

LAKSON ISLAMIC TACTICAL FUND
Quarterly Report (March 31, 2021)



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Fund's Information

Management Company

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**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
 Mr. Jacques John Visser
 Ms. Roxanne Davies
 Ms. Kathleen Kennedy Townsend

**Chief Financial Officer &
Company Secretary
of the Management Company**

Syed Shafaeen Hassan

Audit Committee

Mr. Jacques John Visser - Chairman
 Mr. Amin Mohammed Lakhani
 Mr. Iqbal Ali Lakhani
 Mr. Jamil Ahmed Mughal

**Human Resource and
Remuneration Committee**

Mr. Babar Ali Lakhani
 Mr. Iqbal 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

KPMG Taseer Hadi & Co.
 Chartered Accountants
 Sheikh Sultan Trust Building No.2,
 Beaumont Road,
 Karachi - 75530, Pakistan

Bankers to the Fund

Habib Bank AG Zurich
 Habib Metropolitan Islamic Bank Limited
 Bank Islami Pakistan Limited
 Al Baraka Bank (Pakistan) Limited
 Dubai Islamic Bank Pakistan Limited

Legal Adviser

Fazleghani Advocates
 F-72/I, Block 8, KDA-5,
 Kehkashan, Clifton,
 Karachi, Pakistan.

Shari'ah Adviser

Al Hilal Shariah Advisors

Registrar

Lakson Investments Limited
Lakson Square Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan

Distributor

Rabia Fida
BMA Capital Management Limited

Rating

1 Year ranking : 4-Star
3 Year ranking : 4-Star
5 Year ranking : 2-Star
AM2+ : Asset Manager Rating by PACRA

Review Report of the Directors' of the Management Company For the period ended March 31, 2021

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Islamic Tactical Fund ('LITF') is pleased to submit the review report together with the condensed interim financial statements for the nine months ended March 31, 2021.

Fund Objective

The investment objective of the Lakson Islamic Tactical Fund is to provide long-term capital appreciation by exclusively investing in Shariah Compliant avenues including equities, fixed income instruments and emerging market securities.

Fund Profile

LITF is an open-end asset allocation fund and is listed on Pakistan Stock Exchange Limited. The Fund is managed using an active investment management style which focuses on an analysis of the macro factors such as government policies, global economic data, commodities prices and supply/demand dynamics. The Fund switches exposure between equities and fixed income based on the outlook of the investments team. Exposure of the Scheme in fixed income securities is managed through duration and yield curve management. LITF is allowed to take financing up to 10% of Net Assets to meet redemptions however LITF did not utilize this facility during the period under review.

Fund performance

Lakson Islamic Tactical Fund provided return of for 17.57% 9MFY21 against the Benchmark return of 19.35%. As of March 31, 2021, the Fund had 58% exposure in equities, 19% in cash, and 7% in Sukuk on a total asset basis.

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

The KSE-100 Index returned 30% MoM in 9MFY21. The recovery post-COVID-led downfall was supported by introducing relief packages to help businesses and underserved households launch a construction package and amnesty scheme for investors in the sector to revive allied industries. Moreover, the interest rate cuts by a cumulative 625 basis points during March-June to 7% gave strong cues to the market to maintain a growth trend. Other than this, the supply of subsidized loans to pay salaries during the pandemic, cheaper loans for construction and housing, and new and running businesses in export and manufacturing sectors also kept sentiments buoyant. Remittances remained above USD 2bn (for the ninth consecutive month) in Feb-21. Rupee continues to strengthen against USD, closing at 152.76. Moreover, Govt also revived IMF extended fund facility and received a tranche of USD 499mn during the last week of the month. Govt also launched 3-tranche Euro bond deal to raise USD 2.5bn from international capital markets.

Fixed Income Market Review

GoP raised cumulative PKR9.8tn in T-bill auctions during 9MFY21 vs PKR12.4tn in 9MFY20. The decline in treasures was mostly led by an outflow of hot money due to aforementioned risk off sentiment and decline in interest rates (down 625bps to 7%). T-Bill yields for 3M, 6M and 12M tenors dropped to 7.54%, 7.80%, and 7.79% in March'21 from 12.73%, 12.51%, 12.00% in March'20. PIBs witnessed participation of PKR466bn vs PKR1.65tn, the sharp decline in participation was due expectations of higher inflation and a rate hike by the central bank. Cut-off yields dropped to 9.41%, 9.9%, and 10.29% for 3YR/5YR/10YR tenors from 11.59%/10.99% and 10.85% in March'20, however yields have been on an upward trajectory over the last 3 months.

Equity Market Review

The KSE-100 index rose 29% to 44,491 points in March'21 from 34,421 points on June 20. During this period the index also hit a low of 34,409 points in July, but since then has been one of the best

performing markets of the region. During this period the best performing sectors have been tech, engineering and cement (because of the governments' amnesty scheme for the construction sector). KSE-100 ADTO was US\$82mn during the period. Global risk off sentiment led to net FIPI outflow of US\$588mn with foreign selling primarily concentrated in Banks (US\$178.7mn), E&P (USD112.6mn), and Cement (US\$102.8mn). On the local side, individuals, insurance companies and companies were buyers.

Emerging Markets Review

During the first nine months of FY21, the MSCI's index of emerging-market stocks gained 32.3%. Emerging market stocks began to turn around by the end of 2020. By October '20, the Emerging markets recovered some of the losses, outperforming developed markets. The recovery has been fuelled by rising commodity prices, cheaper valuations, a weakening dollar, falling infection rates, and overall economic robustness.

South Korea, India, Taiwan, and Saudi Arabia grew up the most within emerging markets, posting 45.2%, 41.8%, 41.4%, and 37.1% growth, respectively.

Future Outlook

We think SBP will remain dovish and will not look to increase interest rates rapidly however, high inflation turnout (9% or more), together with strong demand trends and high financial stability. SBP has indicated to keep interest rates unchanged at 7% till June 2021. Several structural reforms are underway, where circular debt settlement and tax reforms spearheaded the resumption of the US\$6bn IMF Program. Remittances are likely to normalize (from current pace of over US\$2bn/month) which may cause some slippage in the current account, however 2-3% current account deficit (% of GDP) remains manageable. Real GDP growth is projected to rise by 3% in FY21 as per SBP (IMF projections: 1.5%) and 4% in FY22f. Fiscal position remains weak but is expected to improve on the back of tax reforms aimed to increase tax revenue generation through a wider tax base. Provisional budgets measures include removal of tax credits and subsidies, rationalization of GST and potential increase in corporate tax rates. Covid-19 vaccine has been made available to all (Russian vaccine Sputnik V), and should ease jitters arising from the ongoing third wave of infections.

The valuation discount has once again widened where KSE-100 is now trading at a CY22f P/E of 5.6x (14% discount to CY21d peak). The market may draw optimism from continued positive macroeconomic data (including high-frequency) and passing of the SBP act; but sentiment will be tested by the pace of Covid-19 cases, rampant inflation and news-flow related to the upcoming budget. Swift replacement of the Finance minister together with timely Eurobond issuance should reinforce investor confidence.

Acknowledgment

The Board is thankful to its valued investors, the Securities and 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

Director

Chief Executive Officer

Dated: April 19, 2021

لیکن اسلامک پبلیکل فنڈ

31 مارچ 2021 کو ختم ہونے والی مدت کے لیے
میجنٹ کپنی کے ڈائریکٹر کی جانبہ رپورٹ

لیکن اسلامک لیمیٹڈ کے بورڈ آف ڈائریکٹر، لیکن اسلامک پبلیکل فنڈ ("LITF" یا انہ) کی میجنٹ کپنی کی میجنٹ کپنی، 31 مارچ 2021 کو ختم ہونے والے نومہ کے لیے اپنی جانبہ رپورٹ میں مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوبی محسوس کرتا ہے۔

فنڈ کا مقصد

لیکن اسلامک پبلیکل فنڈ کی سرمایکاری کا مقصد، مالی طور پر شرایہ سے مطابقت رکھنے والے ذرائع شامل اکوٹریز، مکمل انشرڈمنٹس اور ایم بر گنگ مارکیٹس سکپیورٹس میں سرمایکاری کرتے ہوئے سرمائے کی قدر میں طویل مدتی اضافہ کرنا ہے۔

فنڈ کا تعارف

LITF ایک اوپن ایڈنسپیٹ الیکٹشن اسکم ہے اور پاکستان اسٹاک اکچن لیمیٹڈ میں لندھے ہے۔ اس اسکم کا انتظام و انصرام ایک ایکٹو انسلٹٹٹ میجنٹ اسٹائل استعمال کرتے ہوئے کیا جاتا ہے جو اقتصادی ماحول کے تحریر پر توجہ کوڑ رکھتا ہے مثلاً حکومتی پالیسیز، عالمی اقتصادی ذیغا، اکوٹریز کی قیمتیں اور سدا طلب کا تحریر شامل ہے۔ اسکم انوں میجنٹ ٹائم کی توقات کی بنیاد پر اکوٹریز اور فنڈ اگم میں سرمایکاری تبدیل کرتی ہے۔ فنڈ اگم سکپیورٹس میں اسکم کی سرمایکاری کا انتظام و انصرام دوڑائیے اور میجنٹ سکپیورٹس کے درمیان سرمایکاری کے تبادلے اور yield curve میجنٹ کو مد نظر رکھ کر کیا جاتا ہے۔ LITF کو زیر جائزہ مدت کے دوران 10 فی صد تک قرض لینے کی اجازت ہے، تاہم LITF نے اس سہولت کو زیر جائزہ مدت کے استعمال نہیں کیا۔

فنڈ کی کارکردگی

لیکن اسلامک پبلیکل فنڈ نے بتی رک مانع 19.35 فیصد کے مقابلے میں مالی سال 2021 کے پہلے نومہ کے لیے 17.57 فیصد مانع فراہم کیا۔ 31 مارچ 2021 کے مطابق فنڈ نے جموئی اٹاٹے کی بنیاد پر اکوٹریز میں 58 فیصد، کیش میں 19 فیصد اور سکلوک میں 7 فیصد سرمایکاری رکھتا ہے۔

فی یونٹ آمدی (EPU)

فی یونٹ آمدی (EPU) ناہر نہیں کی گئی ہے کیوں کہ ہم محسوس کرتے ہیں کہ EPU ثابت کرنے کے لیے تجھیں شدہ اوسط یونٹس کا قیمت اسکم اور پن ایڈنسپیٹ کے لیے قابل عمل نہیں ہے۔

معاشر جائزہ

KSE-100 اسکم نے مالی سال 2021 کے پہلے 9 ماہ میں ماہ بیانیو پر 30 فیصد کا مانع کمایا۔ کوڈیٹ کے تجھیں میں زوال سے بحالی کو کاروباری اداروں اور ام

وسائل رکھنے والے گھروں کے لئے امدادی پہنچ تعارف کروانے اور اس شعبے میں سرمایہ کاروں کے لئے تعمیراتی پہنچ اور پہنچیں اسکیم شروع کر کے مددی کی۔ مزید یہ کہ مارچ تا جون کے دوران شرح سود میں جموقی طور پر 625 بیلین پاؤنس کی کٹوتی کے ساتھ 7 نیصد تک کی نے مارکیٹ کی نوموا ر، جان برقرار رکھنے کے لئے زبردست اشارہ دیا۔ اس کے علاوہ، غالی و بارکے دوران گھروں کی ادائیگی کے لئے سمسڑی والے قرضوں کی فراہمی تعمیرات اور رہائش اور برآمدات اور میتوپل گنگ کے شجوں میں نئے اور طے کاروباروں کے لئے قرضوں نے بھی چند بات کو برقرار رکھا ہے۔ فروی میں 2020 تریلاٹ زر 2 ارب ڈالر (مسلسل توں میں) سے زائد ہے۔ 152.76 پر بند ہونے کے ساتھ، روپیہ امریکی ڈالر کے مقابلہ میں بدستور تخلیم ہے۔ مزید یہ کہ حکومت نے آئی ایم ایف کے توہینی قدر کی بہوات کو بھی بحال کیا اور ماکے آخری خفتہ کے دوران 499.4 میلن ڈالر کی ایک قطع وصول کی۔ حکومت نے اخیر میں کپیل مارکیٹس سے 2.5 میلن ڈالر اکٹھا کرنے کے لئے 3 اقتاط والی دروداً معاہدہ بھی لائچ کیا۔

ٹکسٹ اکٹ کا جائزہ

حکومت پاکستان نے فلی بل کی بیانیوں میں مالی سال 2020 کے پہلے 9 ماہ میں 12.4 ٹریلین روپے کے مقابلے میں مالی سال 2021 کے پہلے 9 ماہ میں جموقی طور پر 9.8 ٹریلین روپے اکٹھے کیے۔ تریلریز میں بیانی دی طور پر مندرجہ بالا خطرات سے پیچھا چھڑانے کے چند بات کی وجہ سے تلوں زر (باث منی) اخراج اور شرح سود میں کیا تینی تھی (625 بیانی پاؤنس کے ساتھ 7 نیصد تک کی)۔ سماں، ششماں اور نومنی درقوں کے لیے بڑے آمدی مارچ 2020 میں باترتیب 12.73 نیصد، 12.51 نیصد اور 12.00 نیصد مارچ 2021 میں باترتیب 7.54 نیصد، 80.7 نیصد اور 7.79 نیصد تک گرفتگی۔ PIBs نے 1.65 ٹریلین کے مقابلے میں 466 ارب روپے کی شمولیت دیکھنے میں آئی، شمولیت میں تجزی کی بلند افزایش رمز ریکٹ کی طرف سے شرح سود میں اضافے کی توقعات کا تبیخی۔ تین سالہ اپاگ سالہ اس سالہ توں کے لیے تینی منافع جات مارچ 2020 میں باترتیب 11.59 نیصد اور 10.85 نیصد سے باترتیب 9.41 نیصد، 9.9 نیصد اور 10.29 نیصد گئے ہیں، گزشتہ تین ماہ سے منافع جات میں بہتری آئی ہے۔

ایکوپیٹی مارکیٹ کا جائزہ

KSE-100 میں جون 2020 کو 34,421 پاؤنس تک اسٹینکٹ جواد اس مدت کے دوران انڈکس میں نے جون 2020 میں 34,421 پاؤنس کی پیچی طبع کو بھی چھوڑا ہے اس کے بعد سے یہ خطے کی سب سے اچھی کارکردگی دکھانے والی مارکیٹس میں سے ایک رہا اس دوران میں سب سے اچھی کارکردگی دکھانے والے شعبہ بینالاوی، پنجاب گنگ اور سینٹ رہے ہیں (حکومت کی طرف سے تعمیراتی شعبے کے لیے پہنچیں اسکیم کی وجہ سے)۔ اس مدت کے دوران 100 ADTO KSE-100 کا FPI اور 82.82 میلن ڈالر تھا۔ خطرات سے پیچھا چھڑانے کے چند بات کے تینی میں 588 میلن ڈالر کا خاص اخراج جو جان غیرملکی فروخت کا ارتکاز بیانی دی طور پر میکون (178 میلن ڈالر) اور سینٹ 102.6 (112.6 میلن ڈالر) میں رہا۔ مقامی ریٹ پر، افراد، اشورس کپنیز اور پینٹر نے خریداری کی۔

ایم جنگ مارکیٹس کا جائزہ

مالی سال 2021 کے پہلے 9 ماہ کے دوران ایم جنگ مارکیٹس اسٹاکس کے MSCI انڈکس اسٹاکس میں 32.3 نیصد منافی کیا۔ ایم جنگ مارکیٹ اسٹاکس میں 2020 کے اختتام پر تبدیلی آثار شروع ہوئی۔ اکتوبر 2020 تک ایم جنگ مارکیٹس اپنے پکھنوارے پورے کریکٹی اور ڈیولپمنٹ مارکیٹس کو پیچھے چھوڑ دیا تھا۔ اس بحالی میں اجتناس (کموزیٹی) کی بڑتی قیتوں کی ملبوس، کمزور ہوتے ڈالر، نیکٹس کی شرحوں میں گراڈ اور جموقی معاشی اسٹکھام سے تیزی آئی۔

ایمروجنگ مارکٹس میں جزوی کویریا، امنیا تائیون اور سعودی عرب نے سب سے زیادہ پروٹوتی حاصل کی اور باہر تیوب 45.2 فیصد، 41.4 فیصد اور 37.7 فیصد مودود رج کرائی۔

ستقبل کی توقعات

ہمارا ذیل اسے کہ ایشیت بینک بدستور ملکام بر ہے گا اور شرح سود میں تجزی سے اضافہ نہیں کرے گا تاہم، افراط ازدیق اضافے (9 فیصد یا اس سے زیادہ)، ماگنک کے طاقت و روحانیات اور اعلیٰ مالی استحکام کے ساتھ۔ ایشیت بینک نے اشارہ کیا ہے کہ جون 2021 تک سعودی شرخوں میں 7 فیصد کی شرح سے کوئی تبدیلی نہیں کی جائے گی۔ متعدد ساتھی اصلاحات جاری ہیں، جیساں اگر دشی قرعوں کے تضمین اور لگنک اصلاحات نے 6 ارب ڈالر کے آئی ایف پوگرام دوبارہ آغاز میں سفر نزدیکی کردار ادا کریا۔ تریاک تو زر معمول پر آنے کا امکان ہے (2 ارب ڈالر/ماہ سے زائد کی رفتار سے) جس کے تینجی میں کرنٹ اکاؤنٹ میں پکنگ گروٹ آئکی ہے، تاہم کرنٹ اکاؤنٹ کا 2 سے 3 فیصد خسارہ (جی ڈی بی کافی) بدستور ملکام انتظام ہے۔ ایشیت بینک کی پوشن گوئی کے طابق، اعلیٰ سال 2021 میں حقیقی جی ڈی بی میں 3 فیصد (آئی ایف کی پیش گوئی: 1.5: 1 فیصد) اور اعلیٰ سال 2022 میں 4 فیصد تک اضافے کا امکان ہے۔ مالی حیثیت بدستور کروڑ ہے کہ لگنک اصلاحات کی بد دلت بہتری آئے گی جس کا پہنچ زیادہ و سینچ لگنک میں کے ذریعے بینکوں سے آمدی ہے۔ عموری بجٹ اقدامات میں لگنک کرپٹ اور سہمہ یوں کو ختم کرنا، جی. ایشیت کو معمول بنانا اور کار پوری بینک کی شرخوں میں مکمل اضافہ شامل ہے۔ کوئی۔ 19 کی ایک ویکسین سب کو (روی ویکسین اسپوک) 7 دستیاب کر دی گئی ہے اور اس سے ایکشن کی جاری تیسری ابر سے پیدا ہونے والے خوف درہ اس میں کی آنچا ہے۔

قدیمیائی (ولیوپشن) میں رعایت ایک بار بچہ و سمعت اختیار کر گئی ہے جیساں 100-KSE 2022 کے لیے 5.6x 5.6x شیئر متوسط آمد فنی پر لدن دین ہو رہا ہے۔ (سو ہجودہ سال 2021 میں تا حال رعایت کی بلندترین ٹکچر 14 فیصد ہے)۔ مارکیٹ مسلسل جمیو محاذی ڈنیا (ڈنیا اعلیٰ تو اتر) اور ایشیت پی ایکٹ کی منظوری سے خوش امیدی حاصل کر سکتی ہے، کوئی۔ 19 کیوں کی رفتار پر تھا افریقا اور آسیا نہ بجٹ سے متعلق گردش کرتی خبروں سے ان ذہبات کی آزمائش ہو گی۔ وزیر خزانہ تجزی سے تبدیلی اور یو روڈنکے بروقت سے سرمایہ کار کے اختیار کو تقویت ملنا چاہیے۔

انکھار تکشیر

یہ بورڈ اپنے قابل قدر انواع سترز، سکیو ریز ایڈیشن، پکچن کیٹیں آف پاکستان، ایشیت بینک آف پاکستان، فنڈ کے ٹری، سیٹل ڈپازٹری کیٹن آف پاکستان لیمیٹڈ اور پاکستان اسٹاک اپکچن کی انتظامیہ کا، ان کے سائل تعاون اور مدد پر شکرگزار ہے۔ میمنش کمپنی کے ڈائریکٹر فنڈ کی ترقی اور عدمہ نظم و ناق کے لیے میمنش کمپنی کی ٹیکم کی کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے اور از طرف بورڈ

ڈائریکٹر

جیف ایگز کیٹیو افسر

تاریخ: 19 اپریل 2021

**Condensed Interim Statement of Assets and Liabilities
As at March 31, 2021**

	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees)	
ASSETS			
Bank balances	6	82,402,288	38,410,455
Investments	7	348,793,606	110,204,844
Dividend receivable		1,943,354	2,846
Markup accrued		2,150,523	1,041,804
Deposits, prepayments and other receivables		2,615,537	2,736,930
Receivable against purchase of investments		883,265	2,197,465
TOTAL ASSETS		438,788,573	154,594,344
LIABILITIES			
Payable to the Management Company	8	1,838,796	1,343,076
Payable to the Trustee	9	90,961	62,590
Annual fee payable to Securities and Exchange Commission of Pakistan	10	48,501	29,212
Payable against purchase of investments		4,203,347	1,092,725
Accrued expenses and other liabilities	11	3,510,596	1,815,456
TOTAL LIABILITIES		9,692,201	4,343,059
NET ASSETS		429,096,372	150,251,285
UNIT HOLDERS' FUND (as per statement of movement in Unit holders' Fund)			
		429,096,372	150,251,285
CONTINGENCIES AND COMMITMENTS			
	13	(Number of units)	
Number of units in issue		4,381,989	1,804,011
Net assets value per unit		97.9227	83.2873

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Income Statement (Unaudited)
For the nine months and quarter ended March 31, 2021

	Note	Nine months ended March 31, 2021		Quarter ended March 31, 2020	
		2020	2021	2021	2020
INCOME					
Gain / (loss) on sale of held for trading investments - net		21,739,698	4,567,243	12,126,592	2,474,517
Unrealized gain / (loss) on revaluation of held for trading investments - net	7.1	14,450,828	(20,960,984)	(4,790,386)	(34,661,174)
		36,190,526	(16,393,741)	7,336,206	(32,186,657)
Dividend income on held for trading investment		5,967,052	3,358,958	2,535,827	264,021
Return / mark up on:					
- bank balances		3,506,407	4,026,732	571,338	1,595,138
- debt securities (held for trading)		2,387,528	1,046,416	1,666,496	382,828
		5,893,935	5,073,148	2,237,834	1,977,966
Exchange gain / (loss) on foreign currency deposits		(1,944)	2,460	9	4,333
		48,049,569	(7,959,175)	12,109,876	(29,940,337)
EXPENSES					
Remuneration to the Management Company		3,310,794	1,455,152	1,432,775	462,823
Sales tax on remuneration to the Management Company		430,403	189,170	186,261	60,167
Remuneration to the Trustee		548,064	247,184	242,730	86,297
Annual fee to Securities and Exchange Commission of Pakistan		48,501	21,875	21,480	7,637
SECP Supervisory fee		1,877	1,533	617	496
Brokerage, custody, settlement and bank charges		1,191,497	650,782	459,979	271,173
Auditors' remuneration		275,434	180,230	55,022	42,144
Fund Rating fee		142,379	142,761	46,849	47,241
Fees and subscription		510,118	508,666	156,840	173,069
Printing charges		10,170	3,390	10,170	3,390
Charity expense		239,869	234,565	-	-
Total Expense		6,709,107	3,635,308	2,612,724	1,154,437
Net income / (loss) from the operating activities		41,340,462	(11,594,483)	9,497,152	(31,094,774)
Sindh Workers' Welfare Fund (SWWF)		826,809	-	1,463,675	390,006
Net income from operating activities		40,513,653	(11,594,483)	8,033,477	(31,484,780)
Taxation	14	-	-	-	-
Net income / (loss) for the period after taxation		40,513,653	(11,594,483)	8,033,477	(31,484,780)
Allocation of net income for the period					
Net income for the period after taxation		40,513,653	-	9,307,209	-
Income already paid on units redeemed		(88,824)	-	(83,300)	-
40,424,829		40,424,829		9,223,909	
Accounting income available for distribution					
- Relating to capital gains		36,190,526	-	7,341,702	-
- Excluding capital gains		4,234,303	-	1,882,207	-
		40,424,829	-	9,223,909	-

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Comprehensive Income (Unaudited)
For the nine months and quarter ended March 31, 2021

	Nine months ended March 31, 2021	Quarter ended March 31, 2021	Quarter ended March 31, 2020
----- (Rupees)-----			
Net income for the period after taxation	40,513,653 (11,594,483)	8,033,477 (31,484,780)	
Other comprehensive income	-	-	-
Total comprehensive income for the period	40,513,653 (11,594,483)	8,033,477 (31,484,780)	

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement Of Movement In Reserve Or Unit Holders' Fund (Unaudited)
For the nine months ended March 31, 2021

	Nine months ended 31 March 2021			Nine months ended 31 March 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period	180,160,010	(29,908,725)	150,251,285	165,874,818	(31,635,899)	137,238,919
Issue of 2,593,034 units (2020: 47,502 units)	215,956,832	-	215,956,832	23,823,804	3,909,936	3,909,936
- Capital value	23,823,804	-	23,823,804	(157,496)	-	(157,496)
- Element of income / (loss)						
Total proceeds on issuance of units	239,790,636	-	239,790,636	3,752,500	-	3,752,500
Redemption of 15,056 units (2020: 7,527 units)	(1,342,038)	-	(1,342,038)	(1,342,038)	(6,030)	(6,030)
- Capital value	(28,346)	(88,524)	(117,156)	(117,156)	-	(619,558)
- Element of income / loss	(1,370,378)	(88,524)	(1,459,202)	(1,459,202)	(613,528)	(613,528)
Total payments on redemption of units						
Accounting (loss) / income for the period	-	40,515,597	40,515,597	-	(11,596,943)	(11,596,943)
Exchange gain / (loss) on foreign currency deposits	-	(1,944)	(1,944)	-	2,460	2,460
Net assets as at end of the period	418,580,268	10,516,104	429,096,372	172,013,750	(43,230,382)	126,783,408
Undistributed income brought forward:						
- Realized income at beginning of the period	(31,165,057)	1,256,332	(31,009,725)	(12,303,548)	(19,332,351)	(31,635,899)
- Unrealized income at beginning of the period						
Accounting income available for distribution:						
Relating to capital gains	40,513,553					
Excluding capital gains	(88,524)	40,442,929				
Net (loss) / gain for the period after taxation	40,513,653					
Undistributed (loss) / income at end of the period	10,604,928					
Represented by:						
- Realized income at end of the period	(3,845,940)					
- Unrealized income at end of the period	14,450,828					
Undistributed (loss) / income at end of the period	10,604,928					
Net assets value per unit at beginning of the period						
Net assets value per unit at end of the period						
The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.						

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

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Cash Flow Statement (Unaudited)
For the nine months ended March 31, 2021

	Nine months ended March 31, 2021	2020
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period	40,513,653	(11,594,483)
Adjustments for non-cash charges and other items:		
Unrealised (appreciation) in the fair value of investments classified as 'held for trading' - net	(14,450,828)	20,960,984
	<u>26,062,825</u>	<u>9,366,501</u>
(Increase) / decrease in assets		
Investments - net	(224,137,934)	(17,791,799)
Receivable against sale of investments	1,314,200	(1,096,075)
Dividend and Profit receivable	(3,049,227)	(519,173)
Deposits, prepayments and other receivables	121,393	31,966
	<u>(225,751,568)</u>	<u>(19,375,081)</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	495,720	5,252
Payable to the Trustee	28,371	(10,023)
Annual fee payable to Securities and Exchange Commission of Pakistan	19,289	(134,399)
Payable against sale of investments	3,110,622	3,138,765
Accrued expenses and other liabilities	1,695,140	614,105
	<u>5,349,142</u>	<u>3,613,700</u>
Net cash (used in) / generated from operating activities	(194,339,600)	(6,394,880)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	239,790,636	3,752,500
Cash paid on redemption of units	(1,459,202)	(613,528)
Net cash inflows / (outflows) from financing activities	238,331,434	3,138,972
Net increase / (decrease) in cash and cash equivalents	43,991,834	(3,255,908)
Cash and cash equivalents at the beginning of the period	38,410,455	40,838,183
Cash and cash equivalents at the end of the period	82,402,288	37,582,275

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**Notes to and forming part of the Condensed Interim
Financial Information (Unaudited)
For the nine months and quarter ended March 31, 2021**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The Lakson Islamic Tactical Fund (the "Fund") was established under the Trust Deed executed on 30 May 2011 between the Lakson Investments Limited as its Management Company, a company incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017) and the Central Depository Company of Pakistan Limited (CDC) as its Trustee, also incorporated under the repealed Companies ordinance 1984 (now Companies Act, 2017). The Fund has been registered as a Notified Entity on 7 July 2011 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.
- 1.3 The Fund is an open end mutual fund and is listed on the Pakistan Stock Exchange . Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund is categorised as "Shariah Compliant/Islamic Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and is authorised to invest in Shariah compliant investments within the limits prescribed in the offering document so as to ensure a riba-free return on investments. All investments of the Fund are as per the guidelines of the Shariah principles provided by the Shariah Advisor of the Fund and comprise of the investments permissible as 'Authorised Investments' under the Trust Deed.

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 28 August 2020 (2019: AM2+ as on 29 August 2019).

On 04 April 2021, VIS assigned following rankings to the Fund based on the performance review for the period ended 31 December 2020:

1 Year ranking : MFR 4-Star
3 Year ranking : MFR 4-Star
5 Year ranking : MFR 2-Star

- 1.5 During the current period, the Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 'Interim Financial Reporting issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- 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).

In case where requirements differ, 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.

- 2.2 The comparative balance sheet presented in these condensed interim financial information as at 31 March 2021 has been extracted from the audited financial statements of the Company for the year ended 30 June 2020, whereas the comparative income statement, statement of comprehensive income, the cash flow statement and statement of movement in unitholders' fund for the nine months period ended 31 March 2020 have been extracted from the unaudited condensed interim financial information for the period then ended.
- 2.3 These 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 2020. However, selected explanatory notes are included to explain events and transactions that are significant.
- 2.4 These condensed interim financial information are being submitted to the unit holders as required under Regulation 38(2)(f) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited. However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause 5.19.13 of the Pakistan Stock Exchange Limited (PSX) Rule Book.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial information give a true and fair view of the state of the Fund's affairs as at 31 March 2021.

2.5 Basis of measurement

These condensed interim financial statement have been prepared under the historical cost convention, except that investment are stated at fair values.

2.6 Functional and presentation currency

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

- 2.7 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments which are effective from annual period beginning on or after 1 July 2019. These amendments are not likely to have an impact on the Fund's financial position. Therefore these are not stated in this condensed interim financial information.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020. differ from these estimates.

The significant judgements made by the 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 30 June 2020.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2020.

6. BANK BALANCES	Note	March 31, 2021		June 30, 2020	
		(Unaudited)	(Rupees)	(Audited)	(Rupees)
Local Currency					
In profit and loss sharing accounts	6.1	82,400,299		38,370,509	
Foreign Currency					
In current account	6.2	1,989		39,946	
		82,402,288		38,410,455	

6.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 3.50% to 7.00% (30 June 2020: 3.50% to 7.00%) per annum.

7. INVESTMENTS

At fair value through profit or loss				
Equity Securities	7.1	254,480,704		92,684,013
Sukuk certificates	7.2	30,000,000		7,769,087
Certificate of Musharka		40,000,000		-
Commercial Paper	7.3	24,312,902		9,751,744
		348,793,606		110,204,844

8.1 Listed Equity Securities

At fair value through profit or loss

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

Name of investee company	Holding as at July 01, 2020	Purchased during the period	Bonus / right shares received during the period	Disposed during the period	Holding as at March 31, 2021	Carrying value at revaluation as of March 31, 2021	Market value as of March 31, 2021	Unrealised appreciation / (dilution)	Market value as a percentage of total investments	Market value as a percentage of net assets of the investee company	Percentage (%)
----- Number of shares -----											
Commercial Banks											
Nicen Bank Limited	53,448	122,500	3,414	71,867	107,495	10,654,476	12,156,284	1,511,808	0.03	0.03	0.0313%
Chemicals	85,215	250,100	18,344	219,262	116,053	5,048,311	6,381,754	1,333,443	0.02	0.01	0.0269%
Egerton Polymer & Chemical	-	114,650	-	132,954	-	-	-	-	-	-	0.0302%
Descon Oxychem Limited	-	65,500	-	65,500	-	-	-	-	-	-	0.0604%
Steara Peroxide Limited	-	316,000	-	249,800	66,200	1,020,470	1,055,880	35,420	0.00	0.00	0.0195%
Lotte Chemical Pakistan Limited	4,070	6,720	-	8,070	2,720	1,931,147	2,262,197	331,050	0.01	0.01	0.0094%
ICL Pakistan Limited	-	-	-	-	-	-	-	-	-	-	-
Fertilizers											
Fauji Fertilizer Company Limited (8.1.3)	38,100	18,600	-	44,500	12,200	1,335,593	1,274,778	(60,815)	0.00	0.00	0.0025%
Egerton Corporation Limited (8.1.1)	33,828	59,000	-	23,036	68,792	20,958,662	19,354,717	(160,945)	0.06	0.05	0.0110%
Pharma & Bio Tech											
The Saan Company (8.1.2)	3,184	-	3,178	21,556	5,792,859	5,324,979	(467,880)	0.02	0.01	0.0000%	-
Glaucorithine Pakistan	6,800	14,150	-	10,400	10,550	1,868,344	1,687,194	(211,150)	0.00	0.00	0.0033%
Ferzsons Laboratories Limited	469	13,400	-	469	13,400	4,433,300	4,079,630	(353,670)	0.01	0.01	0.0000%
Textile Composite											
Nisha Mills Limited (8.1.1)	60,299	73,700	-	70,300	63,699	5,837,195	5,893,431	56,236	0.02	0.01	0.0025%
Koninco Textile Mills Limited	-	31,500	-	-	31,500	2,429,345	1,932,210	(497,135)	0.01	0.00	0.0025%
Technology & Communication Systems Limited	-	5,325	532	-	5,857	2,641,261	2,755,894	114,634	0.01	0.01	0.0235%
Cable & Electrical Goods											
Pak Electron Limited	-	38,500	-	-	36,500	1,300,850	1,272,040	(28,810)	0.00	0.00	0.0235%
Cement											
D.C.Khan Cement Company Limited	23,500	109,820	-	47,125	86,395	9,795,971	10,387,359	591,388	0.03	0.02	0.0095%
Kohat Cement Company Limited	2,900	10,700	-	2,900	10,700	2,226,470	2,217,254	(19,216)	0.01	0.01	0.0008%
Pioneer Cement Company Limited (8.1.3)	169,300	523,000	-	432,700	253,600	5,203,180	5,924,072	720,892	0.02	0.01	0.0293%
Lucky Cement Company Limited (8.1.1)	19,581	47,170	-	59,650	7,101	663,503	884,902	201,399	0.00	0.00	0.0109%
Maple Leaf Cement Limited	19,180	28,680	-	33,935	20,735,794	27,736,741	7,000,947	0.08	0.06	0.0093%	-
Power Generation & Distribution											
Hub Power Company Limited	88,100	141,900	-	196,032	33,968	2,618,148	2,756,164	138,016	0.01	0.01	0.0155%
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	6,606	3,940	-	3,100	7,446	10,766,254	11,402,060	635,806	0.03	0.03	0.0030%
Pakistan Oilfield Limited	-	53,794	-	-	53,794	20,415,773	(379,970)	0.06	0.05	0.0176%	-
Pakistan Petroleum Limited (8.1.1)	36,773	170,937	-	38,363	169,347	15,442,858	14,789,074	(653,784)	0.04	0.03	0.0061%
Oil and Gas Development Company Limited (8.1.1)	57,325	122,317	-	26,000	163,642	17,337,724	16,627,664	(610,060)	0.05	0.04	0.0038%
						64,265,610	63,724,651	(1,068,095)	0.18	0.15	

Name of investee company	Holding as at July 01, 2020	Purchased during the period	Bonus / right shares received during the period	Disposed during the period per lot	Number of shares	Carrying value before revaluation as at March 31, 2021	Market value as at 31 March of 31 March 2021	Unrealised appreciation / depreciation (elimination)	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value of shareholding as a percentage of total paid up capital of the investee company	Percentage (%)
						Rupees	Rupees	Rupees				
Oil and Gas Marketing Companies												
Attock-Petroleum Limited	5,000	-	7,700	7,700	16,659,643	1,536,594	1,521,549	0.00	0.00	0.0002%		
Pakistan State Oil Company Limited (8.1.2)	15,707	91,025	41,884	13,385,105	14,955,894	1,770,789	0.04	0.03	0.0149%			
Sui Northern Gas Pipeline Limited	71,992	100,200	172,152	-	-	-	-	-	-	0.0035%		
Automobile Assemblers	3,380	-	5,110	8,490	16,854,749	16,492,888	1,638,139	0.05	0.04			
Indus Motors Company Limited (8.1.3)	-	5,630	516	1,260	4,886	5,466,732	5,373,379	(93,353)	0.02	0.01	0.0089%	
Milat Tractors Limited	-	50,800	-	29,070	21,730	5,159,923	6,842,342	1,682,419	0.02	0.02	0.0271%	
Pak Suzuki Motor Company Limited	-	-	-	-	10,626,655	12,215,721	1,589,066	0.04	0.02			
Automobile and Parts	Agricraft Industries Limited (face value - 5 Rs.)	4,900	15,900	-	7,770	13,030	2,839,167	2,792,720	(46,447)	0.01	0.01	0.0706%
Engineering												
International Industries Limited	-	81,348	64,112	17,236	2,944,901	3,501,838	556,937	0.01	0.01	0.0193%		
Mughal Iron and Steel Industries	57,350	103,000	4,080	131,890	32,580	2,935,073	2,745,070	(190,003)	0.01	0.01	0.0085%	
Asha Steel Ind Ltd	-	152,037	-	62,037	90,000	3,056,249	2,779,200	(277,049)	0.01	0.01	0.0044%	
Aisha Steel Mills Limited	-	141,500	-	9,000	132,500	3,283,945	3,146,875	(137,070)	0.01	0.01	0.0192%	
International Steels Limited	46,500	115,226	-	101,106	60,620	4,658,093	5,187,860	519,767	0.01	0.01		
Food And Personal Care Products	The Organic Meal Company Limited	-	40,476	-	40,476	105,000	3,067,697	3,122,700	55,003	0.01	0.01	0.0009%
Unity Foods Limited	-	140,200	-	35,200	-	-	-	-	-	0.0272%		
Transport												
Pakistan International Bulk Terminal	-	784,280	-	683,500	100,780	1,294,272	1,053,151	(241,121)	0.00	0.00	0.0308%	
Refinery												
Attock Refinery Limited	-	18,300	-	-	18,300	4,421,653	4,673,454	251,801	0.01	0.01	0.0308%	
Glass and Ceramics												
Tariq Glass Industries Limited	31,500	-	200,500	-	31,500	104,500	2,100,398	2,468,290	367,892	0.01	0.01	0.0760%
Shabbir Tiles & Ceramics Limited	-	-	-	-	-	-	-	-	-	0.0000%		
Papers and Boards	-	-	-	-	-	-	-	-	-	0.0028%		
Cheraar Cement Company Limited	17,850	52,800	-	32,750	37,900	4,684,614	6,086,740	1,402,126	0.02	0.01		
Totals at 31 March 2021						240,029,874	254,480,704	14,450,830	73%	61%		
Total cost as at 31 March 2021						278,668,805						
Total as at 30 June 2020						91,570,086	92,684,013	1,113,885	89,90	78,18		
Total cost as at 30 June 2020						106,575,657						

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

	31 March 2021	30 June 2020	31 March 2021	30 June 2020
	----- (Number of shares)-----		----- (Rupees)-----	
Oil and Gas Development Company Limited		5,000	5,000	508,050
Engro Corporation Limited	22,300	7,300	6,184,236	2,138,316
Nishat Mills Limited	10,000	10,000	925,200	780,100
Pakistan Petroleum Limited	300	300	26,199	26,034
Lucky Cement Limited (LUCK)	10,000	-	8,175,900	-
	47,600	22,600	15,819,585	3,489,450

8.1.2 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 147 shares of Pakistan State Oils Limited (30 June 2020: 147 shares) and 6 shares of The Searle Company Limited (30 June 2020: 6 shares) have been withheld by CDC. Market value of these shares as at 31 December 2020 amounted to Rs. 33,144 (30 June 2020: Rs. 24,540) and are included in the Fund's investments in these condensed interim financial statements.

8.2 Sukuk certificates

At fair value through income statement - held for trading

Name of Security	Date of Maturity	Mark-up rate	Holding as at 01 July 2020	Purchases during the period	Disposed / matured during the period	Holding as at 31 March 2021	Carrying value as of 31 Mar 2021 (before revaluation)	Market value as of 31 Mar 2021 (after revaluation)	Unrealised (diminishing)	Credit rating	Market value as % of total investments	Market value as % of net assets	Fair value as % of size of the issue	
Note				Number of certificates-----										
Dawood Hercules Corporation Limited	8.2.1	15-Nov-22	3 months KIBOR + of 1%	35	-	35.0	0	-	-	AA	0.00%	0.00%	0.00%	
Dawood Hercules Corporation Limited	8.2.2	01-Mar-23	3 months KIBOR + of 1%	65	-	65.0	0	-	-	AA	0.00%	0.00%	0.00%	
Kot Addu Power Company Limited	8.2.3	08-Jun-21	7.99%	-	300	-	300	30,000,000	30,000,000	-	AA+	8.60%	6.99%	0.00%
				Total as at 31 March 2021			30,000,000	30,000,000	-		8.60%	7.01%	0.00%	
				Total Cost as at 30 June 2020			36,650,000							
				Total as at 30 June 2020			9,661,199	9,626,640	(34,559)					
				Total Cost as at 30 June 2020			9,650,000							

8.2.1 This represents investment in sukuk certificates of Dawood Hercules Corporation Limited carrying an effective profit rate of 3 months Karachi Inter-bank Offer Rate (KIBOR) per annum plus margin of 1.0% per annum receivable quarterly in arrears. The principal is redeemable in eight semi-annual instalments starting from the eighteenth (18th) month from the date of issue, i.e. from May 2019 to November 2022 in the six semi-annual instalments of Rs 0.35 million each and the last two semi-annual instalments on May 2022 and November 2022 at Rs. 0.70 million each. These sukuk certificates are secured by way of first pari passu charge against ordinary shares of Engro Corporation Limited with 50% margin and charge over all of the assets of investee company with a 25% margin.

8.2.2 This represents investment in sukuk certificates of Dawood Hercules Corporation Limited carrying an effective profit rate of 3 months Karachi Inter-bank Offer Rate (KIBOR) per annum plus margin of 1.0% per annum receivable quarterly in arrears. The principal is redeemable in eight semi-annual instalments starting from the eighteenth (18th) month from the date of issue, i.e. from September 2019 to March 2023 in the six semi-annual instalments of Rs 0.65 million each and the last two semi-annual instalments on September 2022 and March 2023 at Rs. 1.3 million each. These sukuk certificates are secured by way of first pari passu charge against ordinary shares of Engro Corporation Limited with 50% margin and charge over all of the assets of investee company with a 25% margin.



- 8.2.3 This represents unsecured investment in Sukuk Certificates of Kot Addu Power Company Limited carrying a profit rate of 7.99% per annum with a maturity date of 8 June 2021.

8.3 Certificate of Musharaka - At amortised cost

Name of Security	Date of Maturity	Mark-up rate	Holding as at 01 July 2020	Purchases during the period	Disposed / matured during the period	Holding as at 31 March 2021	Carrying value of assets as at 31 March 2021 before (after revaluation)	Market value of assets as at 31 March 2021 after (after revaluation)	Unrealised (diminishing)	Credit rating	Market value as % of total investments	Market value as % of net assets	Face value as % of size of the issue	
	Number of certificates						(Rupees)							
Orix Modaraba	8.3.1	30-Dec-22	7.34%	-	400,000	-	400,000	40,000,000	40,000,000	-	AA	11.47%	9.32%	0.80%

- 8.3.1 This represents unsecured investment in musharaka certificate of Orix Modaraba carrying a profit rate of 7.34% per annum with a maturity date of 30 December 2022 in lump sum.

8. PAYABLE TO THE MANAGEMENT COMPANY

Payable to the Management Company	8.1	473,455	34,765
Sindh Sales Tax payable on Management remuneration		228,408	171,379
Federal Excise Duty payable on remuneration to the Management Company	8.2	1,132,564	1,132,564
Sales load payable		4,369	4,369
		1,838,796	1,343,077

- 8.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding 2% per annum of the average annual net assets of the Fund. However, the Management Company is currently charging a fee at the rate of 10% of the gross earnings of the scheme for the period ended 31 March 2021. The fee is subject to a minimum of 1% and a maximum of 2% of the average annual net assets of the Fund. Currently the effective rate of Management Company remuneration for the period ended 31 March 2021 is 1.29% (30 June 2020 1.28%) of the average annual net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (till 30 June 2019: 13%) on Management Company's remuneration. Above liability includes Rs. 166,859 (30 June 2020: Rs. 166,859) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 8.3 below. Had the provision relating to FED not been made, Net Asset Value per unit of the Fund as at 31 March 2021 would have been higher by 0.05 (30 June 2020: 0.09 per unit. This amount is payable to management company for onward payment to the Government.

- 8.2 There is no change in the status of the appeal pending in the Supreme Court of Pakistan against of the decision of Sindh High Court as more fully disclosed in the annual financial statements for the year ended 30 June 2018 regarding the FED on management's remuneration. The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs.1.686 million. Had the provision not been made, Net asset Value per unit of the Fund as at 31 March 2021 would have been higher by Re. 0.26 (30 June 2020: Re. 0.63) per unit.

However, above mentioned expenses were not charged by the Management Company to the Fund during the period under audit. Had the above expenses for the period, been charged to the Fund, these would not have been material.

	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited) (Rupees)
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh workers' welfare fund	11.1	1,196,370	369,561
Auditors' remuneration		292,418	194,579
Brokerage charges payable		788,183	38,566
Shariah advisor fee payable		107,432	29,181
Fee payable to National Clearing Company of Pakistan Limited		21,063	30,000
Charity payable		343,234	103,365
Fee payable to Central Depository Company Limited		13,560	13,560
Payable for Professional tax		367,180	150,000
Payable for Rating fee		286,292	143,913
Withholding Tax Payable		74,864	-
Other liabilities		20,000	20,000
		3,510,596	1,092,725

11.1 Workers' Welfare Fund

The status of initial chargeability of SWWF is the same as disclosed in the annual financial statements for the year ended 30 June 2019. Total provision for SWWF till 31 March 2019 is Rs. 0.158 million. Had the provision not been made, Net Asset Value per unit of the Fund as at 31 March 2021 would have been higher by Re. 0.27 per unit (30 June 2020: Re. 0.20 per unit).

Furthermore on 10 November 2016, Honourable Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition with the SCP against the said judgment, which is pending hearing. While the petitions filed by the Collective Investment Schemes (CISs) on the matter are still pending before the Sindh High Court (SHC), the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) have taken legal and tax opinions on the impact of the SCP's judgement on the CISs petition before the SHC. Both the legal and tax advisors consulted were of the view that the SCP's judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

12. TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended March 31, 2021 is 3.97% which includes 0.81% representing government levies (comprising of Workers Welfare Fund and SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be capped up to 4.5%

13. CONTINGENCIES AND COMMITMENTS

The Fund had no contingency or commitment at the period end except as those mentioned elsewhere in these condensed interim financial information.

14. TAXATION

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of 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 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. The management intends to distribute at least 90% of the income earned (if any) during the year by the Fund to the unit holders.

15. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

The related parties comprise of Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, Habib Bank AG Zurich being the Custodian, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, Key Management personnel and other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at March 31, 2021.

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

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

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited) (Rupees)
15.1 Details of balances with related parties / connected persons at the period end		
Lakson Investments Limited - Management Company of the Fund		
Remuneration and other payables (including the Sindh sales tax and federal excise duty amounting to Rs. 1.834 million (30 June 2020: Rs. 1.338 million)*	<u>1,834,427</u>	<u>1,338,708</u>
Sales load payable	<u>4,369</u>	<u>4,369</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable (Including Sindh sales tax amounting to Rs. 90,961 (30 June 2020: 62,590)	<u>90,961</u>	<u>62,590</u>
Security deposit	<u>100,000</u>	<u>100,000</u>
Settlement charges payable	<u>13,560</u>	<u>13,560</u>

	March 31, 2021 (Unaudited) (Rupees)	March 31, 2020
Lakson Investments Limited - Management Company of the Fund		
Remuneration for the period	<u>3,310,794</u>	<u>1,455,152</u>
Sindh sales tax on remuneration of Management Company *	<u>430,403</u>	<u>189,170</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the period	<u>548,064</u>	<u>247,184</u>
Settlement charges	<u>26,470</u>	<u>26,470</u>

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15.2 Details of transactions and balances with directors, key management personnel, employees, associated company/ undertakings of the Management Company and connected person are as follows:

	Period ended March 31, 2021					
	Number of Units		Rupees		Units redeemed during the period	Balance as at March 31, 2021
	Number of Units as at July 01, 2020	Units issued during the period	Number of units as at March 31, 2021	Balance as at July 01, 2020		
Lakson Investments Limited	544,261	-	544,261	45,330,054	-	53,295,536
Directors, Chief Executive, their spouse and minors	106,644	7,301	7,902	106,044	8,882,066	769,216
Associated companies / undertakings of the Management Company						10,384,115
Accuracy Surgical Limited Employees Contributory Provident Fund	21,021	20,345	-	41,366	1,750,795	1,892,869
Century Insurance Co., Ltd., GF Century Insurance Company Limited Employees Contributory Provident Fund Trust	15,018	24,860	-	39,878	1,250,837	2,295,549
Century Paper & Board Mills Limited ECPF	18,171	27,560	-	45,731	1,513,452	2,569,418
Century Paper & Board Mills Limited EGF	223,660	323,868	-	547,528	18,627,997	30,144,238
Colgate Palmolive Pakistan Limited ECPF	184,948	297,239	-	482,187	15,403,859	27,648,749
Colgate Palmolive Pakistan Limited EGF	222,560	349,276	-	571,836	18,536,430	32,510,878
Cyber Internet Services (Pvt.) Ltd. EmpI. CPF	188,363	448,546	-	636,909	15,688,232	41,361,294
Gam Corporation Private Limited Employees Contributory Provident Fund	87,881	157,315	-	245,196	7,319,388	14,628,829
Hasanali Karabhai Foundation ECPF Trust	52,834	131,599	-	184,433	4,400,400	12,119,824
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	6,920	7,518	5,387	9,051	576,368	698,541
Lakson Investments Limited ECPF	5,573	-	-	5,573	464,197	-
Merit Packaging Limited Employees Contributory Provident Fund Trust	2,956	30,848	-	33,804	246,207	2,825,000
Merit Packaging Limited Employees Contributory Provident Fund Trust	34,301	42,437	-	76,738	2,856,848	3,955,203
Merit Packaging Limited Employees Gratuity Fund	14,505	20,652	-	35,157	1,208,092	1,922,912
Siza Foods Private Limited Employees Contributory Provident Fund Trust	37,917	105,087	-	143,004	3,157,988	9,754,667
Siza Services Private Limited Employees Contributory Provident Fund Trust	9,854	17,767	-	27,621	820,711	1,652,467
Sybird (Private) Limited ECPF	20,150	31,575	-	51,725	1,678,260	2,937,740
Connected person due to holding more than 10% units Systems Limited	-	547,475	-	547,475	-	50,000,000
						53,610,272


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	Period ended March 31, 2020						Rupees	
	Number of Units as at July 01, 2019	Units issued during the period	Units redeemed during the period	Number of units as at March 31, 2020	Balance as at July 01, 2019	Units issued during the period	Units redeemed during the period	Balance as at March 31, 2020
Lakson Investments Limited Directors, Chief Executive, their spouse and minors	517,823 101,481	- -	- -	517,823 101,481	48,372,942 9,479,933	- -	- -	50,706,614 9,937,256
Associated companies / undertakings of the Management Company								
Accuracy Surgical's Limited Employees Contributory Provident Fund Trust	19,842	-	-	19,842	1,853,598	-	-	1,943,021
Century Insurance Company Limited Employees Gratuity Fund	14,167	-	-	14,167	1,323,457	-	-	1,387,305
Century Insurance Company Limited Employees Contributory Provident Fund Trust	17,142	-	-	17,142	1,601,319	-	-	1,678,572
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	210,986	-	-	210,986	19,709,489	-	-	20,660,340
Century Paper & Board Mills Limited Employees Gratuity Fund	174,469	-	-	174,469	16,298,166	-	-	17,084,444
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	209,949	-	-	209,949	19,612,606	-	-	20,558,784
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	177,690	-	-	177,690	16,599,049	-	-	17,399,843
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	82,902	-	-	82,902	7,744,332	-	-	8,117,945
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	49,840	-	-	49,840	4,655,875	-	-	4,880,490
Hasan Ali Karabhai Foundation Employees Contributory Provident Fund Trust	6,536	-	-	6,536	610,592	-	-	640,049
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,349	-	-	5,349	499,640	-	-	523,745
Lakson Investments Limited Employees Contributory Provident Fund Trust	2,790	-	-	2,790	260,664	-	-	273,239
Merit Packaging Limited Employees Contributory Provident Fund Trust	32,358	-	-	32,358	3,022,709	-	-	3,168,535
Merit Packaging Limited Employees Gratuity Fund	13,683	-	-	13,683	1,278,231	-	-	1,339,897
Princeton Travels Limited Employees Contributory Provident Fund Trust	2,104	-	2,104	-	196,575	-	193,516	-
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	35,768	-	-	35,768	3,341,332	-	-	3,502,529
Siza Services Pvt Limited Employees Contributory Provident Fund Trust	9,296	-	-	9,296	868,359	-	-	910,252
Sybird Private Limited Employees Contributory Provident Fund Trust	19,020	-	-	19,020	1,776,803	-	-	1,862,522

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

On-balance sheet financial instruments		As at 31 March 2021						
		Carrying amount			Fair Value			Total
		Mandatory at fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	
----- (Rupees) -----								
Financial assets measured at fair value								
Listed equity securities		254,480,704	-	-	254,480,704	254,480,704	-	254,480,704
Sukuk certificates		54,312,902	-	-	54,312,902	54,312,902	54,312,902	54,312,902
		308,793,606	-	-	308,793,606	254,480,704	54,312,902	308,793,606
Financial assets not measured at fair value	16.1							
Bank balances - Held at amortized cost		-	63,903,761	-	63,903,761	-	-	-
Markup accrued		-	2,150,523	-	2,150,523	-	-	-
Security deposit		-	2,600,000	-	2,600,000	-	-	-
Dividend receivables		-	1,943,354	-	1,943,354	-	-	-
Receivable against purchase of investments		-	883,265	-	883,265	-	-	-
		-	71,480,903	-	71,480,903	-	-	-
Financial liabilities not measured at fair value	16.1							
Payable to the Management Company		-	477,824	-	477,824	-	-	-
Remuneration payable to the Trustee		-	90,961	-	90,961	-	-	-
Payable against purchase of investments		-	4,203,347	-	4,203,347	-	-	-
Accrued expenses and other liabilities		-	2,239,362	-	2,239,362	-	-	-
		-	7,011,494	-	7,011,494	-	-	-


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On-balance sheet financial instruments	As at 31 March 2019						
	Carrying amount			Fair Value			(Rupees)
	Mandatory at fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	
Financial assets measured at fair value							
Listed equity securities	92,684,013	-	-	92,684,013	92,684,013	-	92,684,013
Sukuk certificates	7,769,087	-	-	7,769,087	-	7,769,087	7,769,087
	100,453,100	-	-	100,453,100	92,684,013	7,769,087	100,453,100
Financial assets not measured at fair value							
16.1 Bank balances - Held at amortized cost	-	38,410,455	-	38,410,455	-	-	-
Commercial Paper	-	9,751,744	-	9,751,744	-	-	-
Markup accrued	-	1,041,804	-	1,041,804	-	-	-
Dividend receivables	-	2,846	-	2,846	-	-	-
Security deposit	-	2,600,000	-	2,600,000	-	-	-
Receivable against sale of securities	-	2,197,465	-	2,197,465	-	-	-
	-	54,004,314	-	54,004,314	-	-	-
Financial liabilities not measured at fair value							
16.1 Payable to the Management Company	-	39,133	-	39,133	-	-	-
Remuneration payable to the Trustee	-	62,590	-	62,590	-	-	-
Accrued expenses and other liabilities	-	723,164	-	723,164	-	-	-
Payable against purchase of investments	-	1,815,456	-	1,815,456	-	-	-
	-	2,640,343	-	2,640,343	-	-	-

16.1 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.

17 IMPACT OF COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 March 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

18. GENERAL

Figures have been rounded off to the nearest rupee.

19. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial information were authorised for issue on April 19, 2021 by the Board of Directors of the Management Company.

For Lakson Investments Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



A Lakson Group Company

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