694,500	-	-	5,881,029
Merit Packaging Limited Employees Contributory Provident Fund Trust	49,817	-	-	49,817	-	8,130,000	-	-	8,348,287
Merit Packaging Limited Employees Gratuity Fund	26,947	-	596	26,351	-	4,376,000	100,000	-	4,415,847
Siza Foods Private Limited Employees Contributory Provident Fund Trust	226,004	-	-	226,004	-	36,812,000	-	-	37,873,763
Siza Services Private Limited Employees Countributory Provident Fund Trust	24,885	-	-	24,885	-	4,060,000	-	-	4,170,147
Sybird (Private) Limited ECPFT	51,107	-	-	51,107	-	8,322,000	-	-	8,564,463
Holding more than 10% units									
Sindh General Provident Investment Fund	4,387,183	-	-	4,387,183	701,096,830	-	-	-	735,203,667
Sindh Province Pension Fund	6,372,909	-	-	6,372,909	1,018,427,214	-	-	-	1,067,971,485

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

Associated companies / undertakings of the Management Company

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

Holding more than 10% units

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

Quarter Ended September 30, 2023									
Number of units					(Rupees)				
Number of units as at 01 July 2023	Units issued during the period	Refund / Adjustment of units as element of income	Units redeemed during the period	Number of units as at September 30, 2023	Balance as at July 01, 2023	Units issued during the period	Units redeemed during the period	Gross Dividend during the period	Balance as at September 30, 2023
-	-	-	-	-	-	-	-	-	-
2,052,766	114,183	-	-	2,166,949	194,280,112	11,400,000	-	-	226,932,855
27,576	16,746	-	1,850	42,472	2,609,900	1,671,862	200,000	-	4,447,871
15,749	1,953	-	-	17,702	1,490,554	195,000	-	-	1,853,871
16,454	12,520	-	-	28,974	1,557,219	1,250,000	-	-	3,034,257
12,660	13,522	-	-	26,182	1,198,218	1,350,000	-	-	2,741,907
137,713	141,727	-	-	279,440	13,033,593	14,150,000	-	-	29,264,285
142,925	121,745	-	-	264,670	13,526,852	12,155,000	-	-	27,717,474
111,555	142,729	-	-	254,284	10,557,941	14,250,000	-	-	26,629,817
159,720	132,212	-	-	291,932	15,116,389	13,200,000	-	-	30,572,462
78,077	66,106	-	-	144,183	7,389,489	6,600,000	-	-	15,099,555
1,604	2,269	-	-	3,873	151,813	226,500	-	-	405,566
1,335	-	-	-	1,335	126,314	-	-	-	139,769
16,312	1,252	-	-	17,564	1,543,832	125,000	-	-	1,839,399
24,903	3,005	-	-	27,907	2,356,854	300,000	-	-	2,922,588
13,458	4,006	-	-	17,465	1,273,750	400,000	-	-	1,829,002
62,122	88,141	-	-	150,264	5,879,446	8,800,000	-	-	15,736,303
3,229	9,515	-	-	12,744	305,591	950,000	-	-	1,334,625
18,158	11,018	-	-	29,175	1,718,503	1,100,000	-	-	3,055,381
4,104,675	-	-	-	4,104,675	388,479,214	-	-	-	429,860,500
5,962,533	-	-	-	5,962,533	564,312,640	-	-	-	624,423,920
1,896,702	-	-	-	1,896,702	179,509,801	-	-	-	198,631,407

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

----- (Un-Audited) -----				
As at September 30, 2024				
Fair Value				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets measured at fair value				
profit and loss account				
Listed equity securities	3,004,525,906	-	-	3,004,525,906
	3,004,525,906	-	-	3,004,525,906
----- (Audited) -----				
As at June 30, 2024				
Fair Value				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets measured at fair value				
profit and loss account				
Listed equity securities	2,377,411,929	-	-	2,377,411,929

15 GENERAL

15.1 The corresponding figures have been re-arranged wherever necessary

15.2 Figures have been rounded off to the nearest rupee

16 DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on October 28, 2024.

For Lakson Investments Limited
(Management Company)



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



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