

LAKSON TACTICAL FUND

Annual Report 2023



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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

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

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

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

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

Fund's Information

Management Company

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

**Board of Directors of
the Management Company**

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

**Chief Financial Officer &
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 Limited
Habib 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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR FOR THE YEAR ENDED JUNE 30, 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 report together with Audited Financial Statements for the year ended June 30, 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 macroeconomic factors such as government policies, interest rates, liquidity, exchange rates and economic growth. The Fund switches exposure between domestic debt securities and domestic equities based on the forward price to earnings multiple of the equity market. Asset allocation to different sectors and stocks will be made on the basis of earnings growth and management quality. Exposure of the scheme in fixed income securities is managed through duration and yield curve management. The Fund may overweight or underweight commodities relative to its benchmark for commodities investment.

Fund Performance

Lakson Tactical Fund generated an absolute return of 0.06% against the benchmark return of 13.15% in the FY23. The fund underperformed the benchmark by -13.09%. As of June 30, 2023, LTF portfolio was invested 34.9% in Equities, 36% in T-Bills, 13.2% in TFCs/Sukuks, 7.6% in PIB, 8.1% in Cash and 0.1% in others. The fund size as of June 30, 2023 is PKR 311.56mn.

Earnings Per Unit (EPU)

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

Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payouts of PKR 5.5287 per unit (5.5287% of face value of PKR 100/-) amounting to PKR 17.0013 million in cash during the year ended June 30, 2023.

Principal Risk and Uncertainties

The economic instability, rising current account deficit, declining FX reserves, higher than expected inflation, PKR devaluation, lower than expected financial aid by both unilateral/bilateral donor agencies, further monetary tightening and worsening of external relations remains a risk for all business sectors in Pakistan.

Asset Manager and Fund Rating

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company at "AM2+". The VIS Credit Rating Company Limited has given the one-year, three-years & five-years performance ranking of "3-Star" to the LTF Fund.

Additional Matters:

1. The detail of Directors of the Management Company is disclosed in this Annual Report.
2. The financial statements prepared by the Management Company present fairly the state of affairs of the Fund, the results of its operations, cash flows and movement in unit holders' fund.
3. Proper books of accounts of the Fund have been maintained.

4. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
5. Relevant International Financial Reporting Standards, as applicable in Pakistan, provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008 ('NBFC Regulations'), directives issued by the Securities & Exchange Commission of Pakistan and requirements of the constitutive documents of the Fund have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
6. The system of internal control is adequate and sound in design and has been effectively implemented and monitored.
7. There are no significant doubts upon the Fund's ability to continue as a going concern.
8. Key financial data has been summarized in this Annual Report.
9. Outstanding statutory payments on account of taxes, duties, levies and charges have been fully disclosed in these financial statements.
10. The statement as to the value of investments of provident fund is not applicable in the case of the Fund as such expenses are borne by the Management Company.
11. The pattern of unit holding as at June 30, 2023 is given in this Annual Report.
12. A performance table / key financial data is annexed to this annual report.

External Auditor

The existing auditors M/s. Yousuf Adil., Chartered Accountants being eligible have given their consent for reappointment as auditors for the year ending June 30, 2024. The Board of Directors, on the recommendations of the Audit Committee, has reappointed M/s. M/s. Yousuf Adil., Chartered Accountants for the year ending June 30, 2024.

Economy Review

The June'23 quarter brought about a significant positive stride, marked by the attainment of a staff-level agreement between the International Monetary Fund (IMF) and Pakistan. This accord entails the provision of a substantial USD 3 billion as part of a stand-by arrangement (SBA) spanning nine months. This highly welcomed development is poised to act as a catalyst, enabling Pakistan to unlock critical funding from both bilateral and multilateral sources. The infusion of these funds will play a pivotal role in the augmentation of foreign exchange reserves, effectively contributing to the process of reconstruction. This milestone achievement effectively averts the looming specter of near-term default, as vividly underscored by the remarkable resurgence of Pakistan International Eurobonds. The government, in its pursuit of stabilizing the economic landscape, has undertaken a series of astute measures. These include recalibrating fuel and energy prices, instituting judicious tax policies, securing commitments from amicable nations, and implementing prudent adjustments exchange rate and interest rates.

On the 26th of June 2023, during an urgent Monetary Policy Committee (MPC) meeting, the State Bank of Pakistan (SBP) implemented a further 1% increase in the Policy Rate, propelling it to a historic pinnacle of 22%. This decision was a calculated response aimed at firmly anchoring inflation and concurrently driving real interest rates into positive terrain.

Throughout the June quarter, foreign exchange reserves exhibited a relatively stagnant trend, settling at USD 9.1 billion. Nonetheless, the reduction in these reserves was mitigated to some extent by inflows stemming from China.

The persistently elevated inflationary environment persisted during the fourth quarter of the fiscal year 2023, culminating in an average inflation rate of 34.56% for the quarter. This elevated inflation

was underpinned by an interplay of factors, including the ongoing devaluation of PKR, ascending energy costs, the imposition of new taxes amounting to PKR 170 billion, disruptions in supply chains due to import limitations, and the cascading second-round effects stemming from these determinants. We foresee the average inflation rate for fiscal year 2024 will exhibit a gradual descent, potentially converging towards the range of 21-22%. Further optimism is directed towards June 2024, wherein the inflation rate might inch down to approximately 14-15%, contingent upon the absence of unforeseen variables.

During the fourth quarter of the fiscal year 2023 (4QFY23), imports underwent a significant 9.3% QoQ contraction, aggregating to a sum of USD 11.5 billion. Resultantly, exports experienced a marginal 1.7% QoQ dip, settling at USD 6.6 billion. This dynamic interplay precipitated an 18% reduction in the trade deficit on a QoQ basis, leading to its contraction to USD 4.8 billion. As a result, the country's current account balance showed a surplus of USD 632 million. This achievement is indicative of the efficacy of administrative measures enacted to curb the import bill, compounded by the prevailing sluggishness in economic demand.

On the fiscal front, FMR tax collection observed an 11.7% decline in tax collection, amounting to PKR 1.5 trillion, during the June quarter. This figure notably fell short of the quarterly target by a margin exceeding PKR 60 billion. The forthcoming months, however, hold promise for an improvement in tax collection, attributed to the relaxation of import restrictions. Yet, considering the persistent underwhelming economic demand, the FBR may encounter challenges in meeting the ambitious annual tax collection target of over PKR 9 trillion for the FY24.

Fixed Income Market Review

During 4QFY23, the State Bank of Pakistan raised the policy rate by 1% to an all-time high of 22% to push the real interest rate in positive territory on a forward-looking basis and anchor inflation expectations. By June end, cut-off yields for 3months, 6months and 12months reached 22%, 21.97% and 22%, respectively. Similarly, PIB yield was also adjusted upwards as 3-year bond yield reached 19.35%. To sustain market stability, the central bank infused ample liquidity into the system through robust Open Market Operations (OMO). This infusion of liquidity created an opportunity for market participants to support the cash-strapped government.

Commodities Review

The oil price exhibited significant volatility throughout the quarter, ultimately closing with a 5% 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 new fiscal year, oil prices increased after U.S. inflation data suggested interest rates in the world's biggest economy were close to their peak.

Future Outlook

The trajectory of the market is contingent upon several pivotal factors. Firstly, the positive trajectory of the external account, bolstered by the IMF's Stand-By Arrangement (SBA), is poised to exert a favorable influence. Secondly, the potential for a reduction in CPI, attributed to the impact of elevated base effects driving down inflation, might pave the way for monetary easing. Such a move would serve as a catalyst for fortifying economic growth. Thirdly, the nation's political climate and stability remain influential determinants in nurturing investor trust. At present, the market boasts an appealing Price-to-Earnings (P/E) ratio of 3.9x, underscoring promising growth prospects. With such compelling dynamics, investors are presented with an immensely attractive opportunity to capitalize on the market's promising upward trajectory in the foreseeable future.

The revival of the IMF program stands poised to usher in enhanced accessibility to funds from international lenders, subsequently furnishing crucial external financing support. These inflows will culminate in the augmentation of foreign exchange reserves, thereby mitigating external pressures and paving the way for sustained economic equilibrium.

The caretaker government should find it easier to comply with the requirements of the ongoing SBA program, especially if it is adequately staffed with technocrats. In this regard, recent legislation has empowered the coming caretaker government to take decisions on existing bilateral & multilateral

agreements. That said, Pakistan needs to quickly negotiate a successor IMF program when the SBA facility ends in March 2024. We believe that a timely and peaceful election is important for carrying out structural reforms, remaining in the IMF program, and restoring investor confidence in the economy.

Acknowledgment

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

For and on Behalf of the Board

Chief Executive Officer

Director

Dated: September 04, 2023



لیکسن ٹیکٹیکل فنڈ
 30 جون 2023 کو ختم ہونے والے سال کے لیے
 مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

لیکسن ٹیکٹیکل فنڈ ("LTF") کی مینجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے 30 جون 2023 کو ختم ہونے والے سال کے لیے اپنی رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

فنڈ کا مقصد

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

نمایاں سرگرمیاں

LTF ایک اوپن اینڈ ایسٹ ایلیکیشن فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ اس اسکیم کا انتظام و انصرام ایک ایکٹیو انویسٹمنٹ مینجمنٹ اسٹاکس 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، سیکورٹیز اور ڈومیسٹک ایکویٹیز کے مابین سرمایہ کاری کا تبادلہ کرتی ہے۔ مختلف شعبوں اور حصص کیلئے ایسٹ ایلیکیشن آمدنی میں اضافے اور مینجمنٹ کو اپنی کی بنیاد پر کی جائے گی۔ فکسڈ انکم سیکورٹیز میں اسکیم کی سرمایہ کاری کا انتظام و انصرام دورانیے اور yield curve مینجمنٹ کے ذریعے کیا جاتا ہے۔ فنڈ کموڈٹیجز میں سرمایہ کاری کے لیے کموڈٹیجز کو اپنے شیئنگ مارک کے مطابق اوور ویت یا انڈرو ویت کر سکتا ہے۔

فنڈ کی کارکردگی

لیکسن ٹیکٹیکل فنڈ نے مالی سال 2023 میں شیئنگ مارک منافع 13.15% کے مقابلے میں 0.06% مطلق منافع پیش کیا۔ فنڈ نے شیئنگ مارک کے مقابلے میں 13.09% کم تر کارکردگی کا مظاہرہ کیا۔ 30 جون 2023 کے مطابق LTF پورٹ فولیو نے ایکویٹیز میں 34.9%، T-بلز میں 36%، TFCs/سکوکس میں 13.2%، PIB میں 7.6%، کیش میں 8.1% اور دیگر میں 0.1% سرمایہ کاری کی۔ 30 جون 2023 کے مطابق فنڈ کا حجم 311.56 ملین روپے ہے۔

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 پوائنٹس کا تعین اوپن اینڈ فنڈز کے لیے قابل عمل نہیں ہے۔

آمدنی کی تقسیم

چیف ایگزیکٹو آفیسر نے منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے دیئے گئے اختیار کے تحت 30 جون 2023ء کو ختم ہونے والے سال کے لیے فی یونٹ 5.5287 روپے (100 روپے کی فیس ویلیو کا 5.5287%) کی عبوری کیش ادائیگی کا اعلان کیا ہے، جس کی مالیت 17.0013 ملین روپے بنتی ہے۔

اہم خطرات و خدشات

اقتصادی عدم استحکام، بڑھتا ہوا کرنٹ اکاؤنٹ خسارہ، زرمبادلہ کے کم ہوتے ذخائر، توقع سے زیادہ افراط زر، روپے کی قدر میں کمی، ایک طرفہ ادو طرفہ قرض فراہم کنندہ ایجنسیز، دونوں کی طرف سے توقع سے کم مالی امداد، مزید مالیاتی سختی اور بگڑتے خارجہ تعلقات پاکستان میں تمام کاروباری شعبوں کے لیے ایک خطرہ بنے ہوئے ہیں۔

لایسٹ منیجر اینڈ فنڈ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے منجمنٹ کمپنی کی لایسٹ منیجر ریٹنگ "AM2+" پر برقرار رکھی ہے۔ VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے LTF کو ایک سال، تین سال اور پانچ سال کی "3 اسٹار" کی پرفارمنس ریٹنگ دی ہے۔

اضافی معاملات

- 1- منجمنٹ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔
- 2- منجمنٹ کمپنی کی طرف سے تیار کردہ مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو اور یونٹ ہولڈرز کے فنڈ میں نقل و حرکت کی منصفانہ عکاسی کرتے ہیں۔
- 3- فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- 4- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے اور شہریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 5- ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، نان بینکنگ فننس کمپنیز (اسٹیل سٹیمٹ اینڈ ریگولیشن) رولز 2003 کے تقاضوں، نان بینکنگ فننس کمپنیز اینڈ ٹریڈنگ اینڈ انویسٹمنٹ ریگولیشنز، 2008 (NBFC ریگولیشنز)، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ڈائریکٹریز اور فنڈ کی دستوری دستاویزات کے تقاضوں کی پیروی کی گئی ہے اور ان کے کسی بھی انحراف کی مناسب انداز میں نشان دہی کی گئی ہے۔
- 6- انٹرئل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- 7- فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- 8- اہم مالیاتی ڈیٹا کا خلاصہ اس سالانہ رپورٹ میں شامل ہے۔
- 9- ٹیکسز، ڈیوٹیز، محصولات اور چارجز کی مد میں واجب الادا سنگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
- 10- پروڈیٹ فنڈ کی سرمایہ کاری کی مالیت سے متعلق گوشوارہ فنڈ پر قابل اطلاق نہیں ہے جیسا کہ ایسے اخراجات منجمنٹ کمپنی کی طرف سے برداشت کیے

جاتے ہیں۔

11-30 جون 2023 کے مطابق یونٹ ہولڈنگ کا پیٹرن اس سالانہ رپورٹ میں دیا گیا ہے۔

12- کارکردگی کی جدول/اہم مالیاتی ڈیٹا اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

بیرونی آڈیٹر

موجودہ آڈیٹر میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر 30 جون 2024 کو ختم ہونے والے سال کے لیے دوبارہ تقرر کی گئی ہے۔ اپنی رضامندی ظاہر کر دی ہے۔ آڈٹ سکیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لیے میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرر کی کر دی ہے۔

معاشی جائزہ

جون 2023 کی سرمایہ میں ایک اہم مثبت پیش رفت ہوئی، بین الاقوامی مالیاتی فنڈ (IMF) اور پاکستان کے درمیان اسٹاف لیول معاہدہ طے پا گیا۔ اس معاہدے میں 9 مہینوں پر محیط اسٹینڈ بائی انتظام (SBA) کے ایک حصے کے طور پر 3 بلین امریکی ڈالر کی فراہمی شامل ہے۔ اس معاہدے میں 9 ماہ پر محیط اسٹینڈ بائی بندوبست (SBA) کے ایک حصے کے طور پر 3 بلین امریکی ڈالر کی خطیر رقم فراہم کرنا شامل ہے۔ یہ انتہائی خوش آئند پیش رفت ایک محرک کے طور پر کام کرے گی، جس سے پاکستان کو دو طرفہ اور کثیر الجہتی، دونوں ذرائع سے اہم فنڈنگ حاصل کرنے میں مدد ملے گی۔ ان فنڈز کا استعمال غیر ملکی زرمبادلہ کے ذخائر کو بڑھانے میں اہم کردار ادا کرے گا اور تعمیر نو کے عمل میں مؤثر طریقے سے اپنا حصہ ڈالے گا۔ اس سنگ میل کے حصول نے مستقبل قریب میں ڈیٹا کے بڑھتے ہوئے خطرے کو مؤثر طریقے سے ٹال دیا ہے، جیسا کہ پاکستان انٹرنیشنل یورو بانڈز کی نمایاں بحالی سے واضح طور پر ظاہر ہوتا ہے۔ حکومت نے معاشی منظر نامے کو مستحکم کرنے کی کوشش میں متعدد دانشمندانہ اقدامات کئے ہیں، جن میں ایندھن اور توانائی کی قیمتوں میں ردوبدل، منصفانہ ٹیکس پالیسیوں کا نفاذ، دوست ممالک سے یقین دہانیوں کا حصول، شرح تبادلہ اور شرح سود میں منطقی ایڈجسٹمنٹس شامل ہیں۔

26 جون 2023 کو مانیٹری پالیسی کمیٹی (MPC) کے بیگامی اجلاس کے دوران اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ میں مزید ایک فیصد اضافہ کر دیا، جس سے یہ 22 فیصد کی تاریخی بلند ترین سطح پر پہنچ گیا۔ یہ فیصلہ ایک سوچا سمجھا رد عمل تھا، جس کا مقصد افراط زر کو بڑھنے سے روکنا اور حقیقی شرح سود کو مثبت سمت میں لے جانا تھا۔

جون کی پوری سرمایہ کے دوران زرمبادلہ کے ذخائر میں نسبتاً جمود کا رجحان رہا، جو 9.1 بلین ڈالر پر مستحکم رہے۔ بہر حال، زرمبادلہ کے ذخائر میں کمی کو چین کی جانب سے سرمائے کے بہاؤ کی مدد سے کسی حد تک کم کیا گیا۔

مالی سال 2023ء کی چوتھی سرمایہ کے دوران افراط زر میں مسلسل اضافے کا ماحول برقرار رہا، جس کے نتیجے میں سرمایہ کے دوران افراط زر کی اوسط شرح 34.56 فیصد رہی۔ بڑھتی ہوئی افراط زر کی وجوہات میں روپے کی قدر میں مسلسل کمی، توانائی کی بڑھتی ہوئی قیمتیں، 170 بلین روپے کے نئے ٹیکسوں کا نفاذ، درآمدی پابندیوں کی وجہ سے سپلائی چین میں خلل اور ان عوامل سے پیدا ہونے والے دوسرے مرحلے کے اثرات شامل ہیں۔ ہمیں توقع ہے کہ مالی سال 2024 میں افراط زر کی اوسط شرح میں بتدریج کمی آئے گی، جو کم از کم 21-22 فیصد کی حدود میں رہے گی۔ مزید توقعات جون 2024 سے وابستہ ہیں، جب افراط زر کی شرح گر کر تقریباً 14-15 تک آسکتی ہے، تاہم اس کا انحصار غیر متوقع تغیرات کی عدم موجودگی پر ہوگا۔

مالی سال 2023ء کی چوتھی سرمایہ کے دوران درآمدات میں 9.3 فیصد کی نمایاں کمی واقع ہوئی جو مجموعی طور پر 11.5 ارب ڈالر ہیں۔ اس کے نتیجے میں

برآمدات میں 1.7 فیصد کی معمولی کمی واقع ہوئی اور یہ 6.6 ارب ڈالر ہیں۔ اس کے نتیجے میں تجارتی خسارے میں سرمایہ بنیاد پر 18 فیصد کی واقع ہوئی جس کے سبب یہ سیکڑ کر 4.8 ارب ڈالر رہ گیا۔ اس کے نتیجے میں ملک کے کرنٹ اکاؤنٹ بیلنس میں 632 ملین ڈالر کا سرپلس ظاہر ہوا۔ یہ کامیابی درآمدی بل میں کمی لانے کے لئے نافذ کردہ انتظامی اقدامات کی افادیت کی نشاندہی کرتی ہے، جو معاشی طلب میں موجودہ سست روی کی وجوہات میں شامل ہیں۔ مالی محاذ پر جون کی سرمایہ کے دوران FMR ٹیکس وصولی میں 11.7 فیصد کی دیکھی گئی جو 1.5 ٹریلین روپے بنتی ہے۔ یہ اعداد و شمار سرمایہ ہدف سے نمایاں طور پر 60 ارب روپے کم ہیں۔ تاہم آنے والے مہینوں میں ٹیکس وصولی میں بہتری کا وعدہ کیا گیا ہے، جس کی وجہ درآمدی پابندیوں میں نرمی ہے۔ اس کے باوجود مسلسل کم ہوتی ہوئی معاشی طلب کو مد نظر رکھتے ہوئے FBR کو مالی سال 2024 کے لیے 9 ٹریلین روپے سے زائد کے سالانہ ٹیکس وصولی کے ہدف کو پورا کرنے میں مشکلات کا سامنا کرنا پڑ سکتا ہے۔

فلسڈ انکم مارکیٹ کا جائزہ

مالی سال 2023 کی چوتھی سرمایہ کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو ایک فیصد بڑھا کر 22 فیصد کی تاریخ کی بلند ترین سطح پر پہنچا دیا تاکہ حقیقی شرح سود کو مثبت سمت میں آگے بڑھایا جاسکے اور افراط زر کے خدشات کو کم کیا جاسکے۔ جون کے اختتام تک 3 ماہ، 6 ماہ اور 12 ماہ کی میعاد کے لیے Kibor کی شرح بالترتیب 22 فیصد، 21.97 فیصد اور 22 فیصد تک پہنچ گئی، اسی طرح PIB کا منافع بھی اوپر کی طرف ایڈجسٹ کیا گیا اور 3 سالہ بانڈ کے منافع جات 19.35 فیصد تک پہنچ گئے۔ مارکیٹ کے استحکام کو برقرار رکھنے کے لئے مرکزی بینک نے اوپن مارکیٹ آپریشنز (اوام ایم او) کے ذریعے نظام میں وافر لیکویڈیٹی شامل کی۔ لیکویڈیٹی کی اس سرمایہ کاری نے مارکیٹ کے شرکاء کے لئے نقد رقم کی کمی سے دوچار حکومت کی مدد کرنے کا موقع فراہم کیا۔

کم وڈیٹرز کا جائزہ

سرمایہ کے دوران تیل کی قیمتوں میں نمایاں اتار چڑھاؤ دیکھا گیا، جو آخر کار سرمایہ بنیادوں پر 5 فیصد کی ساتھ اختتام پذیر ہوا۔ امریکی دیکھاری بحران اور عالمی کساد بازاری کے خدشات کی وجہ سے سرمایہ کاروں کو گھبراتے ہوئے معاشی منظر نامے کا سامنا تھا۔ تاہم، نئے مالی سال کے آغاز کے بعد سے، تیل کی قیمتوں میں اس وقت اضافہ ہوا، جب امریکی افراط زر کے اعداد و شمار سے پتہ چلا کہ دنیا کی سب سے بڑی معیشت میں شرح سود اپنے عروج کے قریب ہے۔

مستقبل کا منظر نامہ

مارکیٹ کاراستہ کی اہم عوامل پر انحصار کرتا ہے۔ اول یہ کہ آئی ایم ایف کے اسٹینڈ بائی انتظامات (SBA) کی مدد سے ایکسٹرنل اکاؤنٹ کا مثبت رخ سازگار انداز میں اثر انداز ہونے کے لیے تیار ہے۔ دوم یہ کہ CPI میں کمی کا امکان ہے، جس کی وجہ افراط زر میں کمی لانے والے بلند Base Effects ہیں، جو مالیاتی نرمی کی راہ ہموار کر سکتے ہیں۔ اس طرح کا اقدام معاشی ترقی کو مستحکم بنانے کے لئے محرک کے طور پر کام کرے گا۔ سوم یہ کہ ملک کا سیاسی ماحول اور استحکام سرمایہ کاروں کے اعتماد کو پروان چڑھانے میں اہم کردار ادا کرتے ہیں۔ فی الحال مارکیٹ میں قیمت سے آمدنی (P/E) کا تناسب 3.9 گنا ہے، جو امید افزا ترقی کے امکانات کی نشاندہی کرتا ہے، اس طرح کی زبردست حرکیات (ڈائنامکس) کے ساتھ سرمایہ کاروں کے لیے مستقبل قریب میں مارکیٹ کے ترقی کے راستے پر گامزن ہو جانے سے فائدہ اٹھانے کے لئے انتہائی پرکشش مواقع موجود ہیں۔

آئی ایم ایف پروگرام کی بحالی سے بین الاقوامی قرض دہندگان کے فنڈز تنک رسائی میں اضافہ ہوگا، جس کے نتیجے میں اہم بیرونی مالی معاونت مل جائے گی۔ یہ بہاؤ غیر ملکی زرمبادلہ کے ذخائر میں اضافے کے نتیجے میں آئے گا، جس سے بیرونی دباؤ کم ہوگا اور پائیدار معاشی توازن کی راہ ہموار ہوگی۔

نگران حکومت کے لیے جاری SBA پروگرام کے تقاضوں پر عمل کرنا آسان ہوگا، خاص طور پر اگر اس کو ٹیکنو کریٹس کی مناسب خدمات حاصل ہوں۔ اس سلسلے میں حالیہ قانون سازی نے نگران حکومت کو موجودہ دوطرفہ اور کثیرالاجتی معاہدوں پر فیصلے کرنے کا اختیار دے دیا ہے۔ اس کے باوجود مارچ 2024 میں SBA کی سہولت ختم ہونے پر پاکستان کو آئی ایم ایف کے اگلے پروگرام کے لیے فوری مذاکرات کرنے کی ضرورت ہے۔ ہم سمجھتے ہیں کہ انفراسٹرکچرل اصلاحات، آئی ایم ایف پروگرام کے ساتھ منسلک رہنے اور معیشت میں سرمایہ کاروں کے اعتماد کی بحالی کے لیے بروقت اور پرامن انتخابات کا انعقاد ضروری ہے۔

اظہار تشکر

یہ بورڈ اپنے قابل قدر انویسٹرز، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی سینٹرل ڈیپازیریٹ کمیٹی آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کا، ان کے مسلسل تعاون اور مدد پر شکر گزار ہے۔ منجھٹ کمیٹی کے ڈائریکٹرز فنڈ کی ترقی اور دانش مندانہ انتظام و انصرام کے لیے منجھٹ کمیٹی کی ٹیم کی محنت اور کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے وٹھانچہ بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

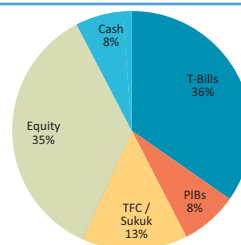
تاریخ: 04 ستمبر 2023

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2023

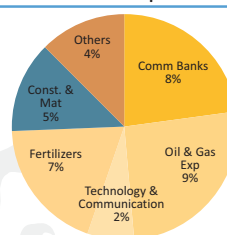
Fund Facts

Fund Type	Open-End
Category	Asset Allocation Fund
Net Assets (PKR Mil.)	311.56
NAV (30.06.2023)	91.2265
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	Yousuf Adil Saleem & Co.
Management Fee	Upto 2% effective from Dec 20, 2021. (Current 2%)
Front End Load	2.50%
Back End Load	None
Launch Date	October 11, 2011
Benchmark	Weighted average daily return of KSE-30 Index, 6M KIBOR & DBIQ Optimum Yield Diversified Commodity Index excess returns based on the Scheme's actual proportion in equity, debt and commodities
Dealing Days	Mon - Fri
Cut-Off Time	04:00 PM
Asset Manager Rating	AM2+ by PACRA (26.Aug.2022)
Risk Profile	High Risk

Asset Allocation



Sectorwise Exposure



Fund Performance

	LTF	Benchmark
FY23 - YTD	0.06%	13.15%
June-23	-5.30%	0.99%
2 Months	-4.50%	1.32%
3 Months	-2.45%	4.39%
6 Months	-0.84%	8.69%
12 Months	0.06%	13.15%
CY23- YTD	-0.59%	8.66%
3 Years	9.28%	39.48%
5 Years	0.39%	37.39%
Since Inception	47.35%	80.96%

the benchmark of the fund was changed in September 2016

Investment Committee

Babar Ali Lakhani	Chief Executive Officer
Kashif Mustafa	Executive Director & COO
Mustafa O. Pasha, CFA	Chief Investment Officer
Hassan Bin Nasir	
Moazzam Akhtar	
Aisha Mohammad	
Mirza Danial Baig	

Investment Objective

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

The LTF achieved its investment objective by investing in a mix of risk-free T-Bills, PIBs, equities and Equities. The debt component provides investors with long term capital protection; whereas the equity portion provides investor's exposures to a fundamentally attractive market that is characterized by strong earnings growth and cheap valuations.

Investment Strategy

The debt component of the LTF portfolio was constructed by investing in low risk options, where marked to market volatility did not chip away at returns. The fund focused exposure in Bank/DFI/Daily accrual placements over various tenures, supplemented with corporate bonds, where the yield was comfortably above par. Equity exposure of the Fund was determined by carrying out an analysis of the prevalent price to earnings (PE) ratio or multiple of the KSE-30 Index. An increase in the PE ratio will lead to a reduction in equity exposure and vice versa. The balance will remain invested in high quality fixed income instruments of varying duration.

Economic Review

The June'23 quarter brought about a significant positive stride, marked by the attainment of a staff-level agreement between the International Monetary Fund (IMF) and Pakistan. This accord entails the provision of a substantial USD 3 billion as part of a stand-by arrangement (SBA) spanning nine months. This highly welcomed development is poised to act as a catalyst, enabling Pakistan to unlock critical funding from both bilateral and multilateral sources. The infusion of these funds will play a pivotal role in the augmentation of foreign exchange reserves, effectively contributing to the process of reconstruction. This milestone achievement effectively averts the looming specter of near-term default, as vividly underscored by the remarkable resurgence of Pakistan International Eurobonds. The government, in its pursuit of stabilizing the economic landscape, has undertaken a series of astute measures. These include recalibrating fuel and energy prices, instituting judicious tax policies, securing commitments from amicable nations, and implementing prudent adjustments exchange rate and interest rates.

On the 26th of June 2023, during an urgent Monetary Policy Committee (MPC) meeting, the State Bank of Pakistan (SBP) implemented a further 1% increase in the Policy Rate, propelling it to a historic pinnacle of 22%. This decision was a calculated response aimed at firmly anchoring inflation and concurrently driving real interest rates into positive terrain.

Throughout the June quarter, foreign exchange reserves exhibited a relatively stagnant trend, settling at USD 9.1 billion. Nonetheless, the reduction in these reserves was mitigated to some extent by inflows stemming from China.

The persistently elevated inflationary environment persisted during the fourth quarter of the fiscal year 2023, culminating in an average inflation rate of 34.56% for the quarter. This elevated inflation was underpinned by an interplay of factors, including the ongoing devaluation of PKR, ascending energy costs, the imposition of new taxes amounting to PKR 170 billion, disruptions in supply chains due to import limitations, and the cascading second-round effects stemming from these determinants. We foresee the average inflation rate for fiscal year 2024 will exhibit a gradual descent, potentially converging towards the range of 21-22%. Further optimism is directed towards June 2024, wherein the inflation rate might inch down to approximately 14-15%, contingent upon the absence of unforeseen variables.

During the fourth quarter of the fiscal year 2023 (4QFY23), imports underwent a significant 9.3% QoQ contraction, aggregating to a sum of USD 11.5 billion. Resultantly, exports experienced a marginal 1.7% QoQ dip, settling at USD 6.6 billion. This dynamic interplay precipitated an 18% reduction in the trade deficit on a QoQ basis, leading to its contraction to USD 4.8 billion. As a result, the country's current account balance showed a surplus of USD 632 million. This achievement is indicative of the efficacy of administrative measures enacted to curb the import bill, compounded by the prevailing sluggishness in economic demand.

On the fiscal front, FMR tax collection observed an 11.7% decline in tax collection, amounting to PKR 1.5 trillion, during the June quarter. This figure notably fell short of the quarterly target by a margin exceeding PKR 60 billion. The forthcoming months, however, hold promise for an improvement in tax collection, attributed to the relaxation of import restrictions. Yet, considering the persistent underwhelming economic demand, the FBR may encounter challenges in meeting the ambitious annual tax collection target of over PKR 9 trillion for the FY24.

Equity Market Review

During the quarter, the KSE 100 index exhibited a robust ascent of 3.63% (translating to a gain of 1,451.86 points), culminating in a month-end closure at an impressive level of 41,452.69. Investor sentiment experienced a notable uplift, propelled by long-anticipated commitments from amicable nations, a vital catalyst in the resumption of the dormant IMF program.

On the political forefront, a momentous development emerged as the government and opposition harmonized their stance, agreeing to engage in deliberations aimed at redressing the Punjab and KPK election quandaries. This conciliatory gesture was warmly embraced by the discerning market participants. Furthermore, corporate profitability surpassed prognostications, thereby contributing significantly to the overall market performance.

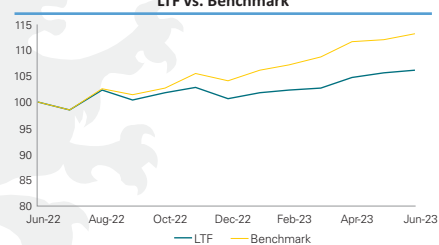
Nevertheless, the surge in trading activity was underscored by an 88% escalation in traded value, reaching an impressive PKR 6,402 million. Over the course of the quarter, foreign corporate entities exhibited net sales of USD 10.4 million. Meanwhile, on the domestic front, both Mutual Funds and Insurance entities emerged as net sellers, with an outflow amounting to USD 33.68 million and USD 21.4 million, respectively. This liquidity shift was primarily absorbed by discerning individuals, corporations, and banks, garnering inflows of USD 26.6 million, USD 18.6 million, and USD 14.7 million, respectively.

Commodities Review

The oil price exhibited significant volatility throughout the quarter, ultimately closing with a 5% 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 new fiscal year, oil prices increased after U.S. inflation data suggested interest rates in the world's biggest economy were close to their peak.

Fund Performance

Lakson Tactical Fund generated an absolute return of 0.06% against the benchmark return of 13.15% in the FY23. The fund underperformed the benchmark by -13.09%. As of June 30, 2023, LTF portfolio was invested 34.9% in Equities, 36% in T-Bills, 13.2% in TFCs/Sukuks, 7.6% in PIB, 8.1% in Cash and 0.1% in others. The fund size as of June 30, 2023 is PKR 311.56mn.

Performance Table	FY23	FY22	LTF vs. Benchmark	
Net Assets - Beginning (PKR Mil.)	523.13	627.0000		
Net Assets - Ending (PKR Mil.)	311.56	523.1300		
Highest Offer Price (PKR)	99.8126	109.6536		
Lowest Offer Price (PKR)	91.1585	91.7546		
Highest Redemption Price (PKR)	97.0656	106.9791		
Lowest Redemption Price (PKR)	88.9351	90.1741		
Beginning NAV - Ex-Div. (PKR)	90.3990	103.7410		
Interim Distributions (PKR)	5.5287	-		
Final Distribution (PKR)	-	-		
Ending NAV - Ex-Div. (PKR)	90.3990	91.1762		
Return	0.06%	-12.11%		
Net Income / (Loss) (PKR Mil.)	19.81	(74.0000)		
Distributions	FY23	FY22		
Interim Distributions (PKR)	5.5287	-		
Final Distribution	-	-		
NAV before Distribution	90.3990	-		
NAV after Distribution	90.3990	-		
Distribution Date	22-Jun-23	-		

Future Outlook

The trajectory of the market is contingent upon several pivotal factors. Firstly, the positive trajectory of the external account, bolstered by the IMF's Stand-By Arrangement (SBA), is poised to exert a favorable influence. Secondly, the potential for a reduction in CPI, attributed to the impact of elevated base effects driving down inflation, might pave the way for monetary easing. Such a move would serve as a catalyst for fortifying economic growth. Thirdly, the nation's political climate and stability remain influential determinants in nurturing investor trust. At present, the market boasts an appealing Price-to-Earnings (P/E) ratio of 3.9x, underscoring promising growth prospects. With such compelling dynamics, investors are presented with an immensely attractive opportunity to capitalize on the market's promising upward trajectory in the foreseeable future.

The revival of the IMF program stands poised to usher in enhanced accessibility to funds from international lenders, subsequently furnishing crucial external financing support. These inflows will culminate in the augmentation of foreign exchange reserves, thereby mitigating external pressures and paving the way for sustained economic equilibrium.

The caretaker government should find it easier to comply with the requirements of the ongoing SBA program, especially if it is adequately staffed with technocrats. In this regard, recent legislation has empowered the coming caretaker government to take decisions on existing bilateral & multilateral agreements. That said, Pakistan needs to quickly negotiate a successor IMF program when the SBA facility ends in March 2024. We believe that a timely and peaceful election is important for carrying out structural reforms, remaining in the IMF program, and restoring investor confidence in the economy.

Circumstances Materially Affecting Interests of Unit Holders

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company at "AM2+". The VIS Credit Rating Company Limited has given the one-year, three-years & five-years performance ranking of "3-Star" to the LTF Fund.

Other Disclosures

Lakson Investments Limited or any of its delegates did not receive any soft commission from its broker(s) or dealer(s).

There was no unit split undertaken during the year.

As of June 30, 2023 the LTF does not employ any leverage.

Breakdown of Unit Holding by Size

Units Range	No. of Clients	Units Held
Holding upto 100	4	157
101 - 500	2	238
501 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	2	14,057
10,001 - 50,000	6	168,710
50,001 - 100,000	4	246,427
100,001 - 500,000	3	729,873
500,001 - 1,000,000	4	2,255,767
1,000,001 - 5,000,000	-	-
5,000,001 - above	-	-
	25	3,415,229

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON TACTICAL FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited being the Trustee of Lakson Tactical Fund (the Fund) are of the opinion that Lakson Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badruddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2023



 **YOUSUF ADIL**

Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To The Unit Holders of Lakson Tactical Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Lakson Tactical Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and Management Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key audit matter	How our audit addresses the key audit matter
1.	Valuation and existence of investments As disclosed in note 6 to the financial statements, investments held at fair value through profit or loss (FVTPL) amounted to Rs. 285.9115 million. As disclosed in note 6.1 equity securities amounting to Rs. 108.795 million, as disclosed in note 6.2 term finance certificates amounting to Rs. 41.011 million, as disclosed in note 6.3.1 Pakistan investment bonds amounting to Rs. 23.82 million and as disclosed in note 6.3.2 market treasury bills amounting to Rs. 112.286 million, which represent	We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedure included the following: <ul style="list-style-type: none"> • We obtained an understanding of fund's process over acquisition, disposals and periodic valuation of investment portfolio and evaluated in those areas for the purpose of our audit.

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Deloitte Touche Tohmatsu Limited

 **YOUSUF ADIL**

Yousuf Adil
Chartered Accountants

S. No.	Key audit matter	How our audit addresses the key audit matter
	<p>significant item on the statement of assets and liabilities of the Fund.</p> <p>We have identified the existence and valuation as significant areas during our audit of investment due to which we have considered this as a key audit matter.</p>	<ul style="list-style-type: none"> • We performed substantive audit procedures on year-end balance of portfolio including inspection of custodian's statement and Investor Portfolio Services (IPS) account statement. Also evaluated the valuations on the basis of prices/rates determined by Mutual Funds Association of Pakistan (MUFAP) and tested carrying values of those debt securities which are amortized over a period of time for equity securities re-performed the investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange Limited as at June 30, 2023. • We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the investments portfolio and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. • We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have not been provided with the other information yet and therefore, we have nothing to report in this regard.

Responsibilities of Management Company and Those Charged with Governance for the Financial Statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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Independent Component Firm is
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Yousuf Adil
Chartered Accountants

Those Charged with Governance of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with Those Charged with Governance of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Chartered Accountants Firm in
Deloitte Touche Tohmatsu Limited


 **YOUSUF ADIL**

Yousuf Adil
Chartered Accountants

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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


Chartered Accountants

Place: Karachi
Date: September 13, 2023
UDIN: AR202310099HRcYK9wEv

Independent & Independent Firm to
Deloitte Touche & Tohmatsu Limited

**Statement of Assets and Liabilities
As at June 30, 2023**

	Note	2023 (Rupees)	2022
Assets			
Bank balances	5	25,366,159	65,836,538
Investments	6	285,911,895	456,115,335
Profit accrued and dividend receivable	7	1,922,762	1,829,747
Deposits and other receivables	8	3,556,346	3,806,256
Total assets		316,757,162	527,587,876
Liabilities			
Payable to the Management Company	9	2,540,163	2,648,440
Remuneration payable to the Trustee	10	162,729	199,953
Payable to Securities and Exchange Commission of Pakistan	11	74,821	118,141
Accrued expenses and other liabilities	12	1,069,226	1,220,345
Payable against purchase of investments		1,350,515	274,235
Total liabilities		5,197,454	4,461,114
Contingencies and commitments	14		
Net assets		311,559,708	523,126,762
Unit Holders' Fund (as per Statement of Movement In Unit Holders' Fund)		311,559,708	523,126,762
----- (Number) -----			
Number of units in issue	15	3,415,229	5,737,533
----- (Rupees) -----			
Net assets value per unit		91.2265	91.1762

The annexed notes from 1 to 23 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Income Statement
For the year ended June 30, 2023

		2023	2022
Income	Note	(Rupees)	
Realised gain / (loss) on sale of investment at fair value through profit or loss - net		965,826	(74,518,082)
Unrealised diminution on revaluation of investments classified at fair value through profit or loss - net		(3,117,045)	(32,913,673)
Dividend income on investments held at fair value through profit or loss		19,009,207	25,740,999
Markup on bank deposits		4,738,869	11,197,513
Income on Government and other debt securities		25,796,231	7,254,302
		30,535,100	18,451,815
Exchange gain on foreign currency deposits		298,406	216,513
Provision against non-performing debt		(15,983,200)	(3,442,627)
		31,708,294	(66,465,055)
Expenses			
Remuneration of the Management Company	9.1	6,221,619	7,753,234
Sindh Sales tax on remuneration to the Management Company	9.2	808,810	1,007,920
Remuneration of the Trustee	10	850,411	1,335,268
Annual fee to the Securities and Exchange Commission of Pakistan	11	74,847	118,165
Securities and Exchange Commission of Pakistan supervisory fee		2,500	2,500
Auditors' remuneration	16	764,160	474,854
Fees and subscription		325,032	524,997
Printing charges		-	61,020
Brokerage, custody, settlement and bank charges		1,663,924	2,538,222
Total Expenses		10,711,303	13,816,180
Net income / (loss) from operating activities		20,996,991	(80,281,235)
Reversal of provision for Sindh Workers' Welfare Fund	12.1	-	6,776,542
Net income / (loss) for the year before taxation		20,996,991	(73,504,693)
Taxation	17	-	-
Net income / (loss) for the year		20,996,991	(73,504,693)
Allocation of net income / (loss) for the year			
Net income / (loss) for the year		20,996,991	(73,504,693)
Income already paid on units redeemed		(1,317,284)	-
		19,679,707	(73,504,693)
Accounting income available for distribution:			
- Relating to capital gains - net		876,885	-
- Excluding capital gains		18,802,822	-
		19,679,707	-
Earning per unit	4.12		

The annexed notes from 1 to 23 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**Statement of Comprehensive Income
For the year ended June 30, 2023**

	2023	2022
	(Rupees)	
Net income / (loss) for the year	20,996,991	(73,504,693)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>20,996,991</u>	<u>(73,504,693)</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.



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

Chief Executive Officer

Chief Financial Officer

Director

**Statement Of Movement in Unit Holders' Fund
For the year ended June 30, 2023**

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)					
Net assets at beginning of the year	607,388,414	(84,261,652)	523,126,762	638,236,300	(10,756,959)	627,479,341
Issuance of 404,376 units (2022: 148,066 units)						
- Capital value	36,869,550	-	36,869,550	15,360,524	-	15,360,524
- Element of income	500,414	-	500,414	(1,085,442)	-	(1,085,442)
Total proceeds on issuance of units	37,369,964	-	37,369,964	14,275,082	-	14,275,082
Redemption of 2,726,680 units (2022: 459,047 units)						
- Capital value	(248,608,361)	-	(248,608,361)	(47,622,014)	-	(47,622,014)
- Element of income	(2,207,253)	(1,317,284)	(3,524,537)	2,499,046	-	2,499,046
Total payments on redemption of units	(250,815,614)	(1,317,284)	(252,132,898)	(45,122,968)	-	(45,122,968)
Distribution during the period:						
- Interim Distribution June 23, 2023 @ Rs. 5.5287 per unit (2022: Rs nil per unit)	(799,729)	(17,001,384)	(17,801,113)	-	-	-
Total comprehensive income / (loss) for the year	-	20,996,991	20,996,991	-	(73,504,693)	(73,504,693)
Net assets at end of the year	393,143,035	(81,583,329)	311,559,706	607,388,414	(84,261,652)	523,126,762
Undistributed loss brought forward:						
- Realised loss at the beginning of the year		(47,905,352)			(43,314,470)	
- Unrealised income at the beginning of the year		(36,356,300)			32,557,511	
		(84,261,652)			(10,756,959)	
Accounting (loss) / income available for distribution:						
- Relating to capital gains		876,885			-	
- Excluding capital gains		19,802,822			(73,504,693)	
Total comprehensive income / (loss) for the year		19,879,707				
Interim cash distribution during the year						
June 30, 2023: Rs. 5.5287 per unit (June 30, 2022: Nil)		(17,001,384)			-	
Undistributed loss at end of the year		(81,583,329)			(84,261,652)	
Represented by:						
- Realized loss at the end of the year		(78,466,284)			(47,905,352)	
- Unrealized loss at the end of the year		(3,117,045)			(36,356,300)	
Undistributed loss at the end of the year		(81,583,329)			(84,261,652)	
Net assets value per unit at beginning		91.1762			103.7410	
Net assets value per unit at end		91.2265			91.1762	

The annexed notes from 1 to 23 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Statement of Cash Flow For the year ended June 30, 2023

	June 30, 2023	June 30, 2022
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income / (loss) for the year	20,996,991	(73,504,693)
Adjustments for:		
Unrealised diminution on revaluation of investments classified at fair value through profit or loss - net	3,117,045	32,913,673
Realised gain / (loss) on sale of investment at fair value through profit or loss - net	(965,826)	74,518,082
Dividend income on investments held at fair value through profit or loss	(19,009,207)	(25,740,999)
Exchange gain on foreign currency deposits	(298,406)	(216,513)
Markup / income on bank deposits and investments	(30,535,100)	(18,451,815)
Provision against non-performing debt	15,983,200	3,442,627
	(10,711,303)	(7,039,638)
Decrease / (increase) in assets		
Investments	264,355,343	(143,256,141)
Receivable against sale of investments	-	2,006,636
Deposits and other receivables	249,910	1,436,657
	264,605,253	(139,812,848)
(Decrease) / increase in liabilities		
Payable to the Management Company	(108,277)	(85,912)
Payable to the Trustee	(37,224)	(21,063)
Payable to Securities and Exchange Commission of Pakistan(43,320)	(2,441)	
Accrued expenses and other liabilities	(151,117)	(8,673,858)
Payable against the purchase of equity investments	1,076,280	(3,302,855)
	736,342	(12,086,129)
Dividend income received on investment at fair value through profit or loss	19,001,067	25,959,772
Mark-up received on bank deposits	30,450,225	19,733,488
Net cash flow from / (used in) operating activities	304,081,584	(113,245,355)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds on issuance of units	37,369,964	14,275,082
Payments on redemption of units	(252,132,898)	(45,122,968)
Dividend paid	(17,801,113)	-
Net cash flows used in financing activities	(232,564,047)	(30,847,886)
Net increase / (decrease) in cash and cash equivalents	71,517,537	(144,093,241)
Cash and cash equivalents at beginning of the year	65,836,538	209,713,266
Exchange gain on foreign currency deposits	298,406	216,513
	137,652,481	65,836,538
Cash and cash equivalents		
Bank balances	5 25,366,159	65,836,538
Investments maturing within 3 months	6 112,286,322	-
	137,652,481	65,836,538

The annexed notes from 1 to 23 form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

Notes to and forming part of the Financial Statements For the year ended June 30, 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 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 09 March 2023 (2022: AM2+ as on 27 August 2021). On April 8, 2023, VIS assigned following rankings to the Fund based on the performance review for the period ended June 30, 2023: (2022: MFR 3-Star rating)

1 Year ranking:	3-Star
3 Year ranking :	3-Star
5 Year ranking:	3-Star
- 1.5 The Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act "Sindh Trust Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Trusts including Collective Investment Scheme, private funds etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. Accordingly, on January 31, 2022 the above mentioned Trust Deed has been registered under the Sindh Trust Act.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

- 2.1.1 The SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

2.2 Basis of measurement

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

2.3 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.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- (a) classification and measurement of financial assets (Note 4.1.1.1);
- (b) impairment of financial assets (Note 4.1.1.3);
- (c) provisions (Note 4.4); and
- (d) classification and measurement of financial liabilities (notes 4.1.2.1).

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

- 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

3.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

4.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

4.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (OCI), interest income, foreign exchange revaluation and impairment losses or reversals are recognised

in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

4.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

The government debt securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV rates) which are based on the remaining tenor of the securities.

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of equity securities:

The equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange (PSX)

4.1.1.3 Impairment of financial assets

Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

As disclosed in note 2.1.2 of these financial statements, the Fund follows the requirements of Circular No. 33 of 2012 (the "circular") for impairment of debt securities. Under the circular, provision for non-performing debt securities is made on the basis of time based criteria as prescribed under the circular. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed under circular no. 13 of 2009 dated May 04, 2009 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website."

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.1.1.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset.

4.1.2 Financial liabilities

4.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fair value through profit or loss.

4.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

4.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication

of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

4.3 Trade date accounting

All regular way purchases and sales of investments are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Fund. Regular way purchases or sales of investment require delivery of securities within two days after transaction date as required by Pakistan Stock Exchange Limited Regulations.

4.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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.

4.6 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end / reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The

redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

4.8 Element of income / (loss) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.9 Net asset value per unit

Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.10 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised appreciation / diminution arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income from investments in government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.
- Dividend income from equity securities is recognised when the right to receive dividend is established.

4.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.12 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

			June 30, 2023	June 30, 2022
5.	BANK BALANCES			
		Note	(Rupees)	
	Local currency			
	- In profit and loss sharing accounts	5.1	24,371,600	64,882,307
	- In current account		8,503	8,503
	Foreign currency			
	- In current account	5.2	986,056	945,728
			<u>25,366,159</u>	<u>65,836,538</u>
5.1	These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 11.25 % to 19.5% (June 30, 2022: from 11.25% to 14.5%) per annum.			
5.2	This represents USD denominated current account maintained in a foreign country amounting to USD 3,331.27 (2022: USD 4,617.76).			
6.	INVESTMENTS			
	At fair value through profit or loss			
	Listed equity securities	6.1	108,794,654	288,296,818
	Term finance certificates - Unlisted	6.2	41,010,919	57,396,584
	Government securities			
	- Pakistan investment bonds	6.3.1	23,820,000	25,000,000
	- Market treasury bills	6.3.2	112,286,322	85,421,933
	Commercial paper	6.4	-	-
			<u>285,911,895</u>	<u>456,115,335</u>

6.1 At fair value through profit or loss

Sector / Companies	Holding as at July 01, 2022	Purchased during the year	Bonus shares / letter of right received during the year	Disposed during the year	Holding as at June 30, 2023	Carrying value as at June 30, 2023							
						Number of Shares				Rupees			
Commercial Banks													
Habib Bank Limited - 6.1.1	99,518	-	-	99,518	-	-	-	-	-	-	-	-	-
MCB Bank Limited	120,548	11,309	-	72,801	59,056	7,245,878	6,760,140	(485,738)	2.36	-	2.17	-	0.50
Bank Alfalah Limited	112,425	317,481	-	229,396	200,510	6,436,276	6,033,524	(332,752)	2.13	1,396	2.13	1,396	1.27
Meezan Bank Limited	125,559	900	12,553	116,977	22,015	2,266,060	1,901,436	(364,625)	0.67	0.61	0.61	0.61	0.12
Bank Islami Pakistan Limited	-	156,600	-	-	156,600	2,044,870	2,781,216	736,346	0.97	0.89	0.89	0.89	1.41
United Bank Limited	199,259	270	-	139,947	59,582	6,740,771	7,033,268	262,497	2.45	2.25	2.25	2.25	0.49
Faysal Bank Limited	110,500	23,300	-	67,208	66,592	1,536,639	1,343,827	(192,812)	0.47	0.43	0.43	0.43	0.44
						26,270,494	25,893,411	(377,084)	9.05	8.31	8.31	8.31	4.23
Chemicals													
Descon Oxychem Limited	146,500	-	-	146,500	-	-	-	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	84,387	-	-	84,387	-	-	-	-	-	-	-	-	-
Fertilizers													
Engro Corporation Limited - 6.1.1	25,271	26,650	-	20,559	31,362	7,893,115	8,150,670	257,555	2.85	2.62	2.62	2.62	0.54
Fauji Fertilizer Company Limited	117,209	115,301	-	160,422	72,088	7,762,706	7,096,343	(666,363)	2.48	2.28	2.28	2.28	0.57
Engro Fertilisers Limited- 6.1.1	144,538	182,269	-	274,265	52,542	4,478,011	4,336,291	(141,720)	1.52	1.39	1.39	1.39	0.39
						20,133,832	19,583,304	(550,528)	6.85	6.29	6.29	6.29	1.50
PHARMACEUTICALS													
The Searle Company Limited - 6.1.2	24,890	-	25	24,787	128	11,229	4,905	(6,324)	0.00	0.00	0.00	0.00	0.00
Highnoon Laboratories Limited	14,200	2,100	315	-	2,415	909,600	811,851	(97,750)	0.28	0.26	0.26	0.26	0.46
Ferossons Laboratories Limited	-	-	-	14,200	-	920,829	816,756	(104,074)	0.29	0.26	0.26	0.26	0.46
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	-	-	-	-	-	-	-	-	-
Lucky Cement Limited - 6.1.1	15,402	9,884	-	10,500	14,786	7,320,384	7,719,623	399,239	2.70	2.48	2.48	2.48	0.47
Maple Leaf Cement Factory Limited	250,328	-	-	250,328	-	-	-	-	-	-	-	-	-
Pioneer Cement Limited	16,500	22,500	-	39,000	-	-	-	-	-	-	-	-	-
Fauji Cement Company Limited	183,500	76,500	-	260,000	-	-	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	-	75,900	-	75,900	-	-	-	-	-	-	-	-	-
Cherat Cement Company Limited	30,499	-	-	30,499	-	-	-	-	-	-	-	-	-
						7,320,384	7,719,623	399,239	2.70	2.48	2.48	2.48	0.47
Power Generation & Distribution													
Hub Power Company Limited	132,120	132,500	-	188,020	76,600	5,178,373	5,329,828	151,456	1.86	1.71	1.71	1.71	0.59
						5,178,373	5,329,828	151,456	1.86	1.71	1.71	1.71	0.59

Sector / Companies	Holding as at July 01, 2022	Purchased during the year	Bonus shares / letter of right received during the year	Disposed during the year	Holding as at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised gain / (loss) net	Market value as percentage of total investments	Market value as percentage of net assets	% of holding in investee company	
	-----						----- (Rupees) -----					----- (%) -----
Oil and Gas Exploration Companies	Mari Petroleum Company Limited	7,856	8,368	-	10,256	5,968	10,259,271	9,039,371	(1,219,900)	3.16	2.90	0.45
	Oil & Gas Development Company Limited - 6.1.1	160,582	2,800	-	128,410	34,972	2,772,552	2,727,816	(44,736)	0.95	0.88	0.08
	Pakistan Oilfields Limited	38,448	29,775	-	36,757	31,466	12,612,837	12,642,095	29,257	4.42	4.06	1.11
	Pakistan Petroleum Limited	165,921	50,650	-	169,630	46,941	3,242,441	2,776,091	(466,350)	0.97	0.89	0.17
							28,887,101	27,885,373	(1,701,729)	9.51	8.73	1.81
Oil and Gas Marketing Companies	Pakistan State Oil Company Limited - 6.1.2	67,662	17,450	-	70,488	14,624	2,481,112	1,623,410	(857,702)	0.57	0.52	0.31
	Sui Northern Gas Pipeline	91,500	162,800	-	102,280	152,010	5,172,842	5,984,634	811,792	2.09	1.92	2.40
	Attock Petroleum Limited	-	33,104	6,751	15,854	23,961	7,344,547	7,194,290	(150,257)	2.52	2.31	1.93
							14,998,501	14,802,334	(196,167)	5.18	4.75	4.63
Engineering	International Steels Limited	98,600	3,230	-	101,830	-	-	-	-	-	-	-
	Alpha Steel Mills Limited	413,800	-	-	413,800	-	-	-	-	-	-	-
Food & Personal Care Products	At-Tahir Limited	173,600	-	-	173,600	-	-	-	-	-	-	-
	Unity foods limited	-	51,300	-	51,300	-	-	-	-	-	-	-
Technology and Communication	Systems Limited	63,945	3,375	-	48,814	18,506	6,442,542	7,464,027	1,021,485	2.61	2.40	0.00
	TRG Pakistan Limited	155,910	8,000	-	163,910	-	-	-	-	-	-	-
	Avanceon Limited	37,775	-	-	37,775	-	-	-	-	-	-	-
	Hum Network Limited (Rs. 1 per share par value)	860,745	192,800	-	1,053,545	-	6,442,542	7,464,027	1,021,485	2.61	2.40	-
Refinery	Pakistan Refinery Limited	120,000	-	-	120,000	-	-	-	-	-	-	-
	National Refinery Limited	11,000	-	-	11,000	-	-	-	-	-	-	-
	Attock Refinery Limited	18,000	-	-	18,000	-	-	-	-	-	-	-
Glass and Ceramics	Shabir Tiles & Ceramics Limited (Rs. 5 per share par value)	192,000	-	-	192,000	-	-	-	-	-	-	-
Total as at June 30, 2023							110,152,055	108,794,654	(1,357,402)	38.05	34.92	13.70
Total as at June 30, 2022							320,985,316	288,296,818	(32,688,498)	63.20	55.10	-

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

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- (Number of shares) -----		----- (Rupees) -----	
Engro Corporation Limited	20,000	20,000	5,197,800	5,141,800
Habib Bank Limited	-	50,000	-	4,567,000
Oil & Gas Development Company Limited	25,000	75,000	1,950,000	5,900,250
Engro Fertilizers Limited	10,000	-	825,300	-
Lucky Cement Limited	7,000	-	1,819,230	-
	<u>62,000</u>	<u>145,000</u>	<u>9,792,330</u>	<u>15,609,050</u>

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 Honorable 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 128 shares in case of The Searle 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 June 30, 2023 amounted to Rs. 4,904 and Rs. 90,362.14 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 (unlisted)

Name of Security		Date of issue	Date of Maturity	Mark-up rate	As at July 01, 2022	Acquired during the year	Disposed / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised (diminution)/ appreciation	Market value as % of total investments	Market value as % of net assets	Face value as % of size of the issue
Note					Number of certificates				(Rupees)			(%)		
Performing														
Bank Al-Habib Limited	6.2.1	6-Dec-18	6-Dec-28	23.14%	2,000	-	-	2,000	10,421,384	10,026,919	(394,465)	3.51	3.22	0.25
NRSP Microfinance Bank	6.2.2	9-Jul-21	1-Jun-28	25.18%	150	-	-	150	15,000,000	15,000,000	-	5.25	4.81	1.95
									<u>25,421,384</u>	<u>25,026,919</u>	<u>(394,465)</u>	<u>8.75</u>	<u>8.03</u>	<u>2.20</u>
Total cost as at June 30, 2023									<u>25,673,867</u>					
Total as at June 30, 2022									<u>25,067,758</u>	<u>25,425,384</u>	<u>357,626</u>			
Name of Security		Date of issue	Date of Maturity	Mark-up rate	As at July 01, 2022	Acquired during the year	Disposed / matured during the year	As at June 30, 2023	Carrying value as at July 01, 2022	Impairment as at June 30, 2023	Carrying value as at June 30, 2023	Market value as % of total investments	Market value as % of net assets	Face value as % of size of the issue
Note					Number of certificates				(Rupees)			(%)		
Non-performing														
Silk Bank Limited	6.2.3	10-Aug-17	10-Aug-25	-	8,000	-	-	8,000	31,967,200	(15,983,200)	15,984,000	-	-	4.00
									<u>31,967,200</u>	<u>(15,983,200)</u>	<u>15,984,000</u>	-	-	<u>4.00</u>
Total cost as at June 30, 2023									<u>39,300,133</u>					
Total as at June 30, 2022									<u>35,413,827</u>	<u>(3,442,627)</u>	<u>31,967,200</u>			

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, 2028 to December 06, 2028. These are secured by first pari passu charge on the bank's balance with 25% margin. Total face value of the individual investment is Rs. 2,000 (Rs. 9.99 million in total).

6.2.2 This represents investments in Term Finance Certificates of NRSP Microfinance Bank Limited. The instrument is structured to redeem 100% of the issue amount in the last 4 equal quarterly instalments of 25.00% each from September 01, 2027 to June 01, 2028. These term finance certificates are unsecured. 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 was later automatically classified as "Performing" after the timely receipt of profit due on April 09, 2023, as stated in Circular No. 33 of 2012 by SECP.

- 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. No credit rating is available for this TFC as this has become a non-performing security.

During the year ended June 30, 2022, 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. 7.99 million, which is 20% of outstanding principal amount of Rs. 39.96 million was recorded as an unrealised loss during the year ended June 30, 2022. During the year a further provision of Rs. 15.98 million was recorded, which is 40% of principal amount.

- 6.2.3.1 The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 date July 07, 2010 prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for category assigned to such schemes or with the investment requirement of their consecutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. Lakson Asset Management Limited (the Management Company) classified Lakson Tactical Fund (the Fund) as an 'Asset Allocation Scheme' in accordance with the said circular. As at June 30, 2022, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade. The following are the details of non-compliant investments held by the Fund:

Name of non-compliant investment	Note	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Investment as percentage of Net Assets	Investment as percentage of Gross Assets
Silk Bank Limited	6.2.3	Term finance certificates	35,413,827	(19,429,827)	15,984,000	5.13%	5.05%

- 6.2.4 Significant terms and conditions of term finance certificates outstanding as at June 30, 2023 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Maturity date	Rating
Commercial Bank	6 months KIBOR + 1%	December 06, 2028	AAA
Bank Al-Habib Limited	3 months KIBOR + 3.00%	June 01, 2028	A-
NRSP Microfinance Bank	6 months KIBOR + 1.85%	August 10, 2025	B



6.3.2 Pakistan Investment Bonds

6.3.1.1 This represents investments in 10 years Pakistan Investment Bond carrying an effective profit rate of 22.41% and having maturity on May 31, 2028. The face value of Pakistan Investment Bond as at June 30, 2023 amounts to Rs. 25 million.

6.3.2 Market Treasury Bills

6.4 Commercial Papers

6.4.1 This represented investment in commercial paper of Pak Electron Limited having coupon rate 16.5% and was matured on 29 October 2022. The paper was unsecured. Face value and cost of commercial paper was Rs.30,000,000.

	June 30, 2023	June 30, 2022
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7 PROFIT ACCRUED AND DIVIDEND RECEIVABLE

Profit receivable on:

- Profit and loss sharing accounts
- Term finance certificates
- Government securities

426,178	902,803
1,002,362	584,802
461,458	317,518
1,889,998	1,805,123

Dividend receivable

32,764	24,624
<u>1,922,762</u>	<u>1,829,747</u>

8 DEPOSITS AND OTHER RECEIVABLES

		June 30, 2023	June 30, 2022
	Note	(Rupees)	
Security deposit to:			
- National Clearing Company of Pakistan Limited	8.1	2,500,000	2,500,000
- Central Depository Company of Pakistan Limited	8.2	100,000	100,000
Advance tax	8.3	956,346	1,177,436
Other receivable		-	28,820
		<u>3,556,346</u>	<u>3,806,256</u>

8.1 This represents deposit with NCCPL in respect of the trading of listed securities.

8.2 This represents deposit with CDC on account of initial deposit for opening of investor account for electronic transfer of book-entry securities.

8.3 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, withholding tax on profit on bank balances paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide its Circular C.No.1 (43) DG (WHT) / 2008 - Vol.II - 66417 - R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on bank balances have been shown as advance tax under assets as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9. PAYABLE TO THE MANAGEMENT COMPANY

		June 30, 2022	June 30, 2021
	Note	(Rupees)	
Remuneration payable to the Management Company	9.1	528,299	621,924
Sindh Sales Tax payable on remuneration of Management Company	9.2	68,678	80,850
Federal Excise Duty on remuneration payable to Management Company	9.3	1,943,186	1,943,186
Sales load payable		-	2,480
		<u>2,540,163</u>	<u>2,648,440</u>

- 9.1 As per Regulation 61 of the NBFC and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Currently the effective rate of Management Company remuneration is charged at 1.42% (June 2022: 1.31%) of average of net assets, subject to minimum of 1% and maximum of 2% of average net assets. Remuneration is paid to the Management company in arrears on a monthly basis and during the year.
- 9.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2022: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Federal Excise Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 9.3.
- 9.3 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 1.94 million (2022: 1.94 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 June 30, 2023 would have been higher by Rs. 0.01 (June 30, 2022: Rs.0.29) per unit.

10. REMUNERATION PAYABLE TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of Trust Deed. Effective from July 01, 2019 the Trustee has revised the trustee fee as under:

Net assets up to 1 billion	0.7 million or 0.20% per annum of the daily average net assets of the Fund, whichever is higher.
Net assets exceeding Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs 1 billion.

The remuneration is paid to the trustee in arrears on monthly basis.

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the NBFC Regulations. Effective from July 01, 2019 the SECP has revised the Annual SECP fee. Currently the Management Company is required to pay SECP an amount at the rate of 0.02% per annum of the average daily net assets of the fund.

	Note	June 30, 2023	June 30, 2022
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	12.1	-	-
Brokerage charges payable		118,247	534,665
Fee payable to National Clearing Company of Pakistan		100,000	4,876
Auditors' remuneration		590,280	288,564
Fee payable to Central Depository Company		14,434	98,914
Other liabilities		207,015	132,045
Mutual Fund rating fee		-	128,357
Professional fee payable		39,250	32,924
		1,069,226	1,220,345

12.1 The Government of Sindh introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The MUFAP, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles, therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them.

During the previous year, SRB through its letter to MUFAP has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting (EOGM) on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

During the year ended June 30, 2022, the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 6.7 million charged till June 30, 2021.

13. TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), Total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 2.86% as of June 30, 2023 (June 30, 2022: 2.34%) and this includes 0.24% (June 30, 2022: 0.23%) representing Sindh Sales tax and SECP fee. As per NBFC Regulation the total expense ratio of the Asset allocation Scheme shall be capped up to 4.5% (excluding government levies).

14. CONTINGENCIES AND COMMITMENTS

The Fund had no contingency or commitment at the year end except as those mentioned elsewhere in these financial statements.

		June 30, 2023	June 30, 2022
	Note	(Rupees)	
15. NUMBER OF UNITS IN ISSUE			
Total outstanding as of 1 July		5,737,533	6,048,514
Issued during the year		404,376	148,066
Redemptions during the year		(2,726,680)	(459,047)
Total units in issue as of 30 June		<u>3,415,229</u>	<u>5,737,533</u>

16. AUDITORS' REMUNERATION

Annual audit fee	363,000	300,000
Fee for the review of half yearly financial statements	181,500	100,000
Report on the compliance on foreign investment agreed upon procedures report	160,000	34,854
Out of pocket and sales tax expenses	59,660	40,000
	<u>764,160</u>	<u>474,854</u>

17. TAXATION

The Fund is exempt from taxation under Clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the 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. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

18. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee and the custodian being holding company of the management company, SIZA Services Private Limited being holding company of the Management Company, associated companies of the Management Company, key management personnel and other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at June 30, 2023.

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

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

18.1 Details of balances with related parties / connected persons for the year

	June 30, 2023	June 30, 2022
	(Rupees)	
Lakson Investments Limited - Management Company of the Fund		
Remuneration payable to Management Company	528,299	621,924
Sindh Sales Tax on remuneration of Management Company *	68,678	337,480
Federal Excise Duty on Management Company's remuneration	1,943,186	1,686,556
Sales load payable to the Management Company	-	2,480
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	162,729	199,953
Security deposit	100,000	100,000
Settlement charges payable	14,434	98,914
Habib Bank AG Zurich - Custodian		
Bank balance	986,056	945,728

18.2 Details of transactions with related parties / connected persons during the year

Lakson Investments Limited - Management Company of the Fund		
Remuneration to the Management Company	6,221,619	7,753,234
Sindh sales tax on remuneration of Management Company *	808,810	1,007,920
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration for the period	850,411	1,335,268
Settlement charges	107,700	82,264

* Sales tax is paid to the Management Company for onwards payment to the Government.

18.3 Details of units held, issued and redeemed by the related parties / connected persons.

	Year ended June 30, 2023				
	Number of Units		Rupees		
	Number of Units as at July 01, 2022	Units issued during the year	Units redeemed during the year	Balance as at 01 July 2022	Balance as at June 30, 2023
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors Key management personnel, employees and connected persons of the Management Company	1,636,986 121,644 16,476	- 6,210 -	1,636,986 16,476 -	149,254,163 11,091,038 1,502,219	- 11,663,640 -
Associated companies / undertakings of the Management Company					
Accurate Surgical Limited- Employees Contributory Provident Fund Trust	44,659	14,772	6,076	4,071,820	4,867,434
Century Insurance Company Limited	444,538	-	444,538	40,531,108	-
Contributory Provident Fund Trust	62,120	3,408	6,380	5,663,799	5,395,971
Century Insurance Company Limited Gratuity Fund	45,359	2,448	5,333	4,135,643	3,874,816
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	610,176	33,533	61,889	55,633,285	53,077,413
Century Paper & Board Mills Limited Employees Gratuity Fund	546,532	29,907	57,537	49,830,492	47,338,493
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	577,532	31,870	56,436	52,656,942	50,445,167
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	634,656	34,700	67,287	2,880,986	5,175,000
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	288,558	15,850	29,390	3,136,814	6,170,000
GAMI Corporation (Private) Limited Employees Contributory Provident Fund Trust	194,588	-	194,588	57,865,269	54,924,633
Hasanali Karabhai Foundation Employees Contributory Provident Fund Trust	8,488	8,165	8,490	26,309,517	25,088,956
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,650	242	-	1,432,861	2,695,000
Lakson Investments Limited Employees Contributory Provident Fund Trust	31,991	1,730	3,708	17,741,534	18,237,311
Ment Packaging Limited Employees Contributory Provident Fund Trust	74,713	14,148	15,267	773,900	811,065
Ment Packaging Limited Employees Gratuity Fund	39,132	4,726	3,937	738,065	744,821
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	159,372	196,733	16,140	515,143	537,547
SIZA Services (Private) Limited Employees Contributory Provident Fund Trust	32,148	1,752	3,501	2,916,826	340,000
Syrid (Private) Limited Employees Contributory Provident Fund Trust	63,275	3,477	6,423	156,370	2,737,984
				328,658	6,713,736
				429,385	3,641,877
				14,530,870	31,013,837
				158,379	2,773,174
				314,314	5,503,532

	Year ended June 30, 2022					Rupees				
	Number of Units									
	Number of Units as at July 01, 2021	Units issued during the year	Units redeemed during the year	Number of units at the year ended June 30, 2022	Balance as at 01 July 2021	Units issued during the year	Dividend paid during the year	Units redeemed during the year	Balance as at June 30, 2022	
Lakson Investments Limited - Management Company Directors, Chief Executive and their spouse and minors	1,636,986	-	-	1,636,986	169,822,565	-	-	-	149,254,163	
Key management personnel, employees and connected persons of the Management Company	121,645	-	1	121,644	12,619,574	-	121,644	-	11,091,038	
	16,475	1	-	16,476	1,709,133	-	-	-	1,502,219	
Associated companies / undertakings of the Management Company										
Accurate Surgical Limited- Employees Contributory Provident Fund Trust	47,090	2	2,433	44,659	4,885,164	-	-	235,490	4,071,820	
Century Insurance Company Limited	444,538	-	-	444,538	46,116,817	-	-	-	40,531,108	
Century Insurance Company Limited Employees Contributory Provident Fund Trust	52,446	16,189	6,515	62,120	5,440,800	-	1,558,659	644,000	5,663,799	
Century Insurance Company Limited Gratuity Fund	45,481	498	620	45,359	4,718,244	-	47,514	60,993	4,135,643	
Century Paper & Board Mills Limited Employees Contributory Provident Fund Trust	630,847	-	20,671	610,176	65,444,699	-	-	2,001,192	55,633,285	
Century Paper & Board Mills Limited Employees Gratuity Fund	552,117	2	5,587	546,532	57,277,170	-	-	540,904	49,830,492	
Colgate Palmolive (Pakistan) Limited Employees Contributory Provident Fund Trust	655,030	-	77,498	577,532	67,953,467	-	-	7,513,530	52,656,942	
Colgate Palmolive (Pakistan) Limited Employees Gratuity Fund	726,560	37,078	128,982	634,656	75,374,061	-	3,589,452	13,050,000	57,865,269	
Cyber Internet Services (Private) Limited Employees Contributory Provident Fund Trust	280,800	26,605	18,847	288,558	29,130,473	-	2,551,074	1,863,000	26,309,517	
GAM Corporation (Private) Limited Employees Contributory Provident Fund Trust	194,586	-	-	194,586	20,186,546	-	-	-	17,741,534	
Haaril Karabahal Foundation Employees Contributory Provident Fund Trust	8,877	-	389	8,488	920,909	-	-	37,634	773,900	
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,650	-	-	5,650	586,137	-	-	-	515,143	
Lakson Investments Limited Employees Contributory Provident Fund Trust	33,095	3,775	4,879	31,991	3,433,308	-	360,639	479,713	2,916,826	
Merit Packaging Limited Employees Contributory Provident Fund Trust	62,909	50,978	39,174	74,713	6,526,243	-	4,921,734	3,918,476	6,812,026	
Merit Packaging Limited Employees Gratuity Fund	37,112	5,307	3,287	39,132	3,850,036	-	509,538	325,000	3,567,911	
SIZA Foods (Private) Limited Employees Contributory Provident Fund Trust	164,049	-	4,677	159,372	17,018,607	-	-	454,022	14,530,870	
SIZA Services (Private) Limited Employees Contributory Provident Fund Trust	31,757	392	1	32,148	3,294,503	-	37,908	-	2,931,120	
Sybird (Private) Limited Employees Contributory Provident Fund Trust	59,212	7,098	3,035	63,275	6,142,712	-	683,091	300,000	5,769,130	

19. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- credit risk (refer note 19.1)
- liquidity risk (refer note 19.2)
- market risk (refer note 19.3)
- operational risk (refer note 19.4)
- Unitholders' fund risk (refer note 19.5)

Risk management framework

The Fund's board of directors has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup based on limits established by the management company, Fund's Trust Deed and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

19.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, receivable against sale of marketable securities, security deposits and profit receivables, dividend receivable on equity securities and profit receivable on Term Finance Certificates.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimize the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimize the risk of default.

- Analysis of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
 - The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
 - Cash is held only with reputable banks with high quality external credit enhancements.
 - Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimize the risk of default and transactions are settled or paid for only upon delivery.

Exposure to credit risk

The maximum exposure to credit risk as at June 30, was as follows:



	June 30, 2023		June 30, 2022	
	Balance as per the Statement of Asset and Liabilities	Maximum exposure	Balance as per the Statement of Asset and Liabilities	Maximum exposure
	(Rupees)		(Rupees)	
Bank balances (including profit due)	25,792,337	25,792,337	66,739,341	66,739,341
Investments (including profit due)	286,338,073	42,013,281	457,017,655	57,981,386
Dividend receivable	32,764	32,764	24,624	24,624
Deposits and other receivable	2,600,000	2,600,000	2,628,820	2,628,820
Receivable against sale of instruments	-	-	-	-
	314,763,174	70,438,382	526,410,440	127,374,171

Difference in the balance as per the statement of assets and liabilities and maximum exposure in investments is due to the fact that investment in equity securities of Rs. 108.796 million (2022: Rs. 288.297 million) and government securities of Rs. 136.81 million (2022: Rs. 110.422 million) do not carry credit risk.

Bank balances (including profit)

The Fund held cash and cash equivalents at 30 June with banks had following credit ratings:

Rating	2023 (Rupees)	2022	2023 (%)	2022
AAA	1,113,375	129,065	4.32	0.19
AA+	24,480,352	2,315,153	94.91	3.46
AA	42,774	10,327	0.17	0.02
AA-	16,336	63,235,676	0.06	94.75
A+	54,513	18,670	0.21	0.03
A	35,689	57,771	0.14	0.09
A-	7,994	13,982	0.03	0.02
Other*	41,304	958,697	0.16	1.44
Total balance	25,792,337	66,739,340	100	100.00

Above rates are on the basis of available ratings assigned by PACRA and VIS.

* This includes balance in Habib Bank AG Zurich Switzerland. Rating of this bank is not available, however, the management considers that this is a reputable bank of good credit standing.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

Details of Fund's concentration of credit risk of financial instruments by industrial distribution are as follows:

	June 30, 2023		June 30, 2022	
	(Rupees)	(%)	(Rupees)	(%)
Commercial banks (including profit due)	25,792,337	36.62	4,318,418	3.39
Micro Finance Bank	-	-	62,420,923	49.01
Deposits and other receivable	2,632,764	3.74	2,653,444	2.08
Commercial banks - Term Finance Certificates	41,010,919	58.22	57,396,584	45.06
Profit receivable on - Term Finance Certificates	1,002,362	1.42	584,802	0.46
	<u>70,438,382</u>	<u>100</u>	<u>127,374,171</u>	<u>100</u>

Past due and impaired assets and collaterals held

None of the financial assets of the Fund are past due or impaired as at 30 June 2023 (June 30, 2022: nil).

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through brokers with good credit worthiness to ensure that transactions are settled only when both parties have fulfilled their contractual settlement obligations.

19.2

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's redemption price per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed other than placing funds in profit and loss accounts maintained with commercial banks. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund is able to swiftly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, in accordance with 58(1) (k) of NBFC Regulation, 2008, the Fund is entitled to borrow, with prior approval of trustee, for meeting redemptions.. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the

time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

In order to manage the Fund's overall liquidity, the Fund is also allowed in accordance with regulation 57(10) of NBFC Regulations, 2008, to withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, during the period no such option was exercised or considered necessary.

Maturity analysis for financial liabilities

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	2023	
	Contractual cash flows	
	Carrying amount	Less than 3 month
	----- (Rupees) -----	
Non-derivative financial liabilities (excluding unit holders' fund)		
Payable to the Management Company *	2,540,163	596,977
Remuneration payable to the Trustee *	162,729	162,729
Accrued expenses and other liabilities *	937,915	937,915
	<u>3,640,807</u>	<u>1,697,621</u>
	2022	
	Contractual cash flows	
	Carrying amount	Less than 3 month
	----- (Rupees) -----	
Non-derivative financial liabilities (excluding unit holders' fund)		
Payable to the Management Company *	621,924	621,924
Remuneration payable to the Trustee *	176,953	176,953
Accrued expenses and other liabilities *	927,019	927,019
Payable against purchase of securities	274,235	274,235
	<u>2,000,131</u>	<u>2,000,131</u>

* excluding provision for Sindh Workers' Welfare Fund and annual fee payable to the SECP.

Above financial liabilities do not carry any mark-up.

19.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

The Fund is exposed to currency risk, interest rate risk and price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund has a bank balance in foreign currency exposed to foreign exchange risk. The Fund has no foreign currency denominated liability.

As per the approval accorded by the Securities and Exchange Commission of Pakistan and State Bank of Pakistan the Fund's exposure in foreign currency shall not exceed 30% of the aggregate funds mobilised subject to cap of US\$ 15 million. Investment Committee monitors and reviews the investment performance and makes necessary adjustment in light of the current economic scenario and currency valuation outlook to mitigate the risk.

The Fund's total exposure to foreign exchange at June 30, was as follows:

	2023	
	(Rupees)	(USD)
Financial Assets		
Bank balance	986,056	3,331
	<u>986,056</u>	<u>3,331</u>
	2022	
	(Rupees)	(USD)
Financial Assets		
Bank balance	945,728	4,617
	<u>945,728</u>	<u>4,617</u>

Fair value sensitivity analysis of foreign currency exposure:

	Average rates		Balance sheet date rate	
	2023	2022	2023	2022
Rupees / US Dollars	<u>247.99</u>	<u>177.45</u>	<u>285.99</u>	<u>204.85</u>

A five percent strengthening of Pakistani Rupee against US dollar would have decreased the net assets of the fund by Rs. 47,286 (2022: Rs. 47,262). This analysis assumes that all other variables in particular interest rate remain constant. Weakening of Pakistani Rupee by the same percentage would had a vice versa impact.

19.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

Exposure to interest rate risk

The interest rate profile of the Fund's interest-bearing financial instruments is as follows:

LAKSON TACTICAL FUND

	June 30, 2023	June 30, 2022
Variable-rate instruments		(Rupees)
Bank balances	24,371,600	64,882,307
Term Finance Certificate	41,010,919	57,396,584
Government Securities - Pakistan		
Investment Bond	23,820,000	110,421,933
	<u>89,202,519</u>	<u>232,700,824</u>

Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased unit holder fund and income statement by Rs. 0.89 million (2022: Rs. 2.33 million). The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Above bank balances are reprised by the bank after changes in the State Bank of Pakistan's policy rate and do not have any contractual maturity.

None of the other assets and Fund's liabilities are exposed to interest rate risk.

Sensitivity analysis for fixed rate instruments

Fund has fixed rate financial assets (market treasury bills) at fair value through profit or loss, therefore, changes in interest rate by 100 basis points at the reporting date would impact the income statement by Rs. 1.12 million (2022: Rs. 0.85 million)

None of the other assets and Fund's liabilities are exposed to interest rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of the future movements in interest rates.

Yield/profit sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

A summary of the Fund's interest rate gap position, categorized by the earlier of contractual re-pricing or maturity date is as follows:

June 30, 2023					
	Note	Exposed to interest rate risk		Not exposed to interest rate risk	Total
		No later than one year	Between two months to one year		
		----- Rupees -----			
Financial assets					
Investments					
- Listed equity securities	6.1	-	-	108,794,654	108,794,654
- Term Finance Certificates	6.2	-	41,010,919	-	41,010,919
- Government Securities	6.4	-	23,820,000	112,286,322	136,106,322
Bank balances (including profit due)	5.1	24,371,600	-	-	24,371,600
Dividend receivable		-	-	32,764	32,764
Deposits and other receivable		-	-	2,600,000	2,600,000
		<u>24,371,600</u>	<u>64,830,919</u>	<u>223,713,740</u>	<u>312,916,259</u>
Financial liabilities					
Payable to the Management Company		-	-	528,299	528,299
Remuneration payable to the Trustee		-	-	162,729	162,729
Accrued expenses and other liabilities		-	-	1,069,226	1,069,226
Total financial liabilities		<u>-</u>	<u>-</u>	<u>1,760,254</u>	<u>1,760,254</u>
On balance sheet gap		<u>24,371,600</u>	<u>64,830,919</u>	<u>221,953,486</u>	<u>311,156,005</u>
Cumulative interest rate gap *			<u>24,371,600</u>	<u>89,202,519</u>	

* There were no off balance sheet financial instruments for the Fund.

		June 30, 2022			
	Note	Exposed to		Not exposed to interest rate risk	Total
		interest rate risk			
		No later than one year	Between two months to one year		
----- Rupees -----					
Financial assets					
Investments					
- Listed equity securities	6.1	-	-	288,296,818	288,296,818
- Term Finance Certificates	6.2	-	57,396,584	584,802	57,981,386
- Government Securities	6.4	-	110,421,933	317,518	110,739,451
Bank balances (including profit due)	5.1	64,882,307	-	1,857,034	66,739,341
Dividend receivable		-	-	24,624	24,624
Deposits and other receivable		-	-	2,628,820	2,628,820
Receivable against sale of securities		-	-	-	-
		<u>64,882,307</u>	<u>167,818,517</u>	<u>293,709,616</u>	<u>526,410,440</u>
Financial liabilities					
Payable to the Management Company		-	-	621,924	621,924
Remuneration payable to the Trustee		-	-	176,953	176,953
Accrued expenses and other liabilities		-	-	1,220,345	1,220,345
Payable against purchase of securities		-	-	274,235	274,235
Total financial liabilities		<u>-</u>	<u>-</u>	<u>2,293,457</u>	<u>2,293,457</u>
On balance sheet gap		<u>64,882,307</u>	<u>167,818,517</u>	<u>291,416,159</u>	<u>524,116,983</u>
Cumulative interest rate gap *		<u>64,882,307</u>	<u>232,700,824</u>		

* There were no off balance sheet financial instruments for the Fund.

19.3.2 Price risk

The Fund is exposed to equity price risk i.e. the risk of unfavorable changes in the fair value of equity securities as a result changes in the levels of Pakistan Stock Exchange Index and the value of individual shares, which arises from investments classified at fair value through Income Statement.

The management of the Fund monitors the proportion of equity securities in its investment portfolio based on market indices. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of NBFC regulations. The Fund manages those risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Fund with overall limit of 30% or index weight whichever is higher subject to maximum of 35% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations).

The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. The primary goal of the Fund's investment strategy is to maximise investment returns.

Details of the Fund's investment in industrial / economic sector are given in note 6.1.

Sensitivity analysis - Price risk

A change of 5% in the fair values of investments classified as fair value through profit or loss would affect income statement and statement of unit holder fund by Rs. 14.35 million (2022: Rs. 22.806 million).

19.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;

- ethical and business standards;
- risk mitigation, including insurance where this is effective.

19.5 Unit holder's fund risk management

The Fund's capital is represented by redeemable units. The Fund is required by the NBFC Regulations, to maintain a minimum fund size of Rs.100 million, to be maintained all the time during the life of the scheme. The units issued by the Fund provides an investor with the right to require redemption for cash at a value proportionate to the unit holder's share in the Fund's net assets at the redemption date.

The Fund's objective in managing the unit holders' fund is to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemption. In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

20. 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:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: 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 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table show the carrying amount and fair values of financial assets and financial liabilities including the levels in the fair value hierarchy.

		June 30, 2022						
		Carrying amount			Fair Value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investment in listed equity securities	6	108,794,654	-	108,794,654	108,794,654	-	-	108,794,654
Term finance certificates	6	41,010,919	-	41,010,919	25,036,919	-	15,984,000	41,010,919
Government securities	6	136,106,322	-	136,106,322	29,820,000	112,286,322	-	136,106,322
		<u>285,911,895</u>	<u>-</u>	<u>285,911,895</u>	<u>157,641,573</u>	<u>112,286,322</u>	<u>15,984,000</u>	<u>285,911,895</u>
Financial assets not measured at fair value								
Bank balances	5	-	25,366,159	25,366,159	-	-	-	-
Dividend and Markup receivable	8	-	1,922,762	1,922,762	-	-	-	-
Deposits and other receivables		-	2,600,000	2,600,000	-	-	-	-
		<u>-</u>	<u>29,888,921</u>	<u>29,888,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Remuneration payable to the Management Company	9	-	528,299	528,299	-	-	-	-
Remuneration payable to the Trustee	10	-	162,729	162,729	-	-	-	-
Accrued expenses and other liabilities	12	-	1,069,226	1,069,226	-	-	-	-
		<u>-</u>	<u>1,760,254</u>	<u>1,760,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

		June 30, 2022					
		Carrying amount			Fair Value		
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3
		(Rupees)					
On-balance sheet financial instruments							
Financial assets measured at fair value	Note						
Investment in listed equity securities	6	288,296,818	-	288,296,818	288,296,818	-	-
Term finance certificates	6	57,396,584	-	57,396,584	25,429,384	-	31,967,200
Government Securities	6	110,421,933	-	110,421,933	-	110,421,933	-
		456,115,335	-	456,115,335	313,726,202	110,421,933	31,967,200
Financial assets not measured at fair value	20.1						
Bank balances	5	-	65,836,538	65,836,538	-	-	-
Dividend and Markup receivable	8	-	1,829,747	1,854,371	-	-	-
Deposits and other receivables		-	2,628,820	2,628,820	-	-	-
Receivable against sale of securities		-	-	-	-	-	-
		-	70,319,729	70,319,729	-	-	-
Financial liabilities not measured at fair value	20.1						
Remuneration payable to the Management Company	9	-	621,924	621,924	-	-	-
Remuneration payable to the Trustee	10	-	176,953	176,953	-	-	-
Accrued expenses and other liabilities	12	-	1,220,345	1,220,345	-	-	-
Payable against purchase of securities		-	274,235	274,235	-	-	-
		-	2,293,457	2,293,457	-	-	-

20.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair values.

21. RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Payable against redemption of units	Dividend payable	Total
	(Rupees)		
Opening balance as at July 01, 2022	-	-	-
Payable against redemption of units	(252,132,898)	-	(252,132,898)
Payable against dividend	-	17,801,113	17,801,113
	(252,132,898)	17,801,113	(234,331,785)
Amount paid on redemption of units	252,132,898	-	252,132,898
Amount paid dividend	-	(17,801,113)	(17,801,113)
	252,132,898	(17,801,113)	234,331,785
Closing balance as at June 30, 2023	-	-	-

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top brokers, members of the Investment Committee, Fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company are as follows:

22.1 Unit holding pattern of the Fund

	June 30, 2023		
Category	No. of Investors	Investment amount (Rupees)	% of total asset
Individuals	7	1,216,677	0.39%
Associated Companies and Directors	18	310,343,031	99.61%
Total	25	311,559,708	100%

	June 30, 2022		
	No. of Investors	Investment amount (Rupees)	% of total asset
Individuals	10	5,837,412	1.87%
Associated Companies and Directors	20	364,849,589	117.10%
NBFC's (Management Company)	1	149,254,163	47.91%
Retirement Funds	2	3,185,598	1.02%
Total	35	523,126,762	100%

22.2 List of top 10 brokers by percentage of commission paid

	2023	2022
Name of Broker	Commission paid (Percentage)	
Intermarket Securities Limited	12.62	12.62
Ismail Iqbal Securities (Pvt.) Ltd	10.64	9.33
Vector Capital Private Limited	9.33	10.64
AL Habib Capital Markets (Pvt.) Limited	9.23	0.00
Arif Habib Limited	8.77	5.00
EFG Hermes Pakistan Limited	8.44	8.44
Chase Securities Pakistan (Private) Limited	7.16	0.00
Alfalah CLSA Securities (Private) Limited	6.69	7.16
BMA Capital Management Limited	5.07	0.00
Topline Securities Limited	5.00	9.23

22.3 Particulars of the Investment Committee and Fund manager

Following are the members of the investment committee of the Fund:

- Mr. Babar Ali Lakhani (Chairman Investment Committee)
- Mr. Kashif Mustafa - (Executive Director & COO)
- Mr. Mustafa O. Pasha - (Chief Investment Officer)
- Mr. Hassan Bin Nasir
- Mr. Moazzam Akhtar
- Mr. Danial Baig
- Ms. Aisha Mohammad

Mr. Babar Ali Lakhani - Chief Executive Officer

Mr. Lakhani has over twenty two years of investment and portfolio management experience in domestic and international equity and fixed income markets. Mr. Lakhani most recently served as the Chief Investment Officer of Century Insurance, a Public Limited Company listed on the Karachi and Lahore Stock Exchanges of Pakistan. He was an Investment Associate at High Street Advisors and a Research Analyst at Credit Suisse Equity Group (formerly Credit Suisse First Boston). Mr. Lakhani brings extensive investment experience, globally practiced portfolio management discipline, and a comprehensive understanding of the global asset management industry to Lakson Investments Limited.

Mr. Lakhani received his BA in Finance from Bentley College, and his MBA from Brandeis University.

Mr. Lakhani is a member of the Global Association of Risk Professionals (GARP), the Society of Financial Service Professionals and the Young Presidents' Organization (YPO). Mr. Lakhani is a member of the Alumni Trustee Committee of Brandeis University and is the school's representative in Pakistan.

Mr. Lakhani was looking after Lakson Asset Allocation Emerging Market Fund and Lakson Asset Allocation Global Commodities Fund. Subsequently, Mr. Pasha have designated to manage the Lakson Asset Allocation Emerging Market Fund and Lakson Asset Allocation Global Commodities Fund respectively.

Mr. Kashif Mustafa – Executive Director and COO

Mr. Mustafa has more than fourteen years of experience working in the financial markets of Pakistan local & international brokerage houses, and leading Asset Management Companies. Mr. Mustafa's experience includes; Financial Analysis, Equity Research, Investment Advisory and Business Development.

Mr. Mustafa O. Pasha, CFA – Chief Investment Officer

Mr. Pasha has over fourteen years of experience in the asset management and investment advisory industry. He did his Bachelors in Economics from McGill University (Montreal, Canada) in 2006 and obtained his CFA charter in 2012.

He was previously associated with BMA where he initially served as a fixed income analyst and later became the in house economist for the entire BMA group. Between 2009 - 2012 he supervised fixed income/money market investments across all mutual funds and institutional/HNW accounts advised by BMA. He is also managing Lakson Tactical Fund.

Mr. Hassan Bin Nasir- Fund Manager

Mr. Hassan Bin Nasir has over twelve years of experience and currently holds positions of Vice President Fixed Income in Lakson Investments Limited. He completed his Masters in Business Administration in Finance major from Bahria University, Pakistan. He has immense experience in managing portfolios across Collective Investment Schemes, Separate Managed Accounts with Strong Fixed Income background, investment strategy and trading experience in instruments including, Government Securities, Corporate Debt Securities, Banking Products and Shariah Compliant Corporate Debt Securities. He is managing the following funds:

- Lakson Income Fund
- Lakson Money Market Fund
- Lakson Asset Allocation Developed Markets Fund

Mr. Moazzam Akhtar

Moazzam is a CFA charter holder along with a Bachelor's in Finance, with over six years of experience in Equity Research. He joined Lakson as an Investment Professional in the Research team, and has recently been elevated to Deputy Head of Research.

He is responsible for managing the research team, and works closely with the Investments team.

Mr. Mirza Danial Baig

Mr. Baig has a Master's degree in Business Administration, with over seven (7) years of experience in asset management and banking. He has knowledge base in NBFC Rules & Regulations, AML Regulations, corporate governance, formulation of internal policies/mechanisms, development and execution of multi-faceted compliance programs.

He has been associated with Lakson Investments since September 2022, as Manager Compliance, where he is responsible for overseeing the Compliance Function.

Ms. Aisha Mohammad

Aisha has a Master's in Economics, and has over three years of work experience. Prior to joining Lakson, she was associated with Alfalah GHP, as Assistant Manager Compliance. She joined Lakson in Compliance, and has recently been transferred as Manager Risk.

She is responsible for managing the overall Risk function of the Company.

22.4 Directors meeting attendance

2023

Name of directors	Designation	Meeting Attended	22 Sep 22	31 Oct 22	20 Feb 23	28 Apr 23
- Mr. Iqbal Ali Lakhani	Chairman	2	✓	X	X	✓
- Mr. Babar Ali Lakhani	CEO	4	✓	✓	✓	✓
- Mr. Jacques John Vesser	Director	1	X	X	✓	X
- Mr. Amin Mohammed Lakhani	Director	4	✓	✓	✓	✓
- Mr. Jamil Ahmed Mughal	Director	4	✓	✓	✓	✓
- Ms. Roxanne Davies	Director	2	✓	✓	X	X
			5	4	4	4

* Ms. Roxanne Davies resigned in the month of April 2023 and Mr. Jacques John Vesser resigned in the month of March 2023.

22.5 Rating of the Fund and the management company

Details of the ratings of the Fund and the management company are given in note 1.4.

23 GENERAL

23.1 Corresponding figures have been reclassified / rearranged wherever necessary.

23.2 These financial statements were authorised for issue on September 04, 2023 by the Board of Directors of the Management Company.

Performance Table	FY23	FY22	FY21	FY20	FY19
Net Assets - Beginning (PKR Mil.)	523.00	627	507	757	1226
Net Assets - Ending (PKR Mil.)	312.00	523	627	507	757
Net Asset value per share	91.2265	91.1762	103.741	87.4778	89.6785
Selling Price for units	93.8083	93.4557	106.3346	89.6648	91.9205
Repurchase Price for units	91.2265	91.1762	103.741	87.4778	89.6785
Highest Offer Price (PKR)	99.8126	109.6536	113.6923	109.1208	107.1488
Lowest Offer Price (PKR)	91.1585	91.7546	90.7696	80.6125	91.1526
Highest Redemption Price (PKR)	97.0656	106.9791	110.9193	106.4593	104.5354
Lowest Redemption Price (PKR)	88.9351	90.1741	88.5557	78.6463	88.9293
Beginning NAV - Ex-Div. (PKR)	91.1762	103.741	87.4778	89.6785	100.6215
Interim Distributions (PKR)	5.5287	-	5	4.9542	-
Final Distribution (PKR)	-	-	-	5	-
Ending NAV - Ex-Div. (PKR)	91.2265	91.1762	103.741	87.4778	89.6785
Return	6.17%	-12.11%	24.28%	3.09%	-10.88%
Net Income / (loss) (PKR Mil.)	21	(74)	107	27	-104
Total Distribution (PKR Mil.)	17	-	25	25	-
Accumulated Capital Growth	(80)	(86)	(11)	(92)	(94)
Average Annual return of the Fund					
One Year	6.17%	-12.11%	24.28%	3.09%	-10.88%
Two year	-2.97%	15.43%	28.12%	-8.12%	-15.94%
Three year	15.97%	12.60%	14.19%	-13.35%	-1.47%
Since inception	56.36%	47.27%	67.14%	34.49%	30.45%
Distributions	FY23	FY22	FY21	FY20	FY19
Interim Distribution	5.5287	-	5.000	4.9542	-
Final Distribution	-	-	-	-	-
NAV before Distribution	95.9277	-	109.2963	92.0989	-
NAV after Distribution	90.3990	-	104.2963	87.1447	-
Distribution Date	22-Jun-23	-	26-Jun-21	29-Jun-20	-

Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

During FY23

Summary of Actual Proxy voted by CIS:

	Resolutions	For	Against	Abstain*
Number	2	2	-	-
(%ages)	100%	100%	-	-

Note: The proxy voting policy of the Lakson Tactical Fund (LTF) is available on the website of Lakson Investments Limited, the Management Company. A detailed information regarding actual proxies voted by the Management Company in respect of the Lakson Tactical Fund (LTF) is also available without charge upon request to all unit holders.



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