

LAKSON ISLAMIC TACTICAL FUND

Quarterly Report (March 31, 2023)



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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Fund's Information

Management Company

Lakson Investments Limited
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Sarwar Shaheed Road,
Karachi-74200, Pakistan.
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Fax: (9221) 3568.1653
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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
Ms. Roxanne Davies

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

Mr. Junaid Arshad

Audit Committee

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

BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C,
Lakson Square, Building No. 1,
Sarwar Shaheed Road,
Karachi - 74200.

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

LAKSON ISLAMIC TACTICAL FUND
REVIEW REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Islamic Tactical Fund ("LITF") is pleased to submit its review report together with Condensed Interim Financial Information for the nine months period ended March 31, 2023

Fund Objective

The investment objective of the LITF is to provide long-term capital appreciation by exclusively investing in Shari'ah Compliant avenues including equities, fixed income instruments and emerging market securities.

Principal activities

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.

Fund performance

Lakson Islamic Tactical Fund provided a return of 6.92% for 3QFY23 against the Benchmark return of 1.17%. The fund has outperformed the benchmark by 5.75% during the period. As of March 31, 2023 the Fund had 32.1% exposure in equities, 66% in cash, and 1.9% in others 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 economic uncertainty remained high throughout 3QFY23, and to fulfill a key IMF condition, the PKR was allowed to find its value based on market forces. As a result, the currency devalued by 20% on a quarter-on-quarter basis in 3QFY23 and closed at 283.8. Following the switch to a floating exchange rate, the IMF staff visited Pakistan for the ninth review of the extended funded facility (SLA). However, at the conclusion of these discussions, the IMF staff departed without the SLA, and both parties agreed to remain engaged virtually. Meanwhile, the government fulfilled prior actions of the IMF by imposing new taxes of PKR 170bn and increasing electricity and gas tariffs. The stumbling block remained differences between the amount of external financing gap and assurances of financing commitments by China, KSA and UAE.

In 3QFY23, the foreign exchange reserves held by the State Bank of Pakistan (SBP) decreased by USD 1.3bn, primarily due to debt repayments and lower-than-expected FX inflows. However, the decline in FX reserves was mitigated by inflows from China. Pakistan received a commercial loan of USD 700mn from the China Development Bank, in addition to USD 1bn as part of a previously agreed rollover. Furthermore, China rolled over USD 2bn SAFE deposits.

Inflation continued to set all-time records in 3QFY23, averaging 31.5% for the quarter. In March-23, the CPI reached 35.4%. The main drivers of inflation were the ongoing devaluation of the PKR, rising energy prices, the imposition of new taxes of PKR 170bn, supply chain disruptions due to import restrictions, and the second-round impact of all these factors. We anticipate that inflation will remain elevated in near term.

During the third quarter of FY23, there was a 15% QoQ decline in imports, totaling USD 12.7bn, while exports decreased by 4% to USD 6.8bn. This resulted in a 25% reduction in the trade deficit, which reached USD 5.9bn. Resultantly the current account deficit for the first two months of CY23 plummeted by 89% to USD 316mn. The

primary reasons for this decline are the import restrictions imposed by the State Bank of Pakistan and the decrease in demand due to the economic slowdown. We anticipate that the current account deficit will persist at these low levels in the future.

In terms of the fiscal performance, FBR tax collection decreased by 4% to Rs 1.7 trillion during 3QFY23, falling short of the quarterly target by almost PKR 60bn. The primary reasons behind this underwhelming outcome were the economic slowdown and the reduction in imports. Given the weak growth prospects and the probability that import restrictions will continue, we anticipate that FBR will fall short of the annual tax collection target for FY23.

Fixed Income Market Review

During 3QFY23, the State Bank of Pakistan raised the policy rate by 4% to an all-time high of 20%. This action was taken in response to higher-than-anticipated inflation and to counter the entrenched high inflation expectations. During the quarter, both the 3-month and 6-month KIBOR rates increased by 4.98% and 5.03%, respectively to 21.98% and 22.07%. Additionally, T-bill yields also increased QoQ by 4.9%, 4.33%, and 4.39%, with 3-month, 6-month, and 12-month rates reaching 21.60%, 21.32%, and 21.39% respectively. Similarly, PIBs demonstrated a comparable trend, with yields on 3-year, 5-year, and 10-year bonds rising by 2.6%, 0.62%, and 1.52%, respectively, to 18.33%, 15.23%, and 15.22%.

Equity Market Review

Elevated top-down uncertainty continued to loom heavy over the equity markets as they remained sluggish during the quarter. Even though Pakistan has fulfilled most of the IMF preconditions, the IMF programme remained elusive, owing to non-materialization of fresh bilateral flows particularly from the GCC. Thin trading volumes during the quarter reflected a lack of investors' interest, the KSE-100 index fell by 420 points (down 1%) on a quarter on quarter basis – compounded by the ongoing political noise refusing to subside. Average daily traded value decreased to US\$23.83mn in 1QCY23, from US\$26.99mn in 4QCY22 exhibiting a decrease of 11.73%. Foreign selling however, saw a reversal as investors bought equities worth US\$16.7mn, largely concentrated in Tech and Oil and Gas Exploration sectors.

Emerging Market Review

The MSCI Emerging market index rose by 3.5% QoQ during 3QFY23. The performance was mainly led by improvement in investor's sentiment given reopening of China.

Future Outlook

The market's performance in 4QFY23 is likely to hinge on two key factors: the direction of the IMF program and the political climate. Pakistan has successfully fulfilled all the prior actions requested by the IMF, and the only outstanding issue is the verification of financial commitments by the IMF from friendly nations. China has already fulfilled its commitments, and some of the promised inflows have already materialized.

According to news reports citing top officials from the finance ministry, KSA has given the green light for a USD 2bn deposit, and the IMF is satisfied with the provided assurance. However, the UAE has yet to provide confirmation of a USD 1bn deposit. Ultimately, the resolution of this issue will play a crucial role in preventing a sovereign default and creating conditions for a potential stock market rally.

As mentioned above, the second crucial factor to keep an eye on will be the state of domestic politics. The Supreme Court has recently reaffirmed its original decision and announced that Punjab assembly elections will be held on May 14th, 2023. Additionally, the court has ordered another application to be submitted for the date of the KP elections. The election commission has accepted the court's decision and agreed to hold the elections on the announced date.

However, the federal cabinet and parliament have rejected the court's decision, citing concerns over funding and security challenges. This rejection has led to increased uncertainty around the upcoming elections and heightened political tensions. We believe that a timely and peaceful resolution of this issue is critical for carrying out structural reforms, remaining in the IMF program, and restoring investor confidence in the economy.

On the global front, along with rate hikes from other central banks, The US Federal Reserve raised the fed funds rate by 50bps during the quarter, leading to a rapid rise in interest rates to control inflation. However, this also resulted in the collapse of Silicon Valley Bank and the distressed sale of Credit Suisse to UBS. High inflation has caused domestic political instability globally. Geopolitical tensions remain heightened as China and the US carve out their spheres of influence, and other countries such as India, Iran, and Saudi Arabia adjust to a more multipolar world.

In the previous few decades, globalization has been an important force for deflation. However, it seems that globalization is slowly being reversed, and supply chains are now being rearranged to be more robust, rather than optimized for cost. The outlook for the global economy depends greatly on how these forces interact and the pace of global inflation and monetary tightening.

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

Dated: April 28, 2023

Director

لیکسن اسلامک ٹیکٹیکل فنڈ

31 مارچ 2023ء کو ختم ہونے والی نو ماہ کی مدت کے لیے

مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن اسلامک ٹیکٹیکل فنڈ ("LITF") کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کیلئے 31 مارچ 2023ء کو ختم ہونے والی نو ماہ کی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

لیکسن اسلامک ٹیکٹیکل فنڈ کی سرمایہ کاری کا مقصد، خاص طور پر شریعہ سے مطابقت رکھنے والے ذرائع بشمول ایکویٹیز، فکسڈ انکم انسٹرومنٹس اور ایمر جنگ مارکیٹ سیکیورٹیز میں سرمایہ کاری کرتے ہوئے سرمائے کی قدر میں طویل مدتی اضافہ کرنا ہے۔

نمایاں سرگرمیاں

LITF ایک اوپن اینڈ ایسیٹ ایلوکیشن اسکیم ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ اس اسکیم کا انتظام و انصرام ایکٹو انویسٹمنٹ مینجمنٹ کا طریقہ کار استعمال کرتے ہوئے کیا جاتا ہے، جو بڑے اقتصادی عوامل کے تجزیے پر توجہ مرکوز رکھتا ہے مثلاً حکومتی پالیسیز، عالمی اقتصادی ڈیٹا، کموڈٹیز کی قیمتیں اور رسد / طلب کا تحریک۔ اسکیم انویسٹمنٹ ٹیم کی توقعات کی بنیاد پر ایکویٹیز اور فکسڈ انکم میں سرمایہ کاری کا تبادلہ کرتی ہے۔ فکسڈ انکم سیکیورٹیز میں اسکیم کی سرمایہ کاری کا انتظام و انصرام دورانیے اور yield curve مینجمنٹ کے ذریعے کیا جاتا ہے۔

فنڈ کی کارکردگی

لیکسن اسلامک ٹیکٹیکل فنڈ نے بینچ مارک منافع 1.17% کے مقابلے میں مالی سال 2023ء کی تیسری سہ ماہی کیلئے 6.92% منافع فراہم کیا۔ فنڈ نے سہ ماہی کے دوران بینچ مارک کے مقابلے میں 5.75% بہتر کارکردگی کا مظاہرہ کیا۔ 31 مارچ 2023ء کے مطابق فنڈ نے مجموعی اثاثہ جات کی بنیاد پر ایکویٹیز میں 32.1%، کیش میں 66% اور دیگر میں 1.9% سرمایہ کاری کی۔

فی شیئر آمدنی (EPU)

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

معاشی جائزہ

مالی سال 2023ء کی تیسری سہ ماہی کے دوران زیادہ تر معاشی غیر یقینی کی صورتحال رہی اور آئی ایم ایف کی ایک اہم شرط کو پورا کرنے کے لیے پاکستانی روپے کی قدر کا تعین مارکیٹ فورسز کی بنیاد پر کرنے کی اجازت دی گئی۔ اس کے نتیجے میں مالی سال 2023ء کی تیسری سہ ماہی میں سہ ماہی بنیادوں پر کرنسی کی قدر میں 20 فیصد کمی ہوئی اور ڈالر کے مقابلے میں اس کی قدر 283.8 پر جا پہنچی۔ فلوئنگ ایکسچینج ریٹ میں تبدیلی کے بعد آئی ایم ایف کے عملے نے توسیعی مالی سہولت (ایس ایل اے) کے نوے جانزے کے لیے پاکستان کا دورہ کیا۔ تاہم ان مذاکرات کے اختتام پر آئی ایم ایف کا عملہ ایس ایل اے کے بغیر ہی چلا گیا اور فریقین نے ورچوئل طور پر مصروف رہنے پر اتفاق کیا۔ دریں اثناء حکومت نے آئی ایم ایف کے سابقہ مطالبات کو پورا کرتے ہوئے 170 ارب روپے کے نئے ٹیکس عائد کیے اور بجلی و گیس کے نرخوں میں اضافہ کر دیا ہے۔ اصل مسئلہ یار کاوٹ بیرونی فنائنگ کی ضرورت اور چین، سعودی عرب اور متحدہ عرب امارات کی جانب سے کرائی جانے والی مالی یقین دہانیوں کے مابین پائے جانے والے فرق کا ہے۔

مالی سال 2023ء کی تیسری سہ ماہی کے دوران اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر میں 1.3 ارب ڈالر کمی واقع ہوئی جس کی بنیادی وجہ قرضوں کی ادائیگی اور زرمبادلہ کی توقع سے کم آمد ہے۔ تاہم زرمبادلہ ذخائر میں اس کمی کو چین کی جانب سے کی جانے والی سرمایہ کاری کی مدد سے کم کیا گیا۔ پاکستان کو چائنا ڈیولپمنٹ بینک سے 70 کروڑ ڈالر کا کمرشل قرضہ ملا ہے، اس کے علاوہ پہلے سے طے شدہ ”رول اوور“ کے ذریعے بھی ایک ارب ڈالر کا مزید ریلیف ملا۔ مزید برآں، چین نے 2 ارب امریکی ڈالر کے سیف ڈپازٹس بھی ”رول اوور“ کیے ہیں۔

مالی سال 2023ء کی تیسری سہ ماہی میں افراط زر نے نیاریکارڈ قائم کیا، جو سہ ماہی کے دوران اوسط 31.5 فیصد رہا۔ مارچ 2023ء میں کنزیومر پرائس انڈیکس 35.4 فیصد تک پہنچ گیا۔ افراط زر کی بنیادی وجوہات میں روپے کی قدر میں کمی، توانائی کی قیمتوں میں اضافہ، 170 ارب روپے کے نئے ٹیکسوں کا نفاذ، درآمدی پابندیوں کی وجہ سے سپلائی چین میں خلل اور ان تمام عوامل کے دوسرے مرحلے کے اثرات شامل ہیں۔ ہم توقع کرتے ہیں کہ مستقبل قریب میں افراط زر کی شرح بلند رہے گی۔

مالی سال 2023ء کی تیسری سہ ماہی کے دوران درآمدات میں 15 فیصد کمی ریکارڈ کی گئی، جس کے بعد مجموعی برآمدات 12 ارب 70 کروڑ ڈالر رہیں جبکہ برآمدات 4 فیصد کم ہو کر 6 ارب 80 کروڑ ڈالر رہیں۔ اس کے نتیجے میں تجارتی خسارہ 25 فیصد کم ہوا جو 5.9 ارب ڈالر رہ گیا۔ مالی سال 2023 کے پہلے دو ماہ میں کرنٹ اکاؤنٹ خسارہ 89 فیصد کم ہو کر 316 ملین ڈالر رہ گیا۔ اس کمی کی بنیادی وجوہات

اسٹیٹ بینک آف پاکستان کی جانب سے عائد درآمدی پابندیاں اور معاشی سست روی کی وجہ سے طلب میں کمی ہیں۔ ہم توقع کرتے ہیں کہ کرنٹ اکاؤنٹ خسارہ مستقبل میں انہی کم ترین سطحوں پر برقرار رہے گا۔

مالی کارکردگی کے لحاظ سے ایف بی آر کی ٹیکس وصولی مالی سال 2023ء کی تیسری سہ ماہی کے دوران 4 فیصد کم ہو کر 1.7 ٹریلین روپے رہ گئی جو سہ ماہی ہدف سے تقریباً 60 ارب روپے کم ہے۔ ان مایوس کن نتائج کی بنیادی وجوہات میں معاشی سست روی اور درآمدات میں کمی شامل ہیں۔ کم شرح نمو اور درآمدی پابندیاں جاری رہنے کی توقع کے پیش نظر ہمارا یہ خیال ہے کہ ایف بی آر مالی سال 2023ء کے لئے سالانہ ٹیکس وصولی کا اپنا ہدف پورا نہیں کر پائے گا۔

فلسڈ انکم مارکیٹ کا جائزہ

مالی سال 2023 کی تیسری سہ ماہی کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 4 فیصد بڑھا کر 20 فیصد کی بلند ترین سطح پر پہنچا دیا۔ یہ اقدام توقع سے زیادہ افراط زر کے جواب میں اور افراط زر کی بلند شرح کا مقابلہ کرنے کے لئے کیا گیا تھا۔ سہ ماہی کے دوران، 3 ماہ اور 6 ماہ کے KIBOR کی شرحیں 4.98 فیصد اور 5.03 فیصد بڑھ کر 21.98 فیصد اور 22.07 فیصد ہو گئیں۔ مزید برآں، ٹی بل کے منافع میں بھی سہ ماہی بنیادوں پر 4.9 فیصد، 4.33 فیصد اور 4.39 فیصد کا اضافہ ہوا، 3 ماہ، 6 ماہ اور 12 ماہ کی شرحیں بالترتیب 21.60 فیصد، 21.32 فیصد اور 21.39 فیصد تک پہنچ گئیں۔ پی آئی بیز نے بھی اسی طرح کے رجحان کا مظاہرہ کیا، 3 سالہ، 5 سالہ اور 10 سالہ بانڈز پر منافع بالترتیب 2.6 فیصد، 0.62 فیصد اور 1.52 فیصد بڑھ کر 18.33 فیصد، 15.23 فیصد اور 15.22 فیصد ہو گیا۔

ایکویٹی مارکیٹ کا جائزہ

سہ ماہی کے دوران مندی رہنے کی وجہ سے ایکویٹی مارکیٹوں میں غیر یقینی صورتحال برقرار رہی۔ اگرچہ پاکستان نے آئی ایم ایف کی زیادہ تر شرائط پوری کر دی ہیں لیکن آئی ایم ایف پروگرام، بالخصوص ”جی سی سی“ کی طرف سے دوطرفہ بنیادوں پر نئی رقوم کی ترسیل نہ کیے جانے کی وجہ سے شروع نہ ہو سکا۔ سہ ماہی کے دوران کاروباری حجم میں کمی سرمایہ کاروں کی عدم دلچسپی کی عکاسی کرتی ہے، کے ایس ای 100 انڈیکس سہ ماہی بنیادوں پر 420 پوائنٹس (1 فیصد) گر گیا، سیاسی شورو غل کم نہ ہونے سے صورتحال مزید گمبہر ہوئی۔ سال 2023ء کی پہلی سہ ماہی میں اوسط یومیہ تجارت کی مالیت کم ہو کر 23.83 ملین ڈالر رہ گئی جو سال 2022ء کی چوتھی سہ ماہی میں 26.99 ملین ڈالر تھی، یہ 11.73 فیصد کمی کو ظاہر کرتی ہے۔ تاہم غیر ملکی فروخت (فارن سیلنگ) میں تبدیلی دیکھنے میں آئی کیونکہ سرمایہ کاروں نے 16.7 ملین امریکی ڈالر مالیت کے حصص خریدے، یہ خریداری زیادہ ٹیکنیکل اور تیل و گیس کی تلاش کے شعبوں میں مرکوز رہی۔

ایمرجنگ مارکیٹ کا جائزہ

مالی سال 2023 کی تیسری سہ ماہی کے دوران MSCI ایمرجنگ مارکیٹ انڈیکس میں 3.5 فیصد اضافہ ہوا۔ یہ کارکردگی بنیادی طور پر چین کی جانب سے کوویڈ کے تناظر میں عائد کی گئی پابندیاں ہٹائے جانے کے پیش نظر سرمایہ کاروں کا جوش و جذبہ بڑھنے کی وجہ سے ممکن ہوئی۔

مستقبل کا منظر نامہ

مالی سال 2023ء کی چوتھی سہ ماہی میں مارکیٹ کی کارکردگی دو اہم عوامل پر منحصر ہونے کا امکان ہے: آئی ایم ایف پروگرام کی سمت اور سیاسی ماحول۔ پاکستان نے آئی ایم ایف کی جانب سے کیے گئے تمام پیشگی مطالبات کامیابی سے پورے کیے ہیں اور اب واحد اہم مسئلہ آئی ایم ایف کی جانب سے دوست ممالک کے مالی وعدوں کی تصدیق ہے۔ چین پہلے ہی اپنے وعدوں کو پورا کر چکا ہے اور بعض دیگر وعدوں پر بھی عمل درآمد ہو چکا ہے۔

وزارت خزانہ کے اعلیٰ حکام کے حوالے سے خبروں کے مطابق سعودی عرب نے 2 ارب ڈالر کے ڈپازٹ کے لیے گرین سگنل دے دیا ہے اور آئی ایم ایف فراہم کردہ یقین دہانی سے مطمئن ہے۔ تاہم متحدہ عرب امارات نے ابھی تک ایک ارب ڈالر جمع کرانے کی تصدیق نہیں کی ہے۔ بالآخر، اس مسئلے کا حل ڈیفالٹ کو روکنے اور اسٹاک مارکیٹ کی ممکنہ تیزی کے لئے موافق حالات پیدا کرنے میں اہم کردار ادا کرے گا۔

جیسا کہ اوپر ذکر کیا گیا ہے، دوسرا اہم عنصر، جس پر نظر رہے گی، وہ داخلی سیاست ہے۔ سپریم کورٹ نے حال ہی میں اپنے اصل فیصلے کی توثیق کی ہے اور اعلان کیا ہے کہ پنجاب اسمبلی کے انتخابات 14 مئی 2023ء کو ہوں گے۔ اس کے علاوہ عدالت نے کے پی انتخابات کی تاریخ کے لیے ایک اور درخواست جمع کرانے کا حکم دیا ہے۔ الیکشن کمیشن نے عدالت کے فیصلے کو تسلیم کرتے ہوئے اعلان کردہ تاریخ پر انتخابات کرانے پر اتفاق کر لیا۔

تاہم وفاقی کابینہ اور پارلیمنٹ نے فنڈنگ اور سیکیورٹی چیلنجز سے متعلق خدشات کا حوالہ دیتے ہوئے عدالتی فیصلے کو مسترد کر دیا ہے۔ اس انکار کی وجہ سے آنے والے انتخابات کے بارے میں غیر یقینی صورتحال اور سیاسی تناؤ میں اضافہ ہوا ہے۔ ہم سمجھتے ہیں کہ اس مسئلے کا بروقت اور پرامن حل، ڈھانچا جاتی (اسٹرکچرل) اصلاحات، آئی ایم ایف پروگرام کے برقرار رہنے اور معیشت میں سرمایہ کاروں کے اعتماد کی بحالی کے لیے ضروری ہے۔

عالمی محاذ پر، دیگر مرکزی بینکوں کی جانب سے شرح سود میں اضافے کے ساتھ ساتھ، امریکی فیڈرل ریزرو نے سہ ماہی کے دوران فیڈ فنڈز کی شرح میں 50 بی پی ایس کا اضافہ کیا، جس کے نتیجے میں افراط زر پر قابو پانے کے لئے شرح سود میں تیزی سے اضافہ ہوا۔ تاہم، اس کے نتیجے میں سلیکون ویلی بینک کا زوال اور کریڈٹ سوس کی یو بی ایس کو پریشان کن فروخت بھی سامنے آئی۔ افراط زر میں اضافے کی وجہ

سے عالمی سطح پر داخلی سیاسی عدم استحکام پیدا ہوا ہے۔ جغرافیائی سیاسی (جیوپولیٹیکل) تناؤ میں اضافہ ہو رہا ہے کیونکہ چین اور امریکا اپنے اثر و رسوخ کو بڑھا رہے ہیں جبکہ ہندوستان، ایران اور سعودی عرب جیسے دیگر ممالک زیادہ کثیر قطبی دنیا میں خود کو ایڈجسٹ کر رہے ہیں۔ گزشتہ چند ہائوں کے دوران گلوبلائزیشن ”تفریط زر“ (ڈی فلیشن) کی ایک اہم قوت رہی ہے۔ تاہم، ایسا لگتا ہے کہ گلوبلائزیشن آہستہ آہستہ پلٹ رہی ہے اور سپلائی چین کو اب لاگت کے حوالے سے موزوں بنانے کے بجائے زیادہ مضبوط بنانے کے لئے دوبارہ ترتیب دیا جا رہا ہے۔ عالمی معیشت کے مستقبل کا اس بات پر بہت زیادہ انحصار ہے کہ یہ قوتیں کس طرح تعامل کرتی ہیں اور عالمی افراط زر اور مالیاتی سختی کی رفتار کیا رہتی ہے۔

اظہار تشکر

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

بورڈ کے لئے اور بورڈ کی طرف سے

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 28 اپریل 2023ء

LAKSON ISLAMIC TACTICAL FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2023

		March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
	Note	(Rupees)	
ASSETS			
Bank balances	5.	186,158,545	63,571,229
Investments	6.	90,365,463	267,634,799
Markup accrued		1,908,242	1,405,549
Dividend receivable		808,830	12,200
Deposits and other receivables		2,679,385	2,661,335
TOTAL ASSETS		281,920,466	335,285,112
LIABILITIES			
Payable to the Management Company	7.	1,800,989	1,735,653
Payable to the Trustee		79,074	152,395
Payable to Securities and Exchange Commission of Pakistan		43,295	85,479
Accrued expenses and other liabilities	8.	1,349,189	2,358,762
Payable against purchase of investments		-	744,600
TOTAL LIABILITIES		3,272,547	5,076,889
CONTINGENCIES AND COMMITMENTS			
	10		
NET ASSETS		278,647,919	330,208,224
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)			
		278,647,919	330,208,224
(Number of units)			
Number of units in issue		3,034,917	3,845,401
(Rupees)			
Net assets value per unit		91.8140	85.8709

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON ISLAMIC TACTICAL FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2023

		Nine Months Ended		Quarter Ended	
		March 31,		March 31,	
		2023	2022	2023	2022
Note		------(Rupees)-----			
INCOME					
	Realized (loss) / gain on sale of investment at fair value through profit or loss - net				
	Unrealised depreciation on re-measurement of investments				
	'at fair value through profit or loss' - Net				
	Dividend income on investment at fair value through profit or loss				
	Profit on:				
	-Bank balances				
	-Sukuk and musharaka certificate				
	-Commercial paper				
	Exchange (loss)/gain on foreign currency deposits				
	Reversal of SWWF				
	TOTAL INCOME				
EXPENSES					
	Remuneration to the Management Company				
	Sindh Sales tax on remuneration to the Management Company				
	Remuneration to the Trustee				
	Annual fee to Securities and Exchange Commission of Pakistan				
	SECP Supervisory fee				
	Shariah Advisor Fee				
	Brokerage, Settlement, Bank and other charges				
	Auditors' remuneration				
	Fees and subscription				
	Printing charges				
	TOTAL EXPENSES				
	Net income / (loss) from operating activities				
	Net income / (loss) for the period before taxation				
	Taxation				
	Net income / (loss) for the period				
	Allocation of net income for the period:				
	Net income for the period				
	Income already paid on units redeemed				
	Accounting income available for distribution				
	-Related to capital gains - net				
	-Excluding capital gains				

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON ISLAMIC TACTICAL FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2023

	Nine Months Ended March 31,		Quarter Ended March 31,	
	2023	2022	2023	2022
	------(Rupees)-----			
Net income / (loss) for the period	17,312,801	(28,504,880)	7,820,901	(735,747)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	17,312,801	(28,504,880)	7,820,901	(735,747)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON ISLAMIC TACTICAL FUND
CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS'S FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Nine Month Ended Mar 31, 2023			Nine Month Ended Mar 31, 2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees) -----					
Net assets at beginning of the period	371,494,464	(41,286,239)	330,208,224	482,122,276	6,982,078	489,104,354
Issuance of 139,755 units (2022: 184,319 units)						
- Capital value	12,000,881	-	12,000,881	17,904,877	-	17,904,877
- Element of Income/ loss	911,008	-	911,008	(1,261,387)	-	(1,261,387)
Total proceeds on issuance of units	12,911,889	-	12,911,889	16,643,490	-	16,643,490
Redemption of 950,239 units (2022: 286,873 units)						
- Capital value	(81,597,857)	-	(81,597,857)	(27,867,044)	-	(27,867,044)
- Element of Income/ loss	198,553	(385,691)	(187,137)	1,269,141	-	1,269,141
Total payments on redemption of units	(81,399,304)	(385,691)	(81,784,995)	(26,597,903)	-	(26,597,903)
Total comprehensive income for the period	-	17,312,801	17,312,801	-	(28,504,880)	(28,504,880)
Net assets as at end of the period	303,007,049	(24,359,129)	278,647,919	472,167,863	(21,522,802)	450,645,061
Undistributed income brought forward:						
- Realized (loss)		(22,439,370)			(7,246,268)	
- Unrealized (loss) / gain		(18,846,869)			14,228,346	
		(41,286,239)			6,982,078	
Accounting income available for distribution:						
Relating to capital gains		-			-	
Excluding capital gains		16,927,110			-	
		16,927,110			-	
Net (loss) / gain for the period after taxation					(28,504,880)	
Undistributed (loss) / income at end of the period		(24,359,129)			(21,522,802)	
Undistributed (loss) / income carried forward						
- Realized (loss) / Income		(23,164,345)			(3,154,102)	
- Unrealized gain / (loss)		(1,194,783)			(18,368,700)	
		(24,359,129)			(21,522,802)	
Net assets value per unit at beginning of the period		85.8709			97.1407	
Net assets value per unit at end of the period		91.8140			91.3632	

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON ISLAMIC TACTICAL FUND
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period	17,312,801	(28,504,880)
Adjustments for non-cash charges and other items:		
Capital loss on sale of investments - net	(2,271,131)	-
Unrealised (loss) / gain in the fair value of investments classified as 'held for trading' - net	(1,194,783)	18,368,700
	13,846,887	(10,136,180)
(Increase) / Decrease in assets		
Investments - net	180,735,251	(44,511,037)
Mark-up receivable	(502,693)	-
Dividend receivable	(796,630)	(5,132,137)
Deposits and other receivables	(18,049)	1,193,485
Receivable against Settlement	-	(5,503,449)
	179,417,879	(53,953,138)
(Decrease) / Increase in liabilities		
Payable to the Management Company	65,336	1,472
Payable to the Trustee	(73,322)	(8,944)
Payable to Securities and Exchange Commission of Pakistan	(42,184)	(4,553)
Payable against purchase of investments	(744,600)	(1,535,615)
Accrued expenses and other liabilities	(1,009,574)	(647,644)
	(1,804,344)	(2,195,284)
Net cash (used in) / generated from operating activities	191,460,422	(66,284,603)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	12,911,889	16,643,490
Cash paid on redemption of units	(81,784,995)	(26,597,903)
Net cash generated / (used in) financing activities	(68,873,106)	(9,954,413)
Net (decrease) / increase in cash and cash equivalents during the period	122,587,316	(76,239,016)
Cash and cash equivalents at the beginning of the period	63,571,229	160,101,532
Cash and cash equivalents at the end of the period	186,158,545	83,862,516

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON ISLAMIC TACTICAL FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Lakson Islamic Tactical Fund (formerly Lakson Asset Allocation Emerging Markets Fund) (the "Fund") was established under the Trust Deed executed on 30 May 2011 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity by the Securities and Exchange Commission of Pakistan (SECP) on 7 July 2011 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

1.2 The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore, while the head office is in the Lakson Square Building No. 2, Karachi.

1.3 The Fund is an open end mutual fund and is listed on 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.

Further, as allowed by SECP and the State Bank of Pakistan, the Fund can invest abroad up to 30% of the aggregated funds mobilized (including foreign currency funds) subject to a maximum limit of USD 15 million. The investments authorized outside Pakistan include exchange traded funds based on equities / debt with exposure in the commodities, index tracker funds tracking different commodities indices, actively managed commodities based funds, equities and debt securities of companies with exposure in commodities, future contracts of different commodities and foreign currency deposits etc.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a 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 26 August 2022 (2021: AM2+ as on 27 August 2021).

On 27 July 2022, VIS credit rating company limited assigned following rankings to the Fund based on the performance review:

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan.

The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 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) and requirements of the Trust Deed.

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

2.2 This condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2022. However, selected explanatory notes are included to explain events and transactions that are significant.

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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2023.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency. All amount have been rounded off to the nearest of rupees, unless otherwise indicated.

2.6 Significant judgements and estimates

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

The significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022.

4. 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 2022.

5.	BANK BALANCES	Note	March 31,	June 30,
			2023 (Unaudited) (Rupees)	2022 (Audited)
	In local currency			
	PLS savings accounts	5.1	185,863,300	63,569,218
	In foreign currency			
	Current account	5.2	295,245	2,011
			<u>186,158,545</u>	<u>63,571,229</u>
5.1	These carry mark-up at rates ranging from 3.85% to 15% (June 30, 2022: 5.1% to 8.5%) per annum.			
5.2	This represents USD denominated current account maintained in a foreign country amounting to USD 477 (2022: USD 13).			
6.	INVESTMENTS			
	At fair value through income statement			
	- held for trading			
	Listed equity securities	6.1	<u>90,365,463</u>	<u>207,444,046</u>
			<u>90,365,463</u>	<u>207,444,046</u>
	At amortised cost			
	Musharakah Certificate	6.3	-	45,262,707
	Commercial Papers	6.2	<u>-</u>	<u>14,928,047</u>
			<u>90,365,463</u>	<u>267,634,799</u>

6.1 Shares of listed company
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 the investee company	Holding as at 01 July 2022	Purchases during the year	★ Bonus / right shares received during the year	Disposed during the year	Holding as at 31 March 2023	Carrying value before revaluation as of 31 March 2023	Market value as of 31 March 2023 (after revaluation)	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	% of holding in investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Commercial Banks											
Meezan Bank Limited	130,357	-	★ 11,575	94,150	47,782	4,907,673	4,548,846	(358,826)	5.03	1.63	0.05%
BankIslami Pakistan Limited	-	103,000	-	-	103,000	1,280,315	997,040	(283,275)	1.10	0.36	0.03%
						6,187,988	5,545,886	(642,101)	6.14	1.99	0.08%
Chemicals											
Engro Polymer & Chemical	125,999	-	-	125,999	-	-	-	-	-	-	0.00%
Descon Oxychem Limited	86,900	-	-	86,900	-	-	-	-	-	-	0.00%
						-	-	-	-	-	0.00%
Fertilizers											
Engro Corporation Limited (6.1.1)	32,422	16,900	-	25,343	23,979	6,020,223	6,636,908	616,684	7.34	2.38	0.13%
Engro Fertilizers Limited	180,200	155,025	-	241,293	93,932	8,043,145	7,967,312	(75,833)	8.82	2.86	0.06%
						14,063,368	14,604,220	540,852	16.16	5.24	0.19%
Pharma & Bio Tech											
The Searl Company (6.1.2)	2,595	-	2	2,587	10	872	515	(357)	0.00	0.00	0.00%
Ferzsons Laboratories Limited	11,210	-	-	11,210	-	-	-	-	-	-	0.00%
						872	515	(357)	0.00	0.00	0.00%
Textile Composite											
Nishat Mills Limited (6.1.1)	10,099	-	-	10,099	-	-	-	-	-	-	0.00%
Kohinoor Textile Mills Limited	500	-	-	500	-	-	-	-	-	-	0.00%
Interloop Limited	2,729	-	-	2,729	-	-	-	-	-	-	0.00%
						-	-	-	-	-	-
Cement											
Cherat Cement Company Limited	24,975	-	-	24,975	-	-	-	-	-	-	0.00%
Kohat Cement Company Limited	5,800	-	-	5,800	-	-	-	-	-	-	0.00%
D.G. Khan Cement	-	63,200	-	63,200	-	-	-	-	-	-	0.00%
Pioneer Cement Company Limited	-	48,500	-	48,500	-	-	-	-	-	-	0.00%
Maple Leaf Cement Limited	227,722	-	-	227,722	-	-	-	-	-	-	0.00%
Lucky Cement Company Limited	39,281	1,660	-	28,550	12,391	5,762,291	4,986,634	(775,657)	5.52	1.79	0.15%
Fauji Cement Company Limited	36,500	130,500	-	167,000	-	-	-	-	-	-	0.00%
						5,762,291	4,986,634	(775,657)	5.52	1.79	0.15%
Power Generation & Distribution											
Hub Power Company Limited	117,861	64,250	-	91,562	90,549	6,120,906	6,114,774	(6,132)	6.77	2.19	0.05%
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	8,826	4,145	-	4,265	8,706	15,025,921	13,174,790	(1,851,131)	14.58	4.73	1.19%
Pakistan Oilfield Limited	55,934	15,750	-	30,442	41,242	16,670,441	16,451,021	(219,420)	18.20	5.90	0.70%
Pakistan Petroleum Limited (6.1.1)	149,597	84,224	-	177,176	56,645	3,939,821	3,623,014	(316,807)	4.01	1.30	0.02%
Oil and Gas Development Company Limited (6.1.1)	131,292	1,200	-	88,807	43,685	3,446,923	3,641,582	194,659	4.03	1.31	0.01%
						39,083,106	36,890,407	(2,192,699)	40.82	13.24	1.92%
Oil and Gas Marketing Companies											
Attock Petroleum Limited	-	14,650	★ 2,200	2,550	14,300	4,365,633	4,198,766	(166,867)	4.65	1.51	0.51%
Sui Northern Gas Pipelines Limited		115,400		21,900	93,500	3,067,703	3,654,915	587,212	4.04	1.31	0.06%
Pakistan State Oil Company Limited (6.1.2)	94,071	3,850	-	68,691	29,230	4,967,284	3,445,925	(1,521,360)	3.81	1.24	0.13%
						12,400,621	11,299,606	(1,101,015)	12.50	4.06	0.69%
Engineering											
International Steels Limited	117,000	-	-	117,000		-	-	-	-	-	0.00%
Food And Personal Care Products											
Unity Foods Limited	87,000	24,500	-	111,500	-	-	-	-	-	-	0.00%
At-Tahur Limited PREMA	63,240	-	18	63,057	201	3,490	3,055	(435)	0.00	0.00	0.00%
						3,490	3,055	(435)	0.00	0.00	0.00%
Glass and Ceremics											
Shabbir Tiles & Ceramics Limited	97,000	-	-	97,000	-	-	-	-	-	-	0.00%

Name of the investee company	Holding as at 01 July 2022	Purchases during the year	Bonus / right shares received during the year	Disposed during the year	Holding as at 31 March 2023	Carrying value before revaluation as of 31 March 2023	Market value as of 31 March 2023 (after revaluation)	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	% of holding in investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Refinery											
Attock Refinery Limited	18,000	-	-	18,000	-	-	-	-	-	-	0.00%
Cnergyico Pakistan Limited	275,000	-		275,000	-	-	-	-	-	-	0.00%
National Refinery Limited	12,000	-	-	12,000	-	-	-	-	-	-	0.00%
						-	-	-	-	-	-
Technology and Communication											
System Limited	62,645	1,100	-	40,110	23,635	7,937,565	10,920,326	2,982,761	12.08	3.92	0.99%
Avanceon Limited	33,307	-	-	33,307	-	-	-	-	-	-	0.00%
						7,937,565	10,920,326	2,982,761	12.08	3.92	0.99%
									-		
Total as at 31 March 2023						91,560,206	90,365,423	(1,194,783)	100.00	32.43	4.07%
Total cost as at 31 March 2023						92,893,900					

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

	Mar-23 (Number of shares)	Jun-22	Mar-23 (Rupees)	Jun-22
Oil and Gas Development Company Limited	5,000	5,000	416,800	393,350
Engro Corporation Limited	22,300	22,300	6,172,194	1,775,749
Lucky Cement Company Limited	10,000	10,000	4,024,400	4,590,400
Pakistan Petroleum Limited	300	300	19,188	20,253
Engro Fertilizers Limited	20,000	20,000	1,696,400	925,125
	57,600	57,600	12,328,982	7,704,876

6.1.2 Finance act, 2014 had introduced tax on bonus shares issued by the companies. Most of the equity funds including the Fund have challenged the applicability of withholding tax provision on bonus shares before Honourable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. In the Fund's case, tax in the shape of 147 shares of Pakistan State Oils Limited (30 June 2022: 147 shares) and 10 shares of The Searle Company Limited (30 June 2022: 8 shares) have been withheld by CDC. Market value of these shares as at 31 March 2023 amounted to Rs. 17,915 (30 June 2022: Rs. 26,133) and are included in the Fund's investments in these financial statements.

6.2 Commercial papers - at amortized cost

Issue date	Date of Maturity	Total Face Value (maturity value)	Term	Mark-up rate	Holding as at 01 July 2022	Purchases during the year	Disposed / matured during the year	Holding as at 31 March 2023	Carrying value as of the period ended 31 March 2023	Carrying value as a percentage of total investments	Carrying value as a percentage of net assets	Face value as a percentage of size of the issue
----- (Number of Certificates) -----										(Rupees)		

MUGHAL-1Y-28072021-ICP1	28-Jul-21	21-Jul-22	15,000,000	6 months	9.44%	15	-	15	-	-	0.00%	0.00%	0.00%
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Face value of these commerical papers are Rs.1,000,000 per certificate. Above are unsecured.

6.3 Musharaka Certificate - at amortized cost

Issue date	Date of Maturity	Total Face Value (maturity value)	Term	Mark-up rate	Holding as at 01 July 2022	Purchases during the year	Disposed / matured during the year	Holding as at 31 March 2023	Carrying value as of the period ended 31 March 2023	Carrying value as a percentage of total investments	Carrying value as a percentage of net assets
----- (Rupees)											

Orix Modaraba	31-Dec-20	30-Dec-22	45,863,956	3 years	15.21%	40,000	-	40,000	-	-	0.00%	0.00%
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This Musharaka Certificate is unsecured.

		March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
7.	PAYABLE TO MANAGEMENT COMPANY	Note	(Rupees)
	Remuneration payable to the Management Company	7.1	460,752
	Sindh Sales tax payable on remuneration to the Management Company	7.3	59,898
	Federal excise duty payable on remuneration to the Management Company	7.4	1,280,339
			<u>1,800,989</u>
			<u>1,735,653</u>

7.1 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% of the average annual net assets of the scheme calculated on a daily basis. 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 2022 is 2% (30 June 2022: 1.314%) of the average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

7.2 The Sindh Provincial Government 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.

7.3 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincialsales tax, further levy of FED may result in double taxation, which does not appear to be the spirit ofthe law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on 4 September 2013.

While disposing the above petition through order dated 16 July 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from 01 July 2016. However,the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period up to 30 June 2016 aggregating to Rs. 1.280 million. Had the provision not been made, NAV per unit of the Fund as at 31 March 2023 would have been higher by Re. 0.42 (30 June 2022: Re. 0.34) per unit.

The amount is payable to the management company for onwards payment, if any, to the Government.

		March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
8.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	
	Charity payable		206,302
	Auditors' remuneration		229,784
	Cutodian fee payable		43,600
	Payable for professional services		275,449
	Brokerage charges payable		311,749
	Fee payable to shariah advisor		135,282
	Fee payable to National Clearing Company of Pakistan		136,659
	Fee payable to Central Depository Company		1,768
	Other liabilities		8,597
			<u>1,349,189</u>
			<u>2,358,762</u>

9. 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, 2023 is 3.24% which includes 0.29% 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% (excluding government levies).

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments ast at March 31, 2023.

11. TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. 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 management intends to distribute atleast 90% of the income earned by the year end by this Fund 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.

12. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the ManagementCompany, Central Depository Company of Pakistan Limited (CDC) being the trustee, Habib Bank AG Zurich Switzerland 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 31 March 2023. It also includes staffretirement funds of the above related parties / connected persons.

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, 2023 (Unaudited)	June 30, 2022 (Audited)
		(Rupees)	
12.1	Details of balances with related parties / connected persons at the period end		
	Lakson Investments Limited - Management Company of the Fund		
	Remuneration payable	460,752	386,042
	Sindh Sales Tax on Management Company's remuneration*	59,898	50,185
	Federal Excise Duty on Management Company's remuneration*	1,280,339	1,299,425
	Sales tax is paid / payable to the management company for onwards payment to the Government.		
	Central Depository Company of Pakistan Limited - Trustee of the Fund		
	Remuneration payable	46,555	134,863
	Sindh Sales Tax on Management Trustee remuneration*	32,519	17,532
	Security deposit	100,000	100,000
	Settlement charges payable	1,768	1,768
	Habib Bank AG Zurich - Custodian		
	Bank Deposits	88,943	2,011
		March 31, 2023 (Unaudited)	March 31, 2022 (Audited)
		(Rupees)	
12.2	Transactions during the period		
	Lakson Investments Limited - Management Company of the Fund		
	Remuneration for the period	3,545,551	4,596,297
	Sindh sales tax on remuneration of Management Company *	460,922	597,519
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration for the period	433,200	692,350
	Sindh Sales Tax on Management Company's remuneration*	56,316	103,852
	Settlement Charges	39,059	26,470
	* Sales tax is paid / payable to the management company / Trustee for onwards payment to the Government.		

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

Period ended March 31, 2023							
-----Number of units-----				-----Rupees-----			
Number of units as at July 01, 2022	Units issued during the period	Units redeemed during the period	Number of units as at March 31, 2023	Balance as at July 01, 2022	Units issued during the period	Units redeemed during the period	Balance as at March 31, 2023
Lakson Investments Limited	560,827	-	560,827	-	48,158,758	-	48,054,061
Directors, Chief Executive, their spouse and minors	109,263	-	107,720	1,543	9,382,507	-	9,564,051
Associated companies / undertakings of the Management Company							
Accuray Surgical Limited Employees Contributory Provident Fund	41,318	-	3,461	37,856	3,547,975	-	296,000
Century Insurance Co. Ltd., GF	41,968	-	4,081	37,887	3,603,813	-	349,000
Century Insurance Company Limited Employees Contributory Provident Fund Trust	57,486	10,387	4,888	62,985	4,936,346	959,694	418,000
Century Paper & Board Mills Limited ECPFT	564,452	56,373	47,405	573,420	48,469,964	5,208,342	4,054,000
Century Paper & Board Mills Limited EGF	505,636	-	44,084	461,552	43,419,395	-	3,770,000
Colgate Palmolive Pakistan Limited ECPFT	534,244	51,613	43,207	542,650	45,876,001	4,768,482	3,695,000
Colgate Palmolive Pakistan Limited EGF	587,334	-	51,544	535,790	50,434,906	-	4,408,000
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	266,973	-	22,510	244,463	22,925,193	-	1,925,000
Gam Corporation Private Limited Employees Contributory Provident Fund	169,914	-	13,424	156,490	14,590,655	-	1,148,000
Hasanali Karabhai Foundation ECPF Trust	7,872	-	608	7,264	675,950	-	52,000
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,713	-	-	5,713	490,593	-	-
Lakson Investments Limited ECPFT	43,124	-	2,841	40,283	3,703,098	-	243,000
Merit Packaging Limited Employees Contributory Provident Fund Trust	68,782	-	13,037	55,745	5,906,376	-	1,147,000
Merit Packaging Limited Employees Gratuity Fund	36,090	-	3,017	33,073	3,099,080	-	258,000
Siza Foods Private Limited Employees Contributory Provident Fund Trust	147,447	14,932	12,383	149,996	12,661,412	1,379,561	1,059,000
Siza Services Private Limited Employees Countributory Provident Fund Trust	29,662	-	2,619	27,042	2,547,083	-	224,000
Sybrid (Private) Limited ECPFT	58,545	6,438	4,911	60,072	5,027,326	594,811	420,000

Lakson Investments Limited

Directors, Chief Executive, their spouse and minors

Associated companies / undertakings of the Management Company

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

Connected person due to holding more than 10% units

Systems Limited

Period ended March 31, 2022							
-----Number of units-----				-----Rupees-----			
Number of units as at July 01, 2021	Units issued during the period	Units redeemed during the period	Number of units as at March 31, 2022	Balance as at July 01, 2021	Units issued during the period	Units redeemed during the period	Balance as at March 31, 2022
560,827	-	-	560,827	54,479,127	-	-	51,238,990
125,065	-	15,802	109,263	12,148,902	-	1,535,023	9,982,612
41,742	1,105	1,530	41,318	4,054,847	107,376	138,515	3,774,904
41,305	663	-	41,968	4,012,397	60,020	-	3,834,312
47,368	16,125	6,248	57,245	4,601,361	1,469,580	575,000	5,230,054
567,133	1	2,682	564,452	55,091,697	118	242,867	51,570,102
499,453	6,183	-	505,636	48,517,214	559,850	-	46,196,498
592,313	-	58,069	534,244	57,537,699	-	5,260,581	48,810,229
659,715	38,703	111,084	587,334	64,085,177	3,504,355	10,470,000	53,660,721
253,975	12,681	-	266,656	24,671,309	1,176,855	-	24,362,527
188,262	5,529	23,877	169,914	18,287,902	244,110	2,245,000	15,523,873
9,375	-	1,503	7,872	910,694	-	136,075	719,184
5,711	2	-	5,713	554,771	246	-	521,971
34,908	11,561	3,542	42,927	3,390,988	1,057,654	326,000	3,921,947
56,459	74,622	63,975	67,106	5,484,467	6,893,945	5,902,504	6,130,995
34,435	15,099	13,685	35,849	3,345,040	1,381,660	1,240,000	3,275,234
148,124	1	678	147,447	14,388,869	-	61,360	13,471,236
29,669	1,026	1,059	29,636	2,882,067	95,227	126,021	2,707,651
793	57,631	-	58,424	77,033	5,577,341	-	5,337,803
1,089,869	1	-	1,089,870	105,870,638	118	-	99,573,999

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are traded in an open market are revalued at the market prices prevailing at the close of trading i.e. period end date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value based on:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and (Level 2)
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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

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

	------(Un-audited)-----			
	----- As at March 31, 2023 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Assets				
Financial assets at fair value through profit or loss	90,365,463	-	-	90,365,463
	------(Audited)-----			
	----- As at June 30, 2022 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Assets				
Financial assets at fair value through profit or loss	207,444,046	60,190,754	-	267,634,799

14. GENERAL

- 14.1 The corresponding figures have been re-arranged wherever necessary
- 14.2 Figures have been rounded off to the nearest rupee

15. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on April 28, 2023

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



A Lakson Group Company

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