

LAKSON 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

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|--|---|
| 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 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 | Yousuf Adil Chartered Accountants Cavish Court, A-35 Shahrah-e-Faisal, K.C.H.S.U Block 7 & 8 Bangalore Town, Karachi, Pakistan. |
| Bankers to the Fund | Allied Bank Limited 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

LAKSON 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 Tactical Fund ('LTF' or 'Fund') 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 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 2.69% against the benchmark return of 8.43% in the 3QFY23. The fund underperformed the benchmark by -5.74%. As of March 31, 2023, LTF portfolio was invested 34.1% in Equities, 35% in T-Bills, 14% in TFCs/Sukuks, 7.6% in PIB, 6.1% in Cash and 3.1% in others. The fund size as of March 31, 2023 is PKR 306.72mn.

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.

Commodities Review

The oil price exhibited significant volatility throughout the quarter, ultimately closing with a 7% decline QoQ. Investors were grappling with a worsening economic outlook due to the US banking crisis and global recessionary concerns. However, since the beginning of 4QFY23, the trend has reversed, and oil prices have surged. This surge is largely attributable to the unexpected announcement of supply cuts by several OPEC+ members, including Saudi Arabia, Russia, and Iraq.

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 ٹیکٹیکل فنڈ

31 مارچ 2023ء کو ختم ہونے والی نو ماہ کی مدت 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 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 ٹیکٹیکل فنڈ کی سرمایہ کاری کا مقصد، ڈیٹ (Debt)، ایکویٹی اور کموڈٹیز فیوچر کنٹریکٹس پر مشتمل مختلف طرح کی سیکیوریٹیز میں سرمایہ کاری کرتے ہوئے سرمائے کی قدر میں طویل مدتی اضافہ کرنا ہے۔

نمایاں سرگرمیاں

LTF ایک اوپن اینڈ ایسیٹ ایلوکیشن اسکیم ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ اس اسکیم کا انتظام وانصرام 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 ایسیٹ ایلوکیشن آمدنی میں اضافے اور مینجمنٹ کوالٹی کی بنیاد پر کی جائے گی۔ فلسفہ انکم سیکوریٹیز میں اسکیم کی سرمایہ کاری کا انتظام وانصرام دورانیہ اور yield curve مینجمنٹ کے ذریعے کیا جاتا ہے۔ فنڈ کموڈٹیز میں سرمایہ کاری کے لیے کموڈٹیز کو اپنے ہینج مارک کے مطابق اوورویٹ یا انڈروویٹ کر سکتا ہے۔

فنڈ کی کارکردگی

لیکسن ٹیکٹیکل فنڈ نے مالی سال 2023 کی تیسری سہ ماہی میں 8.43% ہینج مارک منافع کے مقابلے میں 2.69% مطلق منافع حاصل کیا۔ فنڈ نے ہینج مارک کے مقابلے میں 5.74% کم تر کارکردگی کا مظاہرہ کیا۔ 31 مارچ 2023ء کے مطابق، LTF پورٹ فولیو نے ایکویٹیز میں 34.1%، ٹی۔بلز میں 35%، TFCs / صکوکس میں 14%، پی آئی بی میں 7.6%، کیش میں 6.1% اور دیگر میں 3.1% سرمایہ کاری کی۔ 31 مارچ 2023ء کے مطابق فنڈ کا حجم 306.72 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 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 گمبھیر 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۔

اجناس کا جائزہ

زیر جائزہ سہ ماہی کے دوران تیل کی قیمتوں میں نمایاں اتار چڑھاؤ دیکھا گیا، جو بالآخر سہ ماہی بنیادوں پر 7 فیصد کمی کے ساتھ اختتام پذیر ہوا۔ امریکی بینکاری بحران اور عالمی کساد بازاری کے خدشات کی وجہ سے سرمایہ کاروں کو بگڑتے ہوئے معاشی منظر نامے کا سامنا تھا۔ تاہم مالی سال 2023ء کی چوتھی سہ ماہی کے آغاز سے یہ رجحان بدل گیا اور تیل کی قیمتوں میں اضافہ ہوا ہے۔ اس اضافے کی بڑی وجہ سعودی عرب، روس اور عراق سمیت اوپیک پلس کے کئی رکن ممالک کی جانب سے سپلائی میں کٹوتی کا غیر متوقع اعلان ہے۔

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 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: 28 اپریل 2023ء

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

| | | March 31, 2022 (Unaudited) | June 30, 2022 (Audited) |
|---|------|----------------------------------|-------------------------------|
| | Note | (Rupees) | |
| ASSETS | | | |
| Bank balances | 5 | 19,046,598 | 65,836,538 |
| Investments | 6 | 281,851,089 | 456,115,335 |
| Markup accrued and dividend receivable | | 5,918,498 | 1,829,747 |
| Deposits, prepayments and other receivables | | 3,563,298 | 3,806,256 |
| Receivable against sale of securities | | - | - |
| TOTAL ASSETS | | 310,379,483 | 527,587,876 |
| LIABILITIES | | | |
| Payable to the Management Company | 7 | 2,549,477 | 2,648,440 |
| Payable to the Trustee | | 163,659 | 199,953 |
| Annual fee payable to Securities and Exchange Commission of Pakistan | | 59,246 | 118,141 |
| Accrued expenses and other liabilities | 8 | 885,636 | 1,220,345 |
| Payable against purchase of securities | | - | 274,235 |
| TOTAL LIABILITIES | | 3,658,017 | 4,461,114 |
| NET ASSETS | | 306,721,465 | 523,126,762 |
| UNITHOLDERS' FUND (as per statement of movement in unit holders' fund) | | 306,721,465 | 523,126,762 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 10 | (Number of units) | |
| Number of units in issue | | 3,275,971 | 5,737,533 |
| (Rupees) | | | |
| Net assets value per unit | | 93.6276 | 91.1762 |

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

| | | Nine Months Ended | | Quarter Ended | |
|---|-----|-------------------|--------------|---------------|--------------|
| | | 31 March | | 31 March | |
| | | 2023 | 2022 | 2023 | 2022 |
| Note | | (Rupees) | (Rupees) | (Rupees) | (Rupees) |
| INCOME | | | | | |
| Realized gain / (loss) on sale of investment at fair value through profit or loss - net | | 1,126,436 | (39,677,868) | (978) | (14,988,744) |
| Unrealised (diminution) / appreciation on re-measurement of investments | | (18,462,686) | (26,040,171) | (33,964,853) | 2,330,435 |
| 'at fair value through profit or loss' - net | | (17,336,251) | (65,718,040) | (33,965,831) | (12,658,309) |
| Dividend income on investments held at fair value through profit or loss | | 15,829,698 | 21,394,270 | 4,333,638 | 8,611,757 |
| Markup on: | | | | | |
| - Bank balances calculated using effective interest method | | 3,791,242 | 7,367,483 | 414,556 | 2,251,721 |
| - Government and other debt securities using effective interest method | | 16,487,245 | 4,133,822 | 6,462,416 | (48,126) |
| | | 20,278,487 | 11,501,305 | 6,876,972 | 2,203,595 |
| Exchange gain / (loss) on foreign currency current account | | 289,991 | 117,288 | 209,837 | 29,505 |
| Reversal of SWWF | | - | 6,776,542 | - | |
| | | 19,061,925 | (25,928,634) | (22,545,385) | (1,813,451) |
| EXPENSES | | | | | |
| Remuneration of the Management Company | 7.1 | 4,664,096 | 5,974,554 | 1,507,118 | 1,960,747 |
| Sindh Sales tax on remuneration to the Management Company | 7.2 | 606,332 | 776,692 | 195,925 | 254,897 |
| Remuneration of the Trustee | | 674,411 | 1,028,920 | 168,715 | 326,609 |
| Annual fee to the Securities and Exchange Commission of Pakistan | | 59,272 | 91,055 | 15,072 | 28,904 |
| SECP supervisory fee | | 1,918 | 1,877 | 630 | 617 |
| Auditors' remuneration | | 623,292 | 317,922 | 142,515 | 84,700 |
| Legal and professional charges | | 243,860 | 394,108 | 80,100 | 129,452 |
| Brokerage,custody,settlement and bank charges | | 1,593,920 | 1,745,357 | 321,073 | 576,562 |
| Total expenses | | 8,467,101 | 10,330,486 | 2,431,147 | 3,362,489 |
| Net income / (loss) from operating activities | | 10,594,824 | (36,259,120) | (24,976,532) | (5,175,940) |
| Net income / (loss) for the period before taxation | | 10,594,824 | (36,259,120) | (24,976,532) | (5,175,940) |
| Taxation | 11 | - | - | - | - |
| Net income / (loss) for the period after taxation | | 10,594,824 | (36,259,120) | (24,976,532) | (5,175,940) |
| Allocation of net income for the period after taxation | | | | | |
| Net income for the period after taxation | | 10,594,824 | (36,259,120) | (24,976,532) | (5,175,940) |
| Income already paid on units redeemed | | (2,565,587) | - | (5,095,625) | - |
| | | 8,029,237 | (36,259,120) | (30,072,157) | (5,175,940) |
| Accounting income available for distribution | | | | | |
| - Relating to capital gains | | - | - | - | - |
| - Excluding capital gains | | 8,029,237 | - | 9,986,068 | - |
| | | 8,029,237 | - | 9,986,068 | - |

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

| | Nine Months Ended 31 March | | Quarter Ended 31 March | |
|---|-------------------------------|---------------------|---------------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (Rupees) | | (Rupees) | |
| Net income / (loss) for the period after taxation | 10,594,824 | (36,259,120) | (24,976,532) | (5,175,940) |
| Other comprehensive income for the period | - | - | | |
| Total comprehensive income / (loss) for the period | 10,594,824 | (36,259,120) | (24,976,532) | (5,175,940) |

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 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 | 607,388,414 | (84,261,652) | 523,126,762 | 638,236,302 | (10,756,959) | 627,479,343 |
| Issuance of Nil units (2022: 148,040 units) | | | | | | |
| - Capital value | - | - | - | 15,357,713 | - | 15,357,713 |
| - Element of income / (loss) | - | - | - | (1,085,105) | - | (1,085,105) |
| Total proceeds on issuance of units | - | - | - | 14,272,608 | - | 14,272,608 |
| Redemption of 2,461,561 units (2022: 355,709 units) | | | | | | |
| - Capital value | (224,435,783) | - | (224,435,783) | (36,901,607) | - | (36,901,607) |
| - Element of income / (loss) | 1,250 | (2,565,587) | (2,564,337) | 1,528,639 | - | 1,528,639 |
| Total payments on redemption of units | (224,434,533) | (2,565,587) | (227,000,120) | (35,372,968) | - | (35,372,968) |
| Total comprehensive income for the period | - | 10,594,824 | 10,594,824 | - | (36,259,120) | (36,259,120) |
| Net assets as at end of the period | 382,953,881 | (76,232,415) | 306,721,465 | 617,135,942 | (47,016,079) | 570,119,861 |
| Undistributed income brought forward: | | | | | | |
| - Realized (loss) | | (47,905,352) | | | (43,314,470) | |
| - Unrealized (loss) / income | | (36,356,300) | | | 32,557,511 | |
| | | (84,261,652) | | | (10,756,959) | |
| Accounting income available for distribution: | | | | | | |
| Relating to capital gains | | - | | | - | |
| Excluding capital gains | | 8,029,237 | | | - | |
| | | 8,029,237 | | | - | |
| Net income / (loss) after tax for the period | | - | | | (36,259,120) | |
| Undistributed income at end of the period | | (76,232,415) | | | (47,016,079) | |
| Undistributed income carried forward | | | | | | |
| - Realized (loss) / income | | (57,769,729) | | | (20,975,907) | |
| - Unrealized (loss) | | (18,462,686) | | | (26,040,171) | |
| | | (76,232,415) | | | (47,016,079) | |
| Net assets value per unit at beginning of the period | | | 91.1762 | | | 103.7410 |
| Net assets value per unit at end of the period | | | 93.6276 | | | 97.6091 |

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

| | Nine Month Ended Mar 31 | |
|---|--------------------------------|---------------|
| | 2023 | 2022 |
| | (Rupees) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net income / (loss) for the period before taxation | 10,594,824 | (36,259,120) |
| Adjustments for: | | |
| Unrealised (gain) / loss on re-measurement of investment at fair value through profit or loss - net | 18,462,686 | 26,040,171 |
| Dividend income | (15,829,698) | - |
| Return on bank balances and term deposits | | - |
| Mark-up on government and other debt securities | (20,278,487) | - |
| | (7,050,675) | (10,218,949) |
| (Increase) / decrease in assets | | |
| Investments - net | 155,801,560 | (52,130,288) |
| Markup accrued and dividend receivable | 32,019,434 | (1,170,540) |
| Advances, deposits, prepayments and other receivables | 242,958 | 1,455,287 |
| Receivable against sale of securities | - | (6,507,019) |
| | 188,063,952 | (58,352,560) |
| Increase / (decrease) in liabilities | | |
| Remuneration payable to the Management Company | (98,963) | (58,204) |
| Remuneration payable to the Trustee | (36,294) | (10,956) |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | (58,895) | (29,552) |
| Payable against purchase of investments | (274,235) | (3,577,090) |
| Accrued expenses and other liabilities | (334,709) | (8,831,310) |
| | (803,097) | (12,507,111) |
| Net cash (outflow) / inflow from operating activities | 180,210,181 | (81,078,620) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Cash received from issue of units | - | 14,272,608 |
| Cash paid on redemption of units | (227,000,120) | (35,372,968) |
| Net cash used in financing activities | (227,000,120) | (21,100,360) |
| Net increase / (decrease) in cash and cash equivalents during the period | (46,789,940) | (102,178,981) |
| Cash and cash equivalent at the beginning of the period | 65,836,538 | 209,713,266 |
| Cash and cash equivalent at the end of the period | 19,046,598 | 107,534,285 |

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 TACTICAL FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The Lakson Tactical Fund (the "Fund") was established under the Trust Deed executed on 30 May 2011 between Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on 7 July 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).
- 1.2** The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore, while the head office is in the Lakson Square Building No. 2, Karachi.
- 1.3** 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.
- 1.4** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.5** 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 July 27, 2022, VIS assigned following rankings to the Fund based on the performance review:

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

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 31 March 2023 has been extracted from the audited financial statements of the Company for the year ended 30 June 2022, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the quarter ended 30 March 2023 have been extracted from the unaudited condensed interim financial information for the nine months ended 30 March, 2022.

- 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.
- 2.4** 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, 2022.

2.5 Basis of measurement

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

2.6 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.

2.7 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 financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2022.

| | | March 31, 2023 (Unaudited) | June 30, 2022 (Audited) |
|-------------------------------------|------|----------------------------------|-------------------------------|
| | Note | (Rupees) | |
| 5 BANK BALANCES | | | |
| <i>In local currency</i> | | | |
| In profit and loss sharing accounts | 5.1 | 18,060,453 | 64,882,307 |
| In current account | | 8,503 | 8,503 |
| <i>In foreign currency</i> | | | |
| In current account | 5.2 | 977,641 | 945,728 |
| | | <u>19,046,598</u> | <u>65,836,538</u> |

5.1 These carry mark-up rates ranging from 11.75% to 18.50% (June 30, 2022: 11.25% to 14.50%) per annum.

5.2 This represents USD denominated current account maintained in foreign country amounting to USD 3,661.56 (June 30, 2022: USD 4,617.76)

6 INVESTMENTS

At fair value through profit or loss

| | | | |
|---------------------------|-----|--------------------|--------------------|
| Listed equity securities | 6.1 | 105,938,681 | 288,296,818 |
| Term finance certificates | 6.2 | 43,465,190 | 57,396,584 |
| Government securities | 6.3 | 132,447,218 | 110,421,933 |
| Commercial paper | 6.4 | - | - |
| | | <u>281,851,089</u> | <u>456,115,335</u> |
| | | <u>-</u> | <u>-</u> |
| | | <u>281,851,089</u> | <u>456,115,335</u> |

6.1 At fair value through profit or loss

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

| Sectors / Companies | Holding as at 01 July 2022 | Purchased during the period | ★ Bonus shares / letter of right received during the period | Disposed during the period | Holding as at 30 September 2022 | 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 | | | | | | | | | | | |
| Habib Bank Limited - 6.1.1 | 99,518 | - | - | 99,518 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| MCB Bank Limited | 120,548 | 11,309 | - | 72,801 | 59,056 | 7,245,878 | 6,791,440 | (454,438) | 2.41% | 2.21% | 0.00% |
| Bank Alfalah Limited | 112,425 | 317,481 | - | 229,396 | 200,510 | 6,436,276 | 5,770,678 | (665,598) | 2.05% | 1.88% | 0.00% |
| Meezan Bank Limited | 125,539 | 900 | ★ 12,553 | 116,977 | 22,015 | 2,266,060 | 2,095,828 | (170,232) | 0.74% | 0.68% | 0.00% |
| Bank Islami Pakistan Limited | - | 129,600 | - | - | 129,600 | 1,609,095 | 1,254,528 | (354,567) | 0.45% | 0.41% | 0.01% |
| United Bank Limited | 199,259 | 270 | - | 128,997 | 70,532 | 7,979,592 | 7,515,890 | (463,702) | 2.67% | 2.45% | 0.00% |
| Faysal Bank Limited | 110,500 | - | - | 67,208 | 43,292 | 998,314 | 942,467 | (55,847) | 0.33% | 0.31% | 0.00% |
| | | | | | | 26,535,216 | 24,370,831 | (2,164,385) | 8.65% | 7.95% | 0.02% |
| 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% |
| | | | | | | - | - | - | 0.00% | 0.00% | 0.00% |
| Fertilizers | | | | | | | | | | | |
| Engro Corporation Limited - 6.1.1 | 25,271 | 26,650 | - | 20,559 | 31,362 | 7,893,115 | 8,680,374 | 787,259 | 3.08% | 2.83% | 0.00% |
| Fauji Fertilizer Company Limited | 117,209 | 115,301 | - | 160,422 | 72,088 | 7,762,706 | 7,206,637 | (556,069) | 2.56% | 2.35% | 0.00% |
| Engro Fertilizers Limited | 144,538 | 182,269 | - | 274,265 | 52,542 | 4,478,011 | 4,456,612 | (21,399) | 1.58% | 1.45% | 0.00% |
| | | | | | | 20,133,832 | 20,343,623 | 209,791 | 7.22% | 6.63% | 0.00% |
| Pharma & Bio Tech | | | | | | | | | | | |
| The Searle Company Limited - 6.1.2 | 24,890 | - | 25 | 24,787 | 128 | 11,229 | 6,589 | (4,640) | 0.00 | 0.00 | 0.00 |
| Ferozsons Laboratories Limited | 14,200 | - | - | 14,200 | - | - | - | - | - | - | - |
| | | | | | | 11,229 | 6,589 | (4,640) | 0.00 | 0.00 | 0.00 |
| Textile Composite | | | | | | | | | | | |
| Nishat Mills Limited | 30,681 | - | - | 30,681 | - | - | - | - | - | - | - |
| Gul Ahmed Textile Mills Limited | 74,700 | - | - | 74,700 | - | - | - | - | - | - | - |
| Interloop Limited | 37,925 | - | - | 37,925 | - | - | - | - | - | - | - |
| Kohinoor Textile Mills Limited | 800 | - | - | 800 | - | - | - | - | - | - | - |
| | | | | | | - | - | - | - | - | - |
| 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 | 5,711,428 | (1,300,034) | 2.03% | 1.86% | 0.00% |
| Maple Leaf Cement Factory Limited | 250,328 | - | - | 250,328 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Pioneer Cement Limited | 16,500 | 22,500 | - | 39,000 | - | - | - | - | 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% |
| Cherat Cement Company Limited | 30,499 | - | - | 30,499 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| | | | | | | 7,011,462 | 5,711,428 | (1,300,034) | 2.03% | 1.86% | 0.00% |

Sectors / Companies

| | Holding as at 01 July 2020 | Purchased during the period | Bonus shares / letter of right received during the period | Disposed during the period | Holding as at 30 September 2020 | 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) ----- | | | ----- (%) ----- | | |
| Power Generation & Distribution | | | | | | | | | | | |
| Hub Power Company Limited | 132,120 | 132,500 | - | 188,020 | 76,600 | 5,178,373 | 5,172,798 | (5,575) | 1.84% | 1.69% | 0.00% |
| | | | | | | 5,178,373 | 5,172,798 | (5,575) | 1.84% | 1.69% | 0.00% |
| Oil and Gas Exploration Companies | | | | | | | | | | | |
| Mari Petroleum Company Limited | 7,856 | 8,368 | - | 9,696 | 6,528 | 11,221,938 | 9,878,822 | (1,343,116) | 3.50% | 3.22% | 0.00% |
| Oil & Gas Development Company Limited - 6.1.1 | 160,582 | 2,800 | - | 128,410 | 34,972 | 2,772,552 | 2,915,266 | 142,714 | 1.03% | 0.95% | 0.00% |
| Pakistan Oilfields Limited | 38,448 | 29,025 | - | 36,757 | 30,716 | 12,304,133 | 12,252,305 | (51,828) | 4.35% | 3.99% | 0.00% |
| Pakistan Petroleum Limited | 165,921 | 50,650 | - | 169,630 | 46,941 | 3,242,441 | 3,002,346 | (240,095) | 1.07% | 0.98% | 0.00% |
| | | | | | | 29,541,064 | 28,048,739 | (1,492,325) | 9.95% | 9.14% | 0.00% |
| Oil and Gas Marketing Companies | | | | | | | | | | | |
| Pakistan State Oil Company Limited - 6.1.2 | 67,662 | 17,450 | - | 65,138 | 19,974 | 3,388,795 | 2,354,735 | (1,034,060) | 0.84% | 0.77% | 0.00% |
| Sui Northern Gas Pipeline | 91,500 | 148,800 | - | 102,290 | 138,010 | 4,567,023 | 5,394,811 | 827,788 | 1.91% | 1.76% | 0.00% |
| Attock Petroleum Limited | - | 33,104 | 6,751 | 15,894 | 23,961 | 7,344,547 | 7,035,429 | (309,118) | 2.50% | 2.29% | 0.07% |
| | | | | | | 15,300,364 | 14,784,975 | (515,389) | 5.25% | 4.82% | 0.07% |
| Engineering | | | | | | | | | | | |
| International Steels Limited | 98,600 | 3,230 | - | 101,830 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Aisha Steel Mills Limited | 413,800 | - | - | 413,800 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| | | | | | | - | - | - | 0.00% | 0.00% | 0.00% |
| Food & Personal Care Products | | | | | | | | | | | |
| At-Tahur Limited | 173,600 | - | - | 173,600 | - | - | - | - | - | - | - |
| Unity foods limited | - | 51,300 | - | 51,300 | - | - | - | - | - | - | - |
| | | | | | | - | - | - | - | - | - |
| Technology and Communication | | | | | | | | | | | |
| Systems Limited | 63,945 | 1,100 | - | 48,814 | 16,231 | 5,495,612 | 7,499,696 | 2,004,084 | 2.66% | 2.45% | 0.01% |
| TRG Pakistan Limited | 155,910 | 8,000 | - | 163,910 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Avanceon Limited | 37,775 | - | - | 37,775 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| Hum Network Limited | 860,745 | 192,800 | - | 1,053,545 | - | - | - | - | 0.00% | 0.00% | 0.00% |
| | | | | | | 5,495,612 | 7,499,696 | 2,004,084 | 2.66% | 2.45% | 0.01% |
| Refinery | | | | | | | | | | | |
| Pakistan Refinery Limited | 120,000 | - | - | 120,000 | - | | | - | 0.00% | 0.00% | 0.00% |
| National Refinery Limited | 11,000 | - | - | 11,000 | - | | | - | 0.00% | 0.00% | 0.00% |
| Attock Refinery Limited | 18,000 | - | - | 18,000 | - | | | - | 0.00% | 0.00% | 0.00% |
| | | | | | | - | - | - | 0.00% | 0.00% | 0.00% |
| Glass and Ceramics | | | | | | | | | | | |
| Shabbir Tiles & Ceramics Limited | 192,000 | - | - | 192,000 | - | - | - | - | 0.00% | 0.00% | 0.00% |

Sectors / Companies

| | Holding as at 01 July 2020 | Purchased during the period | Bonus shares / letter of right received during the period | Disposed during the period | Holding as at 30 September 2020 | 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) ----- | | | ----- (%) ----- | | |
| Total as at 31 March 2023 | | | | | | 109,207,151 | 105,938,681 | (3,268,470) | 37.59% | 34.58% | 0.10% |
| Total cost as at 31 March 2023 | | | | | | 112,933,019 | | | | | |

| | | | | | |
|-------|--|--------------------|--------------|---------------|--------------|
| 6.1.1 | Following shares have been pledged with National Clearing Company of Pakistan Limited: | March 2023 | June 2022 | March 2023 | June 2022 |
| | | (Number of shares) | | (Rupees) | |
| | Engro Corporation Limited | 20,000 | 20,000 | 5,535,600 | 5,141,800 |
| | Habib Bank Limited | - | 50,000 | - | 4,567,000 |
| | Oil & Gas Development Company Limited | 25,000 | 75,000 | 2,084,000 | 5,900,250 |
| | ENGRO FERTILIZERS LIMITED | 10,000 | - | 848,200 | - |
| | LUCKY CEMENT LIMITED | 7,000 | - | 2,817,080 | - |
| | | 62,000 | 145,000 | 11,284,880 | 15,609,050 |

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 the 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 79 shares in case of The Searl Company Limited and 814 shares in the case of Pakistan State Oils Limited have been withheld by CDC. Market value of these shares as at 31 March 2023 amounted to Rs. 4,067 and Rs. 96,057 respectively, and are included in the Fund's investments in these financial statements.

Above provision regarding the taxation of bonus shares have since been deleted vide the Finance Act, 2018.

6.2 Term Finance Certificates

At fair value through profit or loss
Performing

| Name of security | Note | Date of Maturity | Mark-up rate | Holding as at July 01, 2022 | Purchases during the period | Disposed / matured during the period | Holding as at March 31, 2023 | Carrying value as of the period ended March 31, 2023 before revaluation | Market value as of the period ended March 31, 2023 (after revaluation) | Unrealised gain / (loss) | Credit rating | Market value as a percentage of total investments | Market value as a percentage of net assets | Face value as percentage of size of the issue |
|----------------------------|-------|------------------|------------------------|--------------------------------------|-----------------------------|--------------------------------------|------------------------------|---|--|--------------------------|---------------------------|---|--|---|
| | | | | ----- (Number of Certificates) ----- | | | ----- (Rupees) ----- | | | ----- (%) ----- | | | | |
| Bank Al-Habib Limited | 6.2.1 | Dec 06, 2028 | 6 months KIBOR + 1.00% | 2,000 | - | - | 2,000 | 10,423,384 | 10,083,590 | (339,794) | AAA (dated June 25, 2022) | 3.58% | 3.29% | 0.25% |
| Total as at March 31, 2023 | | | | | | | | 10,423,384 | 10,083,590 | (339,794) | | 3.58% | 3.29% | 0.25% |

| Name of security | Note | Date of Maturity | Mark-up rate | Holding as at July 01, 2022 | Purchases during the period | Disposed / matured during the period | Holding as at December 31, 2022 | Carrying value as of the period ended March 31, 2023 before revaluation | Market value as of the period ended March 31, 2023 (after revaluation) | Unrealised (diminution) / appreciation | Credit rating | Market value as a percentage of total investments | Market value as a percentage of net assets | Face value as percentage of size of the issue |
|--------------------------------|-------|------------------|------------------------|--------------------------------------|-----------------------------|--------------------------------------|---------------------------------|---|--|--|-----------------------------|---|--|---|
| Non-performing | | | | ----- (Number of Certificates) ----- | | | ----- (Rupees) ----- | | | ----- (%) ----- | | | | |
| Silk Bank Limited | 6.2.3 | Aug 10, 2025 | 6 months KIBOR + 1.85% | 8,000 | - | - | 8,000 | 31,967,200 | 18,381,600 | (13,585,600) | Not rated | - | - | - |
| NRSP Microfinance Bank Limited | 6.2.2 | Jun 01, 2028 | 3 months KIBOR + 3.00% | 150 | - | - | 150 | 15,000,000 | 15,000,000 | - | A- (dated October 08, 2022) | 5.32% | 4.89% | 1.95% |
| Total as at March 31, 2023 | | | | | | | | 46,967,200 | 33,381,600 | (13,585,600) | | 5.32% | 4.89% | 1.95% |
| Total as at June 30, 2022 | | | | | | | | 60,481,585 | 21,982,757 | 357,626 | | 5.57% | 4.86% | 2.20% |

6.2.1 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).

6.2.2 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 quaterly in arrears with no floor or cap and will mature in July 2028. The principal shall be redeemed in last 4 equal quaterly installments of 25% each form 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.

6.2.3 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. 17.03 million, which is 54% of outstanding principal amount of Rs. 39.96 million was recorded as an unrealised loss till March 31, 2023. 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 a 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:

| | | March 31, 2023 (Unaudited) | June 30, 2022 (Audited) |
|----------|---|----------------------------------|-------------------------------|
| | Note | (Rupees) | |
| 7 | PAYABLE TO THE MANAGEMENT COMPANY | | |
| | Remuneration payable to the Management Company | 7.1 536,541 | 700,146 |
| | Sales tax payable on remuneration to the Management Company | 7.2 326,380 | 345,169 |
| | Federal excise duty payable on remuneration to the Management Company | 7.3 1,686,556 | 1,686,556 |
| | Sales load payable | - | 2,480 |
| | | <u>2,549,477</u> | <u>2,734,352</u> |

7.1 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 March 31, 2023 is 1.34% of average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

7.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Fedral Excise Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 7.3.

7.3 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 (2021: 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 March 31, 2023 would have been higher by Re. 0.51 (June 30, 2022: Rs.0.29) per unit.

8 ACCRUED EXPENSES AND OTHER LIABILITIES

| | | |
|--|----------------|------------------|
| Brokerage charges payable | 137,553 | 534,665 |
| Fee payable to National Clearing Company of Pakistan | 144,119 | 4,876 |
| Auditors' remuneration | 580,092 | 288,564 |
| Fee payable to Central Depository Company | 23,871 | 98,914 |
| Mutual Fund rating fee | - | 128,357 |
| Professional fee payable | - | 32,924 |
| Other liabilities | - | 132,045 |
| | <u>885,636</u> | <u>1,220,345</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 2.69% (March 31, 2022: 2.93%) which includes 0.28% (March 31, 2022: 0.34%) representing government levies (comprising 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 are no contingencies and commitments as at March 31, 2023.

11 TAXATION

The Fund is exempt from taxation under Clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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 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 staff retirement funds of the above related parties / connected persons.

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 balance with related parties / connected persons for the period ended | | |
| | Lakson Investments Limited - Management Company | | |
| | Remuneration payable | 7.1 536,541 | 621,924 |
| | Sindh Sales Tax payable on Management Company's remuneration* | 7.2 326,380 | 337,480 |
| | Federal Excise Duty | 7.3 1,686,556 | 1,686,556 |
| | Sales load payable | - | 2,480 |
| | Central Depository Company of Pakistan Limited - Trustee | | |
| | Remuneration payable | 144,835 | 176,953 |
| | Sindh Sales Tax payable on Trustee remuneration* | 18,824 | 23,000 |
| | Settlement charges payable | 23,871 | 98,914 |
| | Security deposit | 100,000 | 100,000 |
| | Habib Bank AG Zurich - Custodian | | |
| | Bank deposits | 977,641 | 945,728 |
| 12.2 | Details of transaction with related parties / connected persons during the period ended | March 31, 2023 (Unaudited) | 2022 (Rupees) |
| | Lakson Investments Limited - Management Company of the Fund | | |
| | Remuneration to the Management Company | 4,664,096 | 5,974,554 |
| | Sindh Sales Tax on Management Company's remuneration* | 606,332 | 776,692 |
| | Central Depository Company of Pakistan Limited - Trustee of the Fund | | |
| | Remuneration for the period | 596,824 | 316,690 |
| | Sindh Sales Tax on Trustee remuneration* | 77,587 | 41,170 |
| | CDS Charges for the period | 110,896 | 20,792 |

* Sales tax is paid / payable to the management company 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 31 March 2023 | Balance as at July 01, 2022 | Units issued during the period | Units redeemed during the period | Balance as at 31 March 2023 |
| Directors, Chief Executive and their spouse and minors | 121,644 | - | - | 121,644 | 11,091,069 | - | 11,389,268 |
| Other key management personnel | 16,476 | - | 16,476 | - | 1,502,231 | - | 1,524,283 |
| 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 |
| Century Insurance Co. Ltd., GF | 45,359 | - | 5,333 | 40,027 | 4,135,706 | - | 489,000 |
| Century Insurance Company Limited | 444,538 | - | 444,538 | - | 40,531,296 | - | - |
| Century Insurance Company Limited Employees Contributory Provident Fund Trust | 62,120 | - | 6,380 | 55,740 | 5,663,854 | - | 585,000 |
| Century Paper & Board Mills Limited ECPFT | 610,176 | - | 61,889 | 548,287 | 55,633,550 | - | 5,675,000 |
| Century Paper & Board Mills Limited EGF | 546,531 | - | 57,527 | 489,005 | 49,830,640 | - | 5,275,000 |
| Colgate Palmolive Pakistan Limited ECPFT | 577,532 | - | 56,436 | 521,096 | 52,657,217 | - | 5,175,000 |
| Colgate Palmolive Pakistan Limited EGF | 634,656 | - | 67,287 | 567,369 | 57,865,536 | - | 6,170,000 |
| Cyber Internet Services (Pvt.) Ltd. Empl. CPFT | 288,558 | - | 29,390 | 259,168 | 26,309,641 | - | 2,695,000 |
| Gam Corporation Private Limited Employees Contributory Provident Fund | 194,588 | - | 17,449 | 177,139 | 17,741,802 | - | 1,600,000 |
| Hasanali Karabhai Foundation ECPF Trust | 8,490 | - | 796 | 7,694 | 774,093 | - | 73,000 |
| Lakson Business Solutions Limited Employees Contributory Provident Fund Trust | 5,651 | - | - | 5,651 | 515,194 | - | - |
| Lakson Investments Limited ECPFT | 31,991 | - | 3,708 | 28,283 | 2,916,830 | - | 340,000 |
| Merit Packaging Limited Employees Contributory Provident Fund Trust | 74,713 | - | 15,267 | 59,446 | 6,812,012 | - | 689,000 |
| Merit Packaging Limited Employees Gratuity Fund | 39,132 | - | 3,937 | 35,195 | 3,567,929 | - | 361,000 |
| Siza Foods Private Limited Employees Contributory Provident Fund Trust | 159,373 | - | 16,140 | 143,232 | 14,530,981 | - | 1,480,000 |
| Siza Services Private Limited Employees Countributory Provident Fund Trust | 32,148 | - | 3,501 | 28,647 | 2,923,126 | - | 313,000 |
| Sybrid (Private) Limited ECPFT | 63,275 | - | 6,423 | 56,851 | 5,769,138 | - | 589,000 |

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 tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial 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 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)
- those with 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 including their levels in the fair value hierarchy.

Investments of the Fund are categorised as follows:

| ----- (Un-Audited) ----- | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| As at 31 March 2023 | | | | |
| Fair Value | | | | |
| Financial assets measured at fair value | Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees) ----- | | | | |
| Investment in listed equity securities | 105,938,681 | | - | 105,938,681 |
| Term finance certificates | - | 10,083,590 | 33,381,600 | 43,465,190 |
| Government Securities | - | 132,447,218 | - | 132,447,218 |
| | 105,938,681 | 142,530,808 | 33,381,600 | 281,851,089 |
| ----- (Audited) ----- | | | | |
| As at 30 June 2022 | | | | |
| Fair Value | | | | |
| Financial assets measured at fair value | Level 1 | Level 2 | Level 3 | Total |
| ----- (Rupees) ----- | | | | |
| Investment in listed equity securities | 288,296,818 | | - | 288,296,818 |
| Term finance certificates | - | 60,839,211 | (3,442,627) | 57,396,584 |
| Government Securities | | 110,421,933 | - | 110,421,933 |
| | 288,296,818 | 171,261,144 | (3,442,627) | 456,115,335 |

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 OF 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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