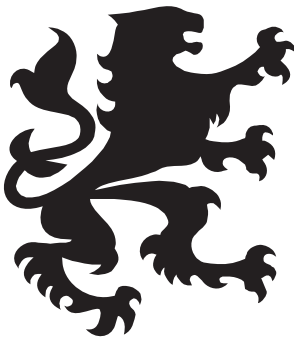


LAKSON TACTICAL FUND

Half Yearly Report (December 31, 2022)



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN



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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
Mr. Jacques John Visser
Ms. Roxanne Davies

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

Mr. Junaid Arshad,

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

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



Fund's Information

Bankers to the Fund

Allied Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
HBL Microfinance Bank Limited
Habib Metropolitan Bank Limited
Habib Bank AG Zurich
JS Bank Limited
Telenor Microfinance Bank Limited
United Bank Limited
NRSP Microfinance Bank Limited
National Bank of Pakistan
Mobilink Microfinance Bank Limited
Silk Bank Limited
Sindh Bank Limited
Finca Microfinance Bank Limited
U Microfinance 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 Limited

Rating

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

Review Report of the Directors of the Management Company For the half year ended December 31, 2022

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Tactical Fund ('LTF' or 'Fund') is pleased to submit its review report together with Condensed Interim Financial Information for the half year ended December 31, 2022.

Fund Objective

The investment objective of the LTF is to provide long-term capital appreciation by investing in a mix of securities comprising debt, equity and commodities future contracts.

Principal activities

LTF 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 macro factors such as government policies, interest rates, liquidity, exchange rates and economic growth. The Fund switches exposure between domestic debt securities and domestic equities based on the forward price to earnings multiple of the equity market. Asset allocation to different sectors and stocks will be made on the basis of earnings growth and management quality. Exposure of the scheme in fixed income securities is managed through duration and yield curve management. The Fund may overweight or underweight commodities relative to its benchmark for commodities investment.

Fund performance

Lakson Tactical Fund generated an absolute return of 0.65% against the benchmark return of 4.13% in the 2QFY23. The fund underperformed the benchmark by -3.48%. As of December 31, 2022, LTF portfolio was invested 38.7% in Equities, 35.1% in T-Bills, 15.1% in TFCs/Sukuks, 1.6% in Cash and 9.5% in others. The fund size as of December 31st 2022 is PKR 302.63mn.

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

After a round of tightening in 1HCY22, SBP continued to increase the PR in 2HCY22, first to 15% and then to 16%. CPI increased substantially during the second half, from a run rate of 12 - 13% in 1HCY22 to 21% by June and 27% by August 2022. This was the result of reversal of subsidies on petrol & diesel and imposition of Petroleum Development Levy (PDL) to boost fiscal revenues. Rising transport costs led to a general rise in inflation and headline CPI continues to range from 23-25%.

Pakistan posted a CAD of USD 2.1 BN in June 2022; the CAD consistently improved since then with the November 2022 number at USD 276 MN. Improvement was achieved despite a drop in remittances and exports that was offset by import controls due to shortage of dollars. As a result of the dollar shortage, a parallel market for the greenback has emerged where exchange rates spreads to the interbank range from 10-15%. The official exchange rate continues to hover around 224 - 228. The exchange differential has led to a drop in official remittances from a run rate of USD 2.8 - 3.0 BN dollars to USD 2.1 BN dollars as of November 2022.

Economic activity has been hit hard, once on the demand side due to contractionary fiscal and monetary policy and then again on the supply side due to import shortages. Pakistani companies rely on some form of raw material import to produce their desired goods. This has been difficult due to import shortages that have even led to temporary factory closures; mostly prevalent in the automobile assembler space.

Growth is expected to take a hit due to the current economic situation. Tight fiscal & monetary policy has led to a cost of living crisis for the populace and consequently, demand has struggled. The resumption of normal economic activity depends on Pakistan's ability to attract dollar inflows and this has been hampered by the tense domestic political situation and the flight to quality phenomenon in global debt markets.

**Fixed Income Market Review**

In 2HCY22, the State Bank of Pakistan decided to raise the benchmark policy rate by 100bps to 16.0%. The decision to hike the policy rate was taken in lieu of the fact, that inflationary pressures have proven to be stronger and more persistent than expected. It is as such the aim of the Central bank, to ensure that inflation does not become entrenched and the risks to financial stability are contained.

During the second half of CY22, Kibor rates inched up by c.1.7% HoH to 17.00%, 17.04% and 17.34% for 3M, 6M and 12M rates. T-bill yields also increased by c.1.9% HoH with 3M/6M/12M rates clocking in at 16.96%/16.81%/16.81%. On the flip side, PIB yields saw a decrease for the 3 Year and 10 Year tenor.

Equity Market Review

The KSE100 declined 2.6% during 2HCY22 to 40,420 points as of 30th December 2022. Commercial Banks were the largest negative contributor at 552 points. Despite higher interest rates leading to higher earnings for banks, the sector failed to re-rate, partly due to higher taxation on the sector during the recent budget. Automobile Assembler and Pharmaceuticals were the next largest negative contributors at 425 and 323 points respectively. The sectors failed to perform due to expectations of steep earnings decline on the back of import shortages, lower margins and falling demand. Technology & Communication was the largest positive contributor at 959 points. The sector continues to be unaffected by the economic malaise as its revenue is export based. Power Generation was the second largest contributor at 270 points followed by Oil & Gas Exploration at 149 points. The former sector did well due to surprise dividends announced by The Hub Power Company while E&P did well due to improved earnings and expectations of clearance of gas circular debt which can lead to higher dividends for PPL & OGDC.

The bourse managed 219 MN shares volume traded during the quarter and PKR 6.6 BN value traded. This was down from 240 MN shares traded in 1HCY22 and PKR 7.2 BN value traded.

Commodities Review

Crude oil prices have fallen by about one-third from their June highs but remain extremely volatile. Slowing global growth and concerns about a global recession have thus far outweighed worries about insufficient oil supply.

The market has been steadily declining in the latter half of this year, despite what has been a supportive backdrop for prices. China, the world's biggest crude importer, announced sweeping changes to its anti-COVID policy. The country's crude oil imports in November rose 12% from a year earlier to their highest in 10 months, while G7 nations kicked off implementation of a price cap to restrict Russian exports that could cause that nation to reduce output in the coming year. Furthermore, OPEC+ members agreed to cut their production target by 2 million barrels per day starting in November 2022 and lasting through end-2023.

Going forward, oil prices are forecasted to average \$92/bbl in 2023 and \$80/bbl in 2024, down from a projected \$100/bbl in 2022. However, prices are expected to remain well above their recent five-year average of \$60/bbl. These forecasts are highly uncertain with a variety of factors that could materially alter global supply or demand. For supply, these include EU sanctions on Russia and the G7 oil price cap, OPEC+ production capacity, the outlook for U.S. shale oil, and the use and refilling of strategic oil inventories. For demand, they include a potential global recession and the easing of COVID-19 restrictions in China.

Future Outlook

Inflation continues to average 25% YoY and is expected to remain in this range until the base effect kicks in during 4QCY23. However, new inflationary pressures are mounting such as the steep rise in prices of wheat & chicken. Furthermore, if Pakistan complies with IMF diktat as expected, electricity prices and gas prices will rise further, and new taxation measures may be imposed. These will be detrimental for the inflation outlook and may not allow monetary easing in the near term.



At the same time as we deal with a cost-of-living crisis, there is an external account crisis and significant dollar shortage. Reserves are now under USD 6 BN and while new commitments have been received by friendly countries, they are unlikely to stabilize reserves, let alone increase them. The situation is being exacerbated by the artificial control on the value of the USD/PKR at 224-228 while a parallel market has emerged which trades at a 10-15% premium. This measure is hurting exporters and leading to USD 500 - 1,000 MN lower remittances monthly. Currency devaluation and increase in energy rates are politically sensitive measures and these have been delayed due to the political stalemate between the ousted PTI and the ruling PDM coalition. Elections are on the horizon in October 2023.

The outlook for equities depends on quick resolution of the domestic political scenario and the dollar shortage. Both are somewhat linked with international actors waiting for political consensus to emerge before lending large sums to Pakistan. The case for equities is strong, provided these issues are resolved as the KSE100 trades a 3-4x P/E multiple i.e. a 25 - 33% earnings yield which is around 50% below the long term average

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: February 20, 2023**



لیکسن ٹیکٹیکل فنڈ

31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لیے

مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن ٹیکٹیکل فنڈ ("LTF") کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کیلئے 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

لیکسن ٹیکٹیکل فنڈ کی سرمایہ کاری کا مقصد، ڈیٹ (Debt)، ایکویٹی اور کموڈٹیز فیوچر کنٹریکٹس پر مشتمل مختلف طرح کی سیکوریٹیز میں سرمایہ کاری کرتے ہوئے سرمائے کی قدر میں طویل مدتی اضافہ کرنا ہے۔

نمایاں سرگرمیاں

LTF ایک اوپن اینڈ ایسٹ ایلیکشن اسکیم ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ اس اسکیم کا انتظام و انصرام ایک ایکٹیو انویسٹمنٹ مینجمنٹ اسٹائل استعمال کرتے ہوئے کیا جاتا ہے جو بڑے اقتصادی عوامل کے تجزیے پر توجہ مرکوز رکھتا ہے مثلاً حکومتی پالیسیز، شرح سود، لیکویڈیٹی، شرح تبادلہ اور معاشی نمو۔ اسکیم ایکویٹی مارکیٹ کی مرکب آمدن کی پیشگی قیمت کی بنیاد پر ڈومیسٹک ڈیٹ سیکوریٹیز اور ڈومیسٹک ایکویٹیز کے مابین سرمایہ کاری کا تبادلہ کرتی ہے۔ مختلف شعبوں اور حصص کیلئے ایسٹ ایلیکشن آمدنی میں اضافے اور مینجمنٹ کو ایٹی کی بنیاد پر کی جائے گی۔ فکسڈ انکم سیکوریٹیز میں اسکیم کی سرمایہ کاری کا انتظام و انصرام دورانیے اور yield curve مینجمنٹ کے ذریعے کیا جاتا ہے۔ فنڈ کموڈٹیز میں سرمایہ کاری کے لیے کموڈٹیز کو اپنے مینج مارک کے مطابق اوور ویت یا انڈرویت کر سکتا ہے۔

فنڈ کی کارکردگی

لیکسن ٹیکٹیکل فنڈ نے مالی سال 2023 کی دوسری سہ ماہی میں 4.13% نیٹ مارک منافع کے مقابلے میں 0.65% مطلق منافع حاصل کیا۔ فنڈ نے نیٹ مارک کے مقابلے میں 3.48% کم تر کارکردگی کا مظاہرہ کیا۔ 31 دسمبر 2022ء کے مطابق، LTF پورٹ فولیو نے ایکویٹیز میں 38.7%، بانڈز میں 35.1%، TFCs، صکوکس میں 15.1%، کمیشن میں 1.6% اور دیگر میں 9.5% سرمایہ کاری کی۔ 31 دسمبر 2022ء کے مطابق فنڈ کا حجم 302.63 ملین روپے ہے۔

فی شیئر آمدنی (EPU)



فی شیئر آمدنی (EPU) ظاہر نہیں کی گئی ہے کیوں کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے موزوں اوسط پینٹس کا تعین اوپن اینڈنگز کے لیے قابل عمل نہیں ہے۔

معاشی جائزہ

سال 2022 کی پہلی ششماہی میں سخت اقدامات کے بعد اسٹیٹ بینک نے سال 2022ء کی دوسری ششماہی میں شرح سود میں اضافہ جاری رکھا، پہلے 15 فیصد اور پھر 16 فیصد تک۔ دوسری ششماہی کے دوران CPI میں خاطر خواہ اضافہ ہوا، سال 2022 کی پہلی ششماہی کا 12 سے 13 فیصد کارن ریٹ جون تک 21 فیصد اور اگست 2022 تک 27 فیصد ہو گیا۔ یہ پٹرول اور ڈیزل پر سبسڈی ختم کرنے اور مالی محصولات کو بڑھانے کے لیے پٹرولیم ڈیولپمنٹ لیوی (پی ڈی ایل) کے نفاذ کا نتیجہ تھا۔ ٹرانسپورٹ کے بڑھتے ہوئے اخراجات کی وجہ سے افراط زر میں عمومی اضافہ ہوا اور ہیڈ لائن سی پی آئی 25-23 فیصد کی رینج میں رہا۔

جون 2022 میں پاکستان کا ”سی اے ڈی“ 2.1 ارب ڈالر تھا۔ اس کے بعد سے CAD میں مسلسل بہتری آئی اور نومبر 2022 میں یہ 276 ملین امریکی ڈالر تھا۔ یہ بہتری ڈالر کی قلت کے باعث لاگو کی جانے والی درآمدی پابندیوں کی وجہ سے ترسیلات زر اور برآمدات میں آنے والی کمی کے باوجود حاصل کی گئی۔ ڈالر کی قلت کے نتیجے میں ایک متوازی مارکیٹ ابھر کر سامنے آئی، جہاں ایکسچینج ریٹ، انٹر بینک ریٹ سے 15-10 فیصد زائد ہے۔ سرکاری شرح تبادلہ 224-228 کے آس پاس رہی ہے۔ شرح تبادلہ کے فرق کی وجہ سے نومبر 2022 تک باضابطہ ترسیلات زر 2.8 تا 3.0 ارب ڈالر سے کم ہو کر 2.1 ارب ڈالر رہ گئیں۔

معاشی سرگرمیوں کو شدید دھچکا لگا ہے، ایک جانب تو سکتی ہوئی مالی اور زرعی پالیسی کے باعث طلب کے حوالے سے اور دوسری جانب درآمدات میں کمی کے نتیجے میں رسد کے حوالے سے۔ پاکستانی کمپنیاں اپنی مطلوبہ اشیاء کی پیداوار کے لئے کسی نہ کسی قسم کے خام مال کی درآمد پر انحصار کرتی ہیں۔ تاہم درآمدات میں کمی کی وجہ سے یہ مشکل ہو گیا ہے جس کی وجہ سے فیکٹریاں عارضی طور پر بند ہو گئیں، جن میں آٹو مو بائل اسمبلر ز نمایاں ہیں۔

موجودہ معاشی صورتحال کی وجہ سے شرح نمو متاثر ہونے کا امکان ہے۔ سخت مالیاتی اور زرعی پالیسی کی وجہ سے عوام کے لیے مہنگائی کا بحران پیدا ہوا ہے اور اس کے نتیجے میں طلب متاثر ہوئی ہے۔ معمول کی معاشی سرگرمیوں کی بحالی کا انحصار پاکستان کی ڈالر کے حصول کی صلاحیت پر ہے جو کشیدہ ملکی سیاسی صورتحال اور عالمی قرض مارکیٹ میں محتاط روی کے رجحان کی وجہ سے متاثر ہوئی ہے۔

فلسفہ انکم مارکیٹ کا جائزہ

سال 2022ء کی دوسری ششماہی میں اسٹیٹ بینک آف پاکستان نے منیج مارک شرح سود کو 100 بی پی ایس بڑھا کر 16.0 فیصد کرنے کا فیصلہ کیا۔ شرح سود میں اضافے کا فیصلہ اس حقیقت کے تناظر میں کیا گیا کہ افراط زر کا دباؤ توقع سے زیادہ شدید اور دیر پا ثابت ہوا ہے۔ اس اقدام سے مرکزی بینک کا مقصد یہ یقینی بنانا ہے کہ افراط زر میں اضافہ نہ ہو اور مالی استحکام کو لاحق خطرات پر قابو پایا جاسکے۔



سال 2022ء کی دوسری ششماہی کے دوران 3 ماہ 6 ماہ 12 ماہ کی میعاد کے لیے Kibor کی شرح HoH 1.7% c. بڑھ کر بالترتیب 17.00%، 17.04% اور 17.34% ہو گئی۔ T-bill - منافع جات میں بھی HoH 1.9% c. اضافہ ہوا اور 3 ماہ 6 ماہ 12 ماہ کی میعاد کے لیے شرح بالترتیب 16.96%، 16.81% اور 16.81% ہو گئی۔ اس کے برعکس، 3 سالہ اور 10 سالہ میعاد کے لیے PIB کے منافع جات میں کمی واقع ہوئی۔

ایکویٹی مارکیٹ ریویو

کے ایس ای 100 انڈیکس سال 2022ء کی دوسری ششماہی میں 2.6 فیصد کی ساتھ 30 دسمبر 2022ء کو 40,420 پوائنٹس پر آ گیا۔ کمرشل بینک 552 پوائنٹس کے ساتھ سب سے بڑے منفی شرکت دار رہے۔ بلند شرح سود کے باوجود جس کی وجہ سے بینکوں کی آمدنی میں اضافہ ہوا، یہ شعبہ شرح سود پر نظر ثانی کرنے میں ناکام رہا، جس کی جزوی وجہ حالیہ بجٹ کے دوران اس شعبے پر زیادہ ٹیکس عائد کیے جانا تھا۔ آٹوموبائل اسمبلر اور فارماسیو ٹیکلز بالترتیب 425 اور 323 پوائنٹس کے ساتھ دوسرے سب سے بڑے منفی شرکت دار تھے۔ یہ شعبہ درآمدی قلت، کم مارجن اور طلب میں تخفیف کی وجہ سے آمدنی میں تیزی سے کمی کے خدشات کے باعث اچھی کارکردگی کا مظاہرہ کرنے میں ناکام رہے۔ ٹیکنالوجی اینڈ کمیونیکیشن 959 پوائنٹس کے ساتھ سب سے بڑا مثبت شرکت دار رہا۔ یہ شعبہ معاشی بد حالی سے متاثر نہیں ہوا کیونکہ اس کی آمدنی برآمدات پر مبنی ہے۔ پاور جنریشن 270 پوائنٹس کے ساتھ دوسرے جبکہ آئل اینڈ گیس ایکسپلوریشن 149 پوائنٹس کے ساتھ تیسرے نمبر پر رہا۔ جب پاور کمپنی کی جانب سے اعلان کردہ سرپرائز ڈیویڈنڈ کی وجہ سے پاور جنریشن سیکٹر نے اچھی کارکردگی کا مظاہرہ کیا جبکہ E&P بہتر آمدنی اور گیس کے گردش قرضوں کی کلیئرنس کی توقعات کی وجہ سے اچھی کارکردگی کا مظاہرہ کیا جس سے ”پی پی ایل“ اور ”او جی ڈی سی“ کا منافع بڑھ سکتا ہے۔

ششماہی کے دوران اسٹاک ایکسچینج میں 219 ملین حصص کا کاروبار ہوا، مجموعی مالیت 6.6 ارب روپے تھی، یہ سال 2022ء کی پہلی ششماہی میں ہونے والے 240 ملین حصص کے کاروبار اور مجموعی مالیت 7.2 ارب روپے سے کم تھی۔

کمڈیٹیز کا جائزہ

خام تیل کی قیمتوں میں جون کی بلند ترین سطح سے تقریباً ایک تہائی کمی واقع ہوئی ہے لیکن یہ بہت زیادہ اتار چڑھاؤ کا شکار ہیں۔ ست عالمی نمواور عالمی کساد بازاری کے خدشات، تیل کی ناکافی فراہمی کے بارے میں اندیشوں پر حاوی ہو گئے۔

قیمتوں کے لیے معاون پس منظر موجود ہونے کے باوجود، اس سال کی دوسری ششماہی کے دوران مارکیٹ میں مسلسل گراوٹ آتی رہی۔ دنیا کے سب سے بڑے خام تیل درآمد کنندہ چین نے اپنی انسداد کوویڈ پالیسی میں بڑے پیمانے پر تبدیلیوں کا اعلان کیا۔ نومبر میں چین کی خام تیل کی درآمدات ایک سال پہلے کے مقابلے میں 12 فیصد بڑھ کر 10 ماہ میں اپنی بلند ترین سطح پر پہنچ گئیں، جبکہ جی 7 ممالک نے روسی برآمدات کو محدود کرنے کے لیے قیمت کی حد (پرائس کیپ) (پرل) درآمد شروع کر دیا، جس کی وجہ سے روس اگلے سال اپنی پیداوار میں کمی



لا سکتا ہے۔ اس کے علاوہ ”اوپیک +“ کے ارکان نے نومبر 2022ء سے 2023ء کے آخر تک اپنے پیداواری ہدف میں 2 ملین بیرل یومیہ کی کرنے پر اتفاق کیا۔

2023ء میں تیل کی قیمتیں اوسطاً 92 ڈالر فی بیرل اور 2024ء میں 80 ڈالر فی بیرل رہنے کی پیش گوئی کی گئی ہے، جو 2022ء میں تخمینہ شدہ قیمت 100 ڈالر فی بیرل سے کم ہے۔ تاہم توقع کی جارہی ہے کہ قیمتیں اپنی حالیہ پانچ سالہ اوسط 60 فی بیرل سے کہیں زیادہ رہیں گی۔ یہ پیش گوئیاں ایسے مختلف عوامل کی وجہ سے انتہائی غیر یقینی ہیں جو عالمی رسد یا طلب کو ملکی طور پر تبدیل کر سکتے ہیں۔ سپلائی کے حوالے سے ان میں روس پر یورپی یونین کی پابندیاں اور ”جی-7“ کا آئل پرائس کیپ، ”اوپیک +“ کی پیداواری صلاحیت، امریکی شیل آئل کے مستقبل کے امکانات اور تیل کے اسٹریٹجک ذخائر کا استعمال اور ان کی ری فلٹنگ شامل ہیں جبکہ طلب کے حوالے سے ممکنہ عالمی کساد بازاری اور چین میں ’کویڈ 19‘ کی پابندیوں میں نرمی شامل ہیں۔

مستقبل کی توقعات

افراط زر کی سال بہ سال شرح اوسطاً 25 فیصد ہے اور توقع ہے کہ یہ اسی رینج میں اس وقت تک برقرار رہے گی جب تک کہ سال 2023 کی چوتھی سہ ماہی کے دوران بنیادی اثر مرتب ہونا شروع نہیں ہو جاتا۔ تاہم افراط زر کے نئے دباؤ میں اضافہ ہو رہا ہے جیسے کہ گندم اور مرغی کی قیمتوں میں تیزی سے اضافہ ہوا ہے۔ مزید برآں اگر پاکستان نے توقع کے مطابق آئی ایم ایف کی شرائط پر عملدرآمد کیا تو بجلی اور گیس کی قیمتوں میں مزید اضافہ ہوگا اور محصولات سے متعلق نئے اقدامات کیے جاسکتے ہیں۔ یہ افراط زر کے نقطہ نظر سے نقصان دہ ہوں گے اور مستقبل قریب میں مالیاتی معاملات میں نرمی کی اجازت نہیں دیں گے۔

ایک ایسے وقت پر کہ جب ہم اخراجات زندگی کے بحران سے نمٹ رہے ہیں، ایکسٹرنل اکاؤنٹ کا بحران اور ڈالر کی نمایاں قلت بھی موجود ہے۔ زرمبادلہ ذخائر اب 6 ارب ڈالر سے کم ہیں، اگرچہ دوست ممالک کی جانب سے نئے وعدے کیے گئے ہیں لیکن ان سے زرمبادلہ ذخائر میں اضافہ تو دور کی بات، ان کے مستحکم ہونے کا بھی امکان نہیں ہے۔ مصنوعی کنٹرول کے ذریعے 228-224 روپے فی امریکی ڈالر کی شرح تبادلہ برقرار رکھنے کی وجہ سے صورتحال مزید خراب ہوئی جبکہ ایک متوازی مارکیٹ سامنے آگئی، جہاں 15-10 فیصد پریمیم پریڈنگ ہونے لگی۔ اس اقدام سے برآمد کنندگان کو نقصان پہنچ رہا ہے اور ترسیلات زر میں بھی ماہانہ 500 سے 1000 ملین ڈالر کی کمی واقع ہو رہی ہے۔ کرنسی کی قدر میں کمی اور دوڑانی کے نرخوں میں اضافہ سیاسی طور پر حساس معاملات ہیں اور سابق حکمران جماعت پی ٹی آئی اور موجودہ حکمران ”پی ڈی ایم“ اتحاد کے درمیان سیاسی قفل کی وجہ سے ان میں تاخیر ہوئی ہے۔ عام انتخابات اکتوبر 2023ء میں متوقع ہیں۔

ایکویٹیز کے لیے امکانات کا انحصار داخلی سیاسی صورتحال میں بہتری اور ڈالر کی قلت پر قابو پانے پر ہے۔ یہ دونوں معاملات کسی حد تک بین الاقوامی عناصر سے جڑے ہوئے ہیں جو پاکستان کو بھاری رقم دینے سے پہلے سیاسی اتفاق رائے کا ظاہر ہونے کا انتظار کر رہے ہیں۔



ایکویٹیز کا کیس مضبوط ہے، بشرطیکہ یہ مسائل حل کر لیے جائیں کیونکہ کے ایس ای 100 انڈیکس 3-4xP/E multiple پر ٹریڈ کر رہا ہے یعنی 25-33% آمدنی جو طویل مدتی اوسط سے تقریباً 50 فیصد کم ہے۔

اظہار تشکر

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

برائے و منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 20 فروری 2023ء

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office:**CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdc-pakistan.com

Email: info@cdcpak.com

**TRUSTEE REPORT TO THE UNIT HOLDERS****LAKSON TACTICAL FUND****Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Lakson Tactical Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 24, 2023



**YOUSUF ADIL****Yousuf Adil**
Chartered AccountantsCavish Court, A-35, Block 7 & 8
KCHSU, Shahr-e-Faisal
Karachi-75350
PakistanTel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21- 3454 1314
www.yousufadil.com**INDEPENDENT AUDITOR'S REVIEW REPORT****TO THE UNIT HOLDERS' OF LAKSON TACTICAL FUND****Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Lakson Tactical Fund** (the Fund) as at December 31, 2022, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flow and notes to the condensed interim financial information for the half year ended December 31, 2022 (here-in-after referred to as the condensed interim financial information). **Lakson Investments Limited** (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Arif Nazeer.

Chartered Accountants

Place: Karachi

Date: February 23, 2023

UDIN: RR2022100995S3QpuAWy

**Condensed Interim Statement of Assets and Liabilities
As at December 31, 2022**

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note	----- (Rupees) -----	
ASSETS			
Bank balances	4	5,004,110	65,836,538
Investments	5	296,765,870	456,115,335
Markup accrued and dividend receivable	6	1,124,971	1,829,747
Receivable against sale of investments		-	-
Deposits and other receivables	7	3,580,431	3,806,256
TOTAL ASSETS		306,475,382	527,587,876
LIABILITIES			
Payable to the Management Company	8	2,569,553	2,648,440
Remuneration payable to the Trustee		169,543	199,953
Annual fee payable to Securities and Exchange Commission of Pakistan		44,175	118,141
Payable against purchase of securities		-	274,235
Accrued expenses and other liabilities	9	1,057,413	1,220,345
TOTAL LIABILITIES		3,840,684	4,461,114
NET ASSETS		302,634,698	523,126,762
UNIT HOLDERS' FUND (AS PER CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)		302,634,698	523,126,762
CONTINGENCIES AND COMMITMENTS	11		
		----- (Number) -----	
Number of units in issue		3,297,744	5,737,533
		----- (Rupees) -----	
Net assets value per unit		91.7702	91.1762

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

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

Chief Executive Officer	Chief Financial Officer	Director
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Condensed Interim Income Statement (Unaudited)

For the half year and quarter ended December 31, 2022

		Half year ended December 31, 2022	2021	Quarter ended December 31, 2022	2021
	Note	------(Rupees)-----			
Income					
Realised gain / (loss) on sale of investments held at 'fair value through profit or loss' - net		1,127,414	(24,689,124)	(3,080,582)	(24,255,610)
Unrealised (diminution) / gain on re-measurement of investments held at 'fair value through profit or loss' - net	5.1 to 5.4	(15,582,321)	(28,370,606)	(1,854,943)	2,353,788
		(14,454,907)	(53,059,730)	(4,935,525)	(21,901,822)
Dividend income		11,496,060	12,782,513	3,486,274	5,971,088
Return / mark up on:					
Bank balances and term finance deposit		3,376,686	5,115,762	1,064,766	1,537,869
Government and other debt securities using effective interest method		10,024,829	4,181,948	4,909,867	2,146,828
		13,401,515	9,297,710	5,974,633	3,684,697
Exchange gain / (loss) on foreign currency current account		80,154	87,783	(8,775)	26,886
Total income / (loss)		10,522,822	(30,891,724)	4,516,607	(12,219,151)
Expenses					
Remuneration of the Management Company		3,156,978	4,013,807	1,418,542	2,033,735
Sindh Sales tax on remuneration of the Management Company		410,407	521,795	184,410	264,386
Remuneration of the Trustee		505,696	702,311	205,856	343,551
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)		44,200	62,151	17,666	30,402
Auditors' remuneration		480,777	233,222	240,396	116,611
Fees and subscription		435,762	264,656	353,882	132,328
Brokerage, custody, settlement and bank charges		1,000,845	1,168,795	103,682	589,847
SECP supervisory fee		1,288	1,260	644	630
Total expenses		6,035,953	6,967,997	2,525,078	3,511,490
Net income from the operating activities		4,486,869	(37,859,721)	1,991,529	(15,730,641)
Reversal for Sindh Workers' Welfare Fund	9.1	-	6,776,542	-	-
Net income / (loss) for the period before taxation		4,486,869	(31,083,179)	1,991,529	(15,730,641)
Taxation	12	-	-	-	-
Net income / (loss) for the period after taxation		4,486,869	(31,083,179)	1,991,529	(15,730,641)
Allocation of net income for the period after taxation					
Net (loss) / income for the period before taxation		4,486,869	-	-	-
Income already paid on units redeemed		(2,530,038)	-	(2,232,379)	-
		1,956,831	-	(2,232,379)	-
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		1,956,831	-	-	-
		1,956,831	-	-	-
Earnings per unit	13				

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



Condensed Interim Statement of Comprehensive Income (Unaudited)
For the half year and quarter ended December 31, 2022

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	------(Rupees)-----			
Net income / (loss) for the period after taxation	4,486,869	(31,083,179)	1,991,529	(15,730,641)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>4,486,869</u>	<u>(31,083,179)</u>	<u>1,991,529</u>	<u>(15,730,641)</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Statement Of Movement In Unit Holders' Fund (Unaudited) For the half year ended December 31, 2022

	Half year ended 31 December 2022		Half year ended 31 December 2021	
	Capital value	Undistributed income	Capital value	Undistributed income
	------(Rupees)-----			
Net assets at beginning of the period				
- Capital value	607,388,414	(84,261,652)	638,236,302	(10,756,959)
- Element of (loss) / income	-	-	-	-
Total proceeds on issuance of units	-	-	4,563,354	-
Net assets at beginning of the period				
Issuance of Nil units (2021: 47,747 units)				
- Capital value	-	-	4,953,297	-
- Element of (loss) / income	-	-	(389,943)	-
Total proceeds on issuance of units	-	-	4,563,354	-
Redemption of 2,499,789 units (2021: 45,569 units)				
- Capital value	(222,450,633)	-	(4,727,403)	-
- Element of (loss) / income	1,738	(2,530,038)	67,259	-
Total payments on redemption of units	(222,448,895)	(2,530,038)	(4,660,144)	-
Total comprehensive income / (loss) for the period	-	4,486,869	-	(31,083,179)
Net assets as at end of the period	384,939,519	(82,304,821)	638,139,512	(41,840,138)
Undistributed income brought forward:				
- Realised loss at beginning of the period	(47,905,352)		(43,314,470)	
- Unrealised (loss) / gain at beginning of the period	(36,356,300)		32,557,511	
Accounting income available for distribution				
- Relating to capital gains	-	1,956,831	-	-
- Excluding capital gains	-	1,956,831	-	-
Net income / (loss) after tax for the period	-	-	(31,083,179)	-
Undistributed loss at end of the period	(82,304,821)		(41,840,138)	
Represented by:				
- Realised loss at end of the period	(66,722,500)		(13,469,532)	
- Unrealised (loss) / income at end of the period	(15,582,321)		(28,370,606)	
Undistributed loss at end of the period	(82,304,821)		(41,840,138)	
Net assets value per unit at beginning of the period		91.762		103.7410
Net assets value per unit at end of the period		91.7702		98.5506

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Chief Financial Officer

Director



Condensed Interim Statement of Cash Flows (Unaudited)

For the half year ended December 31, 2022

	Half year ended December 31,	
	2022	2021
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period	4,486,869	(31,083,179)
Adjustments for:		
Unrealised (gain) / loss on re-measurement of investment at fair value through profit or loss - net	15,582,321	28,370,606
Return on bank balances and term deposits	(3,376,686)	(5,115,762)
Mark-up on government and other debt securities	(10,024,829)	(4,181,948)
Dividend income	(11,496,060)	(12,782,513)
Reversal of provision for Sindh Workers' Welfare Fund	-	(6,776,542)
	(4,828,385)	(31,569,338)
Decrease / (increase) in assets		
Investments - net	251,247,468	(133,104,826)
Receivable against sale of investments	-	2,006,636
Deposits and other receivables	225,825	1,737,643
	251,473,293	(129,360,547)
Decrease / (increase) in liabilities		
Remuneration payable to the Management Company	(78,887)	(7,370)
Remuneration payable to the Trustee	(30,410)	(6,094)
Annual fee payable to Securities and Exchange Commission of Pakistan	(73,966)	(58,455)
Payable against purchase of securities	(274,235)	(3,577,090)
Accrued expenses and other liabilities	(162,932)	(1,643,694)
	(620,430)	(5,292,703)
Profit received on bank deposits and term finance deposits	4,132,301	5,901,661
Mark-up received on government and other debt securities	9,982,130	3,704,652
Dividend received	11,487,920	12,699,056
Net cash generated from / (used in) operating activities	271,626,829	(143,917,219)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	-	4,563,354
Amount paid against redemption of units	(224,978,933)	(4,660,144)
Net cash used in financing activities	(224,978,933)	(96,790)
Net increase / (decrease) in cash and cash equivalents during the period	46,647,896	(144,014,009)
Cash and cash equivalents at beginning of the period	65,836,538	209,713,266
Cash and cash equivalents at end of the period	112,484,434	65,699,257
Cash and cash equivalents		
Bank balances	4 5,004,110	65,699,257
Investments maturing within 3 months	5 107,480,324	-
	112,484,434	65,699,257

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

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

Chief Executive Officer	Chief Financial Officer	Director
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Notes to and forming part of the Condensed Interim Financial Information (Unaudited) For the half year ended December 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

Lakson Tactical Fund (the "Fund") was established under the Trust Deed executed on May 30, 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 July 07, 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).

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.

The Board of Directors have approved that the Fund should be categorised as 'Asset Allocation Scheme' as per the categories defined by the Securities and Exchange Commission of Pakistan Circular 7 of 2009 dated March 06, 2009. The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the Funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

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

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 August 26, 2022 (2021: AM2+ as on August 27, 2021).

On July 27, 2022, VIS assigned following rankings to the Fund based on the performance review for the period ended December 31, 2021:

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

The Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act "Sindh Trust Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. 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. Accordingly, on January 31, 2022 the above mentioned Trust Deed has been registered under the Sindh Trust Act.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Fund has 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;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the NonBanking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Wherever provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of trust deed differ from the IFRS, the provision of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of trust deed have been followed.

- 2.2 The comparative statement of assets & liabilities presented in this condensed interim financial information as at December 31, 2022 has been extracted from the audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flow statement and condensed interim statement of movement in unitholders' fund have been extracted from the unaudited condensed interim financial information for the six months period ended December 31, 2021.
- 2.3 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS - 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2022.
- 2.4 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information give a true and fair view of the state of the Fund's affairs as at December 31, 2022.
- 2.5 This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

- 3.1 The accounting policies applied in this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2022, unless otherwise stated.
- 3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements for the year ended June 30, 2022.
- 3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that became effective during the period under review and



are mandatory for the Fund's accounting period. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information.

- 3.5 The fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2022.

4. BANK BALANCES	Note	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
		----- (Rupees) -----	
Local Currency			
- in profit and loss sharing accounts	4.1	4,083,621	64,882,307
- in current account		8,503	8,503
		4,092,124	64,890,810
Foreign Currency			
- in current account	4.2	911,986	945,728
		<u>5,004,110</u>	<u>65,836,538</u>

- 4.1 These carry mark-up rates ranging from 11.75% to 14.5% (June 30, 2022: 11.25% to 14.50%) per annum.
- 4.2 This represents USD denominated current account maintained in foreign country amounting to USD 3,661.56 (June 30, 2022: USD 4,617.76)

5. INVESTMENTS

At fair value through profit or loss

Term finance certificates-Listed	5.1	46,162,800	57,396,584
Government securities-Pakistan			
Investment Bonds	5.2	132,040,852	110,421,933
Commercial paper	5.3	-	-
Listed equity securities	5.4	118,562,218	288,296,818
		<u>296,765,870</u>	<u>456,115,335</u>



5.1 Term Finance Certificates

At fair value through profit or loss

Note	Date of Maturity	Mark-up rate	Holding as at 01 July 2022	Purchases during the period	Disposed / matured during the period	Holdings as at December 31, 2022	Carrying value as of the year ended December 31, 2022 before revaluation	Market value as of the year ended 31 December 2022 (after revaluation)	Unrealised gain / (loss)	Credit rating (Long term)	Market value as % of total investments	Market value as % of net assets	Face value as % of the issue	
														-----Number certificates-----
Performing														
Bank Al-Habib Limited	5.1.1	Dec 06, 2028	6 months KIBOR + 1.00%	2,000	-	-	2,000	10,423,384	9,984,000	(439,384)	AAA (dated 25 Jun 2022)	3.36%	3.30%	0.25%
Total as at December 31, 2022								10,423,384	9,984,000	(439,384)		3.36%	3.30%	0.25%
Note	Date of Maturity	Mark-up rate	Holding as at 01 July 2022	Purchases during the period	Disposed / matured during the period	Holdings as at December 31, 2022	Carrying value as of the year ended December 31, 2022 before revaluation	Market value as of the year ended 31 December 2022 (after revaluation)	Unrealised gain / (loss)	Credit rating (Long term)	Market value as % of total investments	Market value as % of net assets	Face value as % of size of the issue	
														-----Number certificates-----
Non-performing														
Silk Bank Limited	5.1.3	Aug 10, 2025	6 months KIBOR + 1.85%	8,000	-	-	8,000	31,967,200	21,178,800	(10,788,400)	Not rated	-	-	-
NRSP Microfinance Bank Limited	5.1.2	Jun 01, 2028	3 months KIBOR + 3.00%	150	-	-	150	15,000,000	15,000,000	-	A- (dated 08 Oct 2022)	5.05%	4.96%	1.95%
Total as at December 31, 2022								46,967,200	36,178,800	(10,788,400)		5.05%	4.96%	1.95%
Total as at June 30, 2022								60,481,585	21,982,757	357,626		5.57%	4.86%	2.20%

5.1.1 This represents investments in Term Finance Certificates of Bank Al-Habib Limited . The instrument is structured to redeem 0.36% of the issue amount during the first 9 years of issue while the remaining 99.64% in the last 2 equal semi annual instalments of 49.82% each from June 06, 2019 to December 06, 2028. These are secured by first pari passu charge on the bank's assets with 25% margin. Total face value of the individual investment is Rs. 2,000 (Rs. 9.99 million in total).

5.1.2 This represent unlisted term finance certificates and carry rate of mark-up equal to the base rate of 3 months Karachi Inter Bank Offer Rate (KIBOR) per annum (plus margin of 3%) receivable quarterly in arrears with no floor or cap and will mature in July 2028. The principal shall be redeemed in last 4 equal quarterly instalments of 25% each from Sep 01, 2027 to Jun 01, 2028. These term finance certificates are unsecured. The rating of the instrument is A- Total face value of the individual investment is Rs. 100,000 (Rs. 15 million in total).

During the period it was classified as non-performing as of October 10, 2022 due to an overdue payment. As per the requirements of Circular No. 33 of 2012 issued by the SECP on October 24, 2012, the profit accrued upto October 09, 2022 was reversed however, no provision for outstanding principal was recorded. The overdue profit amount was later received on 22 Nov 2022 and subsequently on Jan 09, 2023. The instrument will automatically be classified as "" Performing"" , as stated in Circular No. 33 of 2012 by SECP, after the timely receipt of profit due on April 09, 2023.

5.1.3 This represents unlisted term finance certificates issued by Silk Bank Limited. Total size of the issue is Rs. 2,000 million and the term of the TFCs is eight years commencing from the date of issue of TFCs which was August 2017 and ending on August 2025. Profit on the instrument is receivable on semi-annually basis in arrears on the outstanding balance and the first such profit payment is due at the expiry of 6 months from the issue date and subsequently every six months thereafter. Profit rate on this term finance certificate is six months average KIBOR + 1.85% per annum. The instrument is structured to redeem 0.14% of the issue amount during the first 7 years and remaining 99.86% in the last two semi annual instalments of 49.93% each. The instrument is unsecured and subordinated to all other indebtedness of the Bank. The latest available rating of the instrument is BBB+ rated on December 23, 2021

During last year, the issuer defaulted the coupon payment which was due on February 10, 2022, as a result the investment was classified as non-performing asset on February 25, 2022 and the markup income / coupon was suspended accordingly. As per the requirements of Circular No. 33 of 2012 issued by the SECP on October 24, 2012, the profit accrued upto February 10, 2022



was reversed and an unrealised loss of Rs. 18.78 million, which is 47% of outstanding principal amount of Rs. 39.96 million was recorded as an unrealised loss till December 31, 2022. No credit rating is available for this TFC as this has become a non-performing security.

The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 date July 07, 2010 prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for category assigned to such schemes or with the investment requirement of their consecutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. Lakson Asset Management Limited (the Management Company) classified Lakson Tactical Fund (the Fund) as an 'Asset Allocation Scheme' in accordance with the said circular. As at December 31, 2022, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade. The following are the details of non-compliant investments held by the Fund:

Name of non-compliant investment	Note	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Investment as percentage of Net Assets	Investment as percentage of Gross Assets
Silk Bank Limited	5.1.3	Term Finance Certificate	35,413,827	14,232,627	21,181,200	7.00%	6.91%
NRSP Microfinance Bank Limited	5.1.2	Term Finance Certificate	15,000,000	-	15,000,000	4.96%	4.89%

5.2 Government securities - at fair value through profit or loss

5.2.1 Pakistan Investment Bonds

Name of Security	Date of Issuance	Tenure	Cost	Holding as at 01 July 2022	Purchases during the year	Disposed / matured during the year	Holding as at 31 December 2022	Carrying value as of the year ended 31 Dec 2022 before revaluation	Market value as of the year ended 31, 2022 (after revaluation)	Unrealised gain / (loss)	Market value as % of total investments	Market value as % of net assets
Note								(Rupees)	(Rupees)		(%)	(%)
10 years Pakistan Investment Bond (face value of Rs. 100,000 each)	5.2.1.1	May 31, 18	10 years	25,000,000	250,000	-	250,000	25,000,000	24,527,500	(472,500)	8.26%	8.10%
Total as at December 31, 2022								25,000,000	24,527,500	(472,500)	8.26%	8.10%
Total as at June 30, 2022								24,800,000	25,000,000	200,000	5.90%	3.98%

5.2.1.1 This represents investments in 10 years Pakistan Investment Bond carrying an effective profit rate of 16.22% and having maturity on May 31, 2028. The face value of Pakistan Investment Bond as at December 31, 2022 amounts to Rs. 25 million.

5.2.2 Market Treasury Bills

	Date of Issuance	Tenure	Cost	Holding as at 01 July 2022	Purchases during the year	Disposed / matured during the year	Holding as at 31 December 2022	Carrying value as of the year ended 31 Dec 2022 before revaluation	Market value as of the year ended Dec 31, 2022 (after revaluation)	Unrealised gain / (loss)	Market value as % of total investments	Market value as % of net assets
								(Rupees)	(Rupees)		(%)	(%)
Treasury Bills - 1 year	Apr 28, 22	May 04, 23	70,359,200	800,000	-	800,000	-	-	-	-	-	-
Treasury Bills - 1 year	May 19, 22	May 18, 23	14,410,655	165,000	-	165,000	-	-	-	-	-	-
Treasury Bills - 03 months	Jul 28, 22	Oct 20, 22	90,368,642	-	910,000	910,000	-	-	-	-	-	-
Treasury Bills - 03 months	Aug 11, 22	Nov 03, 22	60,745,804	-	610,000	610,000	-	-	-	-	-	-
Treasury Bills - 03 months	Oct 20, 22	Jan 12, 23	107,244,108	-	1,080,000	-	1,080,000	107,480,324	107,513,352	33,028	36.23%	35.53%
Total as at December 31, 2022								107,480,324	107,513,352	33,028	36.23%	35.53%
Total as at June 30, 2022								86,204,734	85,421,933	(782,801)	16.33%	16.33%

5.3 Commercial Paper

	Issue date	Maturity date	Mark-up rate	Holding as at 01 July 2022	Purchases during the year	Disposed / matured during the period	Holding as at 31 December 2022	Holding as at 31 December 2022	Carrying value as of the year ended 31 Dec 2022 before revaluation	Market value as of the year ended Dec 31, 2022 (after revaluation)	Carrying Value as % of net assets	Face value as % of size of the issue
									(Rupees)	(Rupees)	(%)	(%)
Pak Electron Limited Commercial Paper	Feb 01, 22	Oct 29, 22	16.50%	-	30	30	-	-	-	-	-	-
Total as at December 31, 2022												
Total as at June 30, 2022												



5.4 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	Balance as at December 31, 2022						Rupees		Market value as a percentage of total investments	Market value as a percentage of net assets of investee company	Pay value of shares held as a percentage of total paid up capital of the investee company	
	Number of shares			Holding as at December 31, 2022			Carrying value before revaluation as of December 31, 2022	Market value as of 31 December 2022 (after revaluation)				Unrealised gain / (loss) - net
	Holding as at July 01, 2022	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period								
Commercial Banks												
Habib Bank Limited	99,518	-	-	99,518	-	-	-	-	0.00%	0.00%	0.00%	
MCB Bank Limited	120,548	11,309	-	72,801	59,056	7,245,878	6,859,945	(385,933)	2.31%	2.27%	0.00%	
Bank Alfalah Limited	112,425	317,481	-	223,396	200,510	6,436,276	6,043,371	(392,905)	2.04%	2.00%	0.00%	
Meezan Bank Limited	125,539	970	12,553	116,977	22,015	2,266,060	2,191,373	(74,687)	0.74%	0.72%	0.00%	
United Bank Limited	199,259	270	-	114,097	85,432	9,665,294	8,607,274	(1,058,020)	2.90%	2.84%	0.07%	
Faysal Bank Limited	110,500	-	-	67,208	43,292	998,314	1,118,232	119,919	0.38%	0.37%	0.00%	
						26,611,822	24,820,195	(1,791,626)	8.36%	8.20%	0.21%	
Chemicals												
Descon Oxychem Limited	146,500	-	-	146,500	-	-	-	-	0.00%	0.00%	0.00%	
Engro Polymer & Chemicals Limited	84,387	-	-	84,387	-	-	-	-	0.00%	0.00%	0.00%	
Fertilizers												
Engro Corporation Limited - 5.4.1	25,271	26,650	-	17,827	34,094	8,580,698	8,932,969	352,271	3.01%	2.95%	0.17%	
Fauji Fertilizer Company Limited	117,209	115,301	-	125,118	107,392	11,564,373	10,600,664	(963,709)	3.57%	3.50%	0.16%	
Engro Fertilizers Limited - 5.4.1	144,538	182,269	-	132,070	134,737	11,483,267	10,359,928	(1,123,339)	3.49%	3.42%	0.08%	
						31,628,388	29,893,561	(1,734,777)	10.07%	9.86%	0.40%	
Pharma & Bio Tech												
The Searle Company Limited	24,890	-	25	24,787	128	11,229	7,535	(3,694)	0.00%	0.00%	0.00%	
Ferrosol Laboratories Limited	14,200	-	-	14,200	-	11,229	7,535	(3,694)	0.00%	0.00%	0.00%	
Textile Composite												
Nishat Mills Limited	30,681	-	-	30,681	-	-	-	-	0.00%	0.00%	0.00%	
Gul Ahmed Textile Mills Limited	74,700	-	-	74,700	-	-	-	-	0.00%	0.00%	0.00%	
Interloop Limited	37,725	-	-	37,725	-	-	-	-	0.00%	0.00%	0.00%	
Kohinoor Textile Mills Limited	880	-	-	880	-	-	-	-	0.00%	0.00%	0.00%	
Cement												
Kohat Cement Company Limited	19,300	-	-	19,300	-	-	-	-	0.00%	0.00%	0.00%	
Lucky Cement Limited	15,402	9,290	-	10,500	14,192	7,011,462	6,337,863	(673,599)	2.14%	2.09%	0.20%	
Maple Leaf Cement Factory Limited	250,328	-	-	250,328	-	-	-	-	0.00%	0.00%	0.00%	
Pioneer Cement Limited	22,500	-	-	39,600	-	-	-	-	0.00%	0.00%	0.00%	
Fauji Cement Company Limited	183,500	76,500	-	260,000	-	-	-	-	0.00%	0.00%	0.00%	
D.G. Khan Cement Company Limited	75,900	-	-	75,900	-	-	-	-	0.00%	0.00%	0.00%	
Chest Cement Company Limited	30,499	-	-	30,499	-	-	-	-	0.00%	0.00%	0.00%	
						7,011,462	6,337,863	(673,599)	2.14%	2.09%	0.20%	
Power Generation & Distribution												
Hu Power Company Limited	132,120	132,500	-	188,020	76,600	5,178,373	4,831,928	(346,445)	1.63%	1.60%	0.04%	
Oil and Gas Exploration Companies												
Mari Petroleum Company Limited	7,856	8,368	-	9,256	6,968	11,978,318	10,779,217	(1,199,101)	3.63%	3.56%	0.98%	
Oil & Gas Development Company Limited - 5.4.1	160,582	300	-	128,410	32,472	2,554,577	2,586,720	32,143	0.87%	0.85%	0.02%	
Pakistan Oilfields Limited	38,448	28,125	-	35,817	30,756	12,287,574	12,082,495	(205,079)	4.07%	3.99%	0.53%	
Pakistan Petroleum Limited	165,921	45,750	-	169,630	42,041	2,840,688	2,864,674	23,986	0.97%	0.95%	0.03%	
						29,661,157	28,313,106	(1,348,051)	5.94%	5.86%	1.51%	



Name of investee company	Number of shares					Holding as at December 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	% of holding in investee company	
	Holding as at July 01, 2022	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period						
Oil and Gas Marketing Companies	67,662	16,750	-	65,138	3,285,055	2,775,263	(509,791)	0.94%	0.92%	
	91,500	146,000	-	47,490	4,771,700	5,445,126	673,426	1.83%	1.80%	
	-	33,104	6,751	9,427	9,326,817	8,815,296	(511,521)	2.97%	2.91%	
	-	-	-	-	17,383,572	17,035,685	(347,888)	5.63%	1.25%	
Engineering	98,600	3,230	-	101,830	-	-	-	0.00%	0.00%	
International Steels Limited	413,800	-	-	413,800	-	-	-	0.00%	0.00%	
Aisha Steel Mills Limited	-	-	-	-	-	-	-	0.00%	0.00%	
Food & Personal Care Products	173,600	-	-	173,600	-	-	-	0.00%	0.00%	
	-	51,300	-	51,300	-	-	-	0.00%	0.00%	
Unity foods limited	-	-	-	-	-	-	-	0.00%	0.00%	
Technology and Communication	63,945	-	-	48,814	4,991,112	7,322,345	2,331,233	2.47%	2.42%	
	Systems Limited	-	-	15,131	-	-	-	0.00%	0.00%	
	TRG Pakistan Limited	155,910	8,000	163,910	-	-	-	0.00%	0.00%	
	Avanceon Limited	37,775	-	37,775	-	-	-	0.00%	0.00%	
	Hum Network Limited	860,745	-	-	860,745	-	-	-	0.00%	0.00%
Refinery	-	-	-	-	4,991,112	7,322,345	2,331,233	2.47%	2.42%	
	Pakistan Refinery Limited	120,000	-	120,000	-	-	-	0.00%	0.00%	
	National Refinery Limited	11,000	-	11,000	-	-	-	0.00%	0.00%	
Attock Refinery Limited	18,000	-	-	18,000	-	-	-	0.00%	0.00%	
Glass and Ceramics	-	-	-	-	-	-	-	0.00%	0.00%	
	Shabor Tiles & Ceramics Limited	192,000	-	192,000	-	-	-	0.00%	0.00%	
Total as at 31 December 2022						122,477,065	(5,914,846)	39.95%	39.18%	0.00%
Total cost as at 30 June 2022						320,985,316	288,296,818	63.20%	55.10%	-



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

	December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022
	----- (Number of shares) -----		----- (Rupees) -----	
	20,000	20,000	1,537,800	5,141,800
Engro Fertilizers Limited	10,000	-	2,620,100	-
Engro Corporation Limited	7,000	-	3,126,060	-
Lucky Cement Limited	-	50,000	-	4,567,000
Oil & Gas Development Company	25,000	75,000	1,991,500	5,900,250
	62,000	145,000	9,275,460	15,609,050

	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	----- (Rupees) -----	

6. MARKUP ACCRUED AND DIVIDEND RECEIVABLE

Profit receivable on :

- Profit and loss sharing bank accounts	599,270	902,803
- Term finance certificates	132,720	584,800
- Government securities	360,217	317,518
	1,092,207	1,805,121

Dividend receivable	32,764	24,624
	1,124,971	1,829,745

7. DEPOSITS AND OTHER RECEIVABLES

Security deposit to:

- Central Depository Company of Pakistan Limited	100,000	100,000
- National Clearing Company of Pakistan Limited	2,500,000	2,500,000
Withholding tax recoverable	956,346	1,177,436
Other receivable	24,085	28,820
	3,580,431	3,806,256

7.1 As per Clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax. The amount of withholding tax deducted on markup on bank deposits has been shown as advance tax as at December 31, 2022, as in the opinion of the management, the amount of tax deducted at source will be refunded.



		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note	----- (Rupees) -----	
8. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	8.1	554,307	621,924
Sales tax payable on remuneration to the Management Company	8.2	328,690	337,480
Federal excise duty payable on remuneration to the Management Company	8.3	1,686,556	1,686,556
Sale load payable to the Management Company		-	2,480
		<u>2,569,553</u>	<u>2,648,440</u>

- 8.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Currently the effective rate of Management Company remuneration for the period ended December 31, 2022 is 1.98% of average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.
- 8.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Federal Excise Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 8.3.
- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, being prudent the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 1.69 million (2022: 1.69 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at December 31, 2022 would have been higher by Rs. 0.51 (June 30, 2022: Rs.0.29) per unit.



		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note	----- (Rupees) -----	
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Brokerage charges payable		167,970	534,665
Auditors' remuneration		480,777	288,564
Fee payable National Clearing Company of Pakistan		113,430	4,876
Settlement charges payable to Central Depository Company Limited		4,954	98,914
Mutual Fund rating fee		-	128,357
Other liabilities		139,033	132,045
Professional Fee payable		151,249	32,924
		<u>1,057,413</u>	<u>1,220,345</u>

10. TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its directive no. SCD/PRDD/Direction/18/2016 dated July 20, 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 half year ended December 31, 2022 is 1.49% (December 31, 2021: 1.13%) which includes 0.12% (December 31, 2021: 0.11%) representing government levies. As per NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be capped up to 4.5% (December 31, 2021: 4.5%) (excluding government levies).

11. CONTINGENCIES AND COMMITMENTS

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

12. TAXATION

The Fund's income is exempt from income tax as per clause 99 of the Part I of the second 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 NBFC Regulations, 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 Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90% of the Fund's accounting income as reduced by capital gain (whether realised or unrealised) for the period ending June 30, 2022 to its unit holders.

13. EARNINGS PER UNIT

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

14. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, Habib Bank



AG Zurich being the Custodian, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company and the holding company, key management personnel, other funds being managed by the Management Company and entities having holding 10% or more in the units of the Fund as at December 31, 2022. It also includes staff retirement funds of the above related parties / connected persons. Transactions and balances with related parties other than those disclosed elsewhere are as follows:

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 as approved by the Board.

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

14.1 Details of balances with related parties / connected

		December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
	Note	----- (Rupees) -----	
Lakson Investments Limited - Management Company of the Fund			
Remuneration payable (including the Sindh sales tax and federal excise duty amounting to Rs. 2.015 million (June 30, 2022: Rs. 2.024 million)*)		<u>2,569,553</u>	<u>2,645,960</u>
Sales load payable		<u>-</u>	<u>2,480</u>
Central Depository Company Limited - Trustee of the Fund			
Remuneration payable (including Sindh sales tax amounting to Rs. 19,501 (June 30, 2021: Rs. 23,000))		<u>169,543</u>	<u>199,953</u>
Security deposit		<u>100,000</u>	<u>100,000</u>
Settlement charges payable		<u>4,954</u>	<u>98,914</u>
Habib Bank AG Zurich - Custodian			
Bank balance	4.2	<u>911,986</u>	<u>945,728</u>

14.2 Details of transactions with related parties / connected persons at the period end

		Half year ended December 31, 2022 ----- (Unaudited) -----	2021 ----- (Rupees) -----
Lakson Investments Limited - Management Company of the Fund			
Remuneration for the period	8.1	<u>3,156,978</u>	<u>4,013,807</u>
Sindh sales tax on remuneration of Management Company *	8.2	<u>410,407</u>	<u>521,795</u>
Central Depository Company Limited - Trustee of the Fund			
Remuneration for the period		<u>505,696</u>	<u>702,311</u>
Settlement charges		<u>90,556</u>	<u>41,584</u>

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



14.3 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 December 31, 2022				Rupees			
	Number of Units		Number of Units		Balance as at		Balance as at	
	Number of units as at 01 July 2022	Units issued during the period	Units redeemed during the period	Number of units as at 31 December 2022	Balance as at 01 July 2022	Units issued during the period	Units redeemed during the period	Balance as at December 31, 2022 (at current NAV)
Directors, Chief Executive and their spouse and minors	121,644	-	-	121,644	11,091,069	-	-	11,163,326
Other key management personnel	16,476	-	-	16,476	1,502,231	-	-	1,512,018
Lakson Investments Limited - Management Company	1,636,986	-	1,636,986	-	149,254,154	-	150,476,369	-
Associated companies / undertakings of the Management Company								
Accuray Surgical Limited Employees Contributory Provident Fund	44,659	-	4,526	40,133	4,071,832	-	415,000	3,683,027
Century Insurance Co. Ltd., GF	45,359	-	5,333	40,027	4,135,706	-	489,000	3,673,258
Century Insurance Company Limited Employees Contributory Provident Fund Trust	444,538	-	444,538	-	40,531,296	-	42,075,933	-
Century Paper & Board Mills Limited ECPF	62,120	-	6,380	55,740	5,663,854	-	585,000	5,115,285
Century Paper & Board Mills Limited EGF	610,176	-	61,888	548,288	55,633,550	-	5,675,000	50,316,544
Colgate Palmolive Pakistan Limited ECPF	546,532	-	57,527	489,005	49,830,640	-	5,275,000	44,876,128
Colgate Palmolive Pakistan Limited EGF	577,532	-	56,436	521,096	52,857,217	-	5,175,000	47,821,129
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	634,656	-	67,287	567,369	57,865,536	-	6,170,000	52,067,583
Gam Corporation Private Limited Employees Contributory Provident Fund	288,558	-	29,390	259,168	26,309,641	-	2,695,000	23,783,888
Hasanali Karabhai Foundation ECPF Trust	194,586	-	17,449	177,137	17,741,802	-	1,600,000	16,255,915
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	8,488	-	796	7,692	774,093	-	73,000	705,887
Lakson Investments Limited ECPF	5,650	-	-	5,650	515,194	-	-	518,502
Mert Packaging Limited Employees Contributory Provident Fund Trust	31,991	-	3,708	28,283	2,916,830	-	340,000	2,595,561
Mert Packaging Limited Employees Gratuity Fund	74,713	-	15,267	59,446	6,812,012	-	1,419,000	5,455,346
Siza Foods Private Limited Employees Contributory Provident Fund Trust	39,132	-	3,937	35,195	3,567,929	-	361,000	3,229,884
Siza Services Private Limited Employees Contributory Provident Fund Trust	159,372	-	16,140	143,232	14,530,981	-	1,480,000	13,144,416
Sybird (Private) Limited ECPF	32,148	-	3,501	28,647	2,923,126	-	313,000	2,628,920
	63,275	-	6,423	56,851	5,769,138	-	589,000	5,217,252

Above related parties / connected person held 97% of the unites of the fund (June 30, 2021: 98%).



		Period ended December 31, 2021				Rupees			
		Number of Units		Number of units as at 31 December 2021		Units issued during the period		Units redeemed during the period	
		Number of units as at 01 July 2021	Units issued during the period	Units redeemed during the period	Number of units as at 31 December 2021	Balance as at 01 July 2021	Units issued during the period	Units redeemed during the period	Balance as at 31 December 2021
Directors, Chief Executive and their spouse and minors		121,645	-	-	121,645	12,619,574	-	-	11,163,385.98
Other key management personnel		16,475	-	-	16,475	1,705,133	-	-	1,511,914
Lakson Investments Limited - Management Company		1,636,986	-	-	1,636,986	169,822,565	-	-	150,226,532.62
Associated companies / undertakings of the Management Company									
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust		5,650	-	-	5,650	586,137	-	-	518,501.63
Lakson Investments Limited Employees Contributory Provident Fund Trust		33,095	3,774	-	36,869	3,433,308	360,639	-	3,633,484.00
Century Insurance Company Limited Employees Contributory Provident Fund Trust		52,446	6,744	-	59,190	5,440,800	644,366	-	5,431,836
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust		194,586	-	-	194,586	20,186,546	-	-	17,857,196
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust		164,049	-	-	164,049	17,018,607	-	-	15,054,810
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust		8,877	-	-	8,877	920,909	-	-	814,644
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust		655,030	-	-	655,030	67,953,467	-	-	60,112,234
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust		726,560	-	-	726,560	75,374,061	-	-	66,676,557
SIZA Services (Private) Limited Employees Contributory Provident Fund Trust		31,757	-	-	31,757	3,294,503	-	-	2,914,346
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust		280,800	19,489	-	300,289	29,130,473	1,862,245	-	27,557,592
Merit Packaging Limited Employees Contributory Provident Fund Trust		62,909	10,558	21,404	52,063	6,526,243	1,008,858	2,164,000	4,777,796
Merit Packaging Limited Employees Contributory Provident Fund Trust		37,112	3,388	-	40,500	3,850,036	323,754	-	3,716,712
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust		630,847	-	-	630,847	65,444,699	-	-	57,892,955
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust		552,117	-	-	552,117	57,277,170	-	-	50,667,888
Sybrid (Private) Limited Employees Contributory Provident Fund Trust		444,538	-	-	444,538	46,116,817	-	-	40,795,341
Century Insurance Company Limited Gratuities Fund		59,212	3,171	-	62,383	6,142,712	302,979	-	5,724,881
Century Insurance Company Limited Gratuities Fund		45,481	497	-	45,978	4,718,244	47,514	-	4,219,433
Accuracy Surgical Limited - Employees Contributory Provident Fund Trust		-	-	-	-	-	-	-	-

- 14.4 Remuneration payable to the Management Company and the Trustee has been determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.
- 14.5 Purchase and redemption of the Fund's unit by related parties / connected persons are recorded at the applicable net asset value per unit. Other transactions are at agreed rates.

15. 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.

		31 December 2022						
		Carrying amount				Fair Value		
On-balance sheet financial instruments		Manadatory at fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Total
		------(Rupees)-----						
Financial assets measured at fair value								
Term finance certificates	5.1	46,162,800	-	46,162,800	-	9,984,000	36,178,800	46,162,800
Government securities	5.2	132,040,852	-	132,040,852	-	132,040,852	-	132,040,852
Listed equity securities	5.4	118,562,218	-	118,562,218	118,562,218	-	-	118,562,218
		296,765,870	-	296,765,870	118,562,218	142,024,852	36,178,800	296,765,870
Financial assets not measured at fair value								
Bank balances - held at amortised cost	4	-	5,004,110	5,004,110	-	-	-	-
Markup accrued and dividend receivable	6	-	1,124,971	1,124,971	-	-	-	-
Deposits and other receivables		-	2,624,085	2,624,085	-	-	-	-
		-	8,753,166	8,753,166	-	-	-	-
Financial liabilities not measured at fair value								
Payable to the Management Company		-	554,307	554,307	-	-	-	-
Remuneration payable to the Trustee		-	150,042	150,042	-	-	-	-
Accrued expenses and other liabilities	9	-	1,057,413	1,057,413	-	-	-	-
		-	1,761,762	1,761,762	-	-	-	-



On-balance sheet financial instruments

Financial assets measured at fair value

Term finance certificates	5.1	57,396,584	-	57,396,584	-	25,425,384	31,971,200	25,425,384
Government securities	5.2	110,421,933	-	110,421,933	-	110,421,933	-	110,421,933
Listed equity securities	5.4	288,296,818	-	288,296,818	288,296,818	-	-	288,296,818
		456,115,335	-	456,115,335	288,296,818	135,847,317	31,971,200	424,144,135

Financial assets not measured at fair value

Bank balances	4	-	65,836,538	65,836,538	-	-	-	-
Dividend receivables and markup accrued	6	-	1,854,371	1,854,371	-	-	-	-
Deposits and other receivables		-	2,628,820	2,628,820	-	-	-	-
Receivable against sale of investments		-	-	-	-	-	-	-
		-	70,319,729	70,319,729	-	-	-	-

Financial liabilities not measured at fair value

Payable to the Management Company		-	621,924	621,924	-	-	-	-
Remuneration payable to the Trustee		-	176,953	176,953	-	-	-	-
Accrued expenses and other liabilities	9	-	1,220,345	1,220,345	-	-	-	-
Payable against purchase of securities		-	274,235	274,235	-	-	-	-
		-	2,293,457	2,293,457	-	-	-	-

- 15.1 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.

16. GENERAL

Figures have been rounded off to the nearest rupee.

17. DATE OF AUTHORISATION OF ISSUE

These condensed interim financial information were authorised for issue on **February 20, 2023** by the Board of Directors of the Management Company.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



A Lakson Group Company

Lakson Investments Limited

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

T +92.21 3840.0000 F +92.21 3568.1653