

LAKSON TACTICAL FUND
Condensed Interim Financial Statements
For the Quarter Ended September 30, 2023

LAKSON TACTICAL FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2023

		September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	(Rupees)	
ASSETS			
Bank balances	5	123,307,549	25,366,159
Investments	6	186,296,345	285,911,895
Markup accrued and dividend receivable		6,814,137	1,922,762
Deposits, prepayments and other receivables		3,631,999	3,556,346
TOTAL ASSETS		320,050,030	316,757,162
LIABILITIES			
Payable to the Management Company	7	2,528,190	2,540,163
Payable to the Trustee		162,979	162,729
Payable to Securities and Exchange Commission of Pakistan		24,513	74,821
Accrued expenses and other liabilities	8	640,424	1,069,226
Payable against purchase of securities		638,990	1,350,515
TOTAL LIABILITIES		3,995,097	5,197,454
NET ASSETS		316,054,933	311,559,708
UNITHOLDERS' FUND (as per statement of movement in unit holders' fund)			
		316,054,933	311,559,708
CONTINGENCIES AND COMMITMENTS			
	10	(Number of units)	
Number of units in issue		3,413,078	3,415,229
(Rupees)			
Net assets value per unit		92.6011	91.2265

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON TACTICAL FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	Quarter Ended	
		2023	2022
		(Rupees)	
INCOME			
Realized gain / (loss) on sale of investment at fair value through profit or loss - net		722,416	4,207,996
Unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss' - net		(8,269,859)	(13,727,378)
		(7,547,443)	(9,519,382)
Dividend income on investments held at fair value through profit or loss		5,283,535	8,009,786
Markup on:			
- Bank balances calculated using effective interest method		1,105,294	2,311,920
- Government and other debt securities using effective interest method		8,507,121	5,114,962
		9,612,415	7,426,882
Exchange gain / (loss) on foreign currency current account		9,506	88,929
		7,358,013	6,006,215
EXPENSES			
Remuneration of the Management Company	7.1	1,607,410	1,738,436
Sindh Sales tax on remuneration to the Management Company	7.2	208,964	225,997
Remuneration of the Trustee		183,085	299,840
Annual fee to the Securities and Exchange Commission of Pakistan		76,961	26,534
SECP supervisory fee		644	644
Auditors' remuneration		240,031	240,381
Fees and subscription		6,998	6,256
Legal and professional charges		115,884	75,624
Brokerage, custody, settlement and bank charges		223,814	897,163
Total expenses		2,663,791	3,510,876
Net income / (loss) from operating activities		4,694,222	2,495,339
Net income / (loss) for the period before taxation		4,694,222	2,495,339
Taxation	11	-	-
Net income / (loss) for the period after taxation		4,694,222	2,495,339
Allocation of net income for the period after taxation			
Net income for the period after taxation		4,694,222	2,495,339
Income already paid on units redeemed		(2,816)	(297,659)
		4,691,406	2,197,680
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		4,691,406	2,197,680
		4,691,406	2,197,680

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON TACTICAL FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended	
	2023	2022
	(Rupees)	
Net income / (loss) for the period after taxation	4,694,222	2,495,339
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	4,694,222	2,495,339

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON TACTICAL FUND
CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS'S FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	2023			2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees)					
Net assets at beginning of the period	393,143,035	(81,583,329)	311,559,708	607,388,414	(84,261,652)	523,126,762
Issuance of 10 units (2022: Nil units)						
- Capital value	926	-	926	-	-	-
- Element of income / (loss)	77	-	77	-	-	-
Total proceeds on issuance of units	1,003	-	1,003	-	-	-
Redemption of 2,161 units (2022: 568,622 units)						
- Capital value	(200,111)	-	(200,111)	(51,844,760)	-	(51,844,760)
- Element of income / (loss)	2,927	(2,816)	111	1,250	(297,659)	(296,410)
Total payments on redemption of units	(197,184)	(2,816)	(200,000)	(51,843,511)	(297,659)	(52,141,170)
Total comprehensive income for the period	-	4,694,222	4,694,222	-	2,495,339	2,495,339
Net assets as at end of the period	392,946,854	(76,891,923)	316,054,933	555,544,903	(82,063,972)	473,480,931
Undistributed income brought forward:						
- Realized (loss)		(78,466,284)			(47,905,352)	
- Unrealized (loss) / income		(3,117,045)			(36,356,300)	
		(81,583,329)			(84,261,652)	
Accounting income available for distribution:						
Relating to capital gains		-			-	
Excluding capital gains		4,691,406			2,197,680	
		4,691,406			2,197,680	
Undistributed loss at end of the period		(76,891,923)			(82,063,972)	
Undistributed loss brought forward:						
- Realized (loss)		(68,622,064)			(68,336,594)	
- Unrealized (loss)		(8,269,859)			(13,727,378)	
Undistributed loss at end of the period		(76,891,923)			(82,063,972)	
Net assets value per unit at beginning of the period			91.2265			91.1762
Net assets value per unit at end of the period			92.6011			91.6016

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON TACTICAL FUND
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended	
	2023	2022
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	4,694,222	2,495,339
Adjustments for:		
Unrealised (gain) / loss on re-measurement of investment at fair value through profit or loss - net	8,269,859	13,727,378
Realised gain / (loss) on sale of investment at fair value through profit or loss - net	(722,416)	-
Dividend income on investments held at fair value through profit or loss	(5,283,535)	(8,009,786)
Markup on bank balances and investments	(9,612,415)	(7,426,882)
	(2,654,285)	786,049
(Increase) / decrease in assets		
Investments - net	92,068,107	82,339,294
Markup accrued and dividend receivable	10,004,575	10,698,651
Advances, deposits, prepayments and other receivables	(75,653)	218,488
Receivable against sale of securities	-	(13,039,791)
	101,997,029	80,216,642
Increase / (decrease) in liabilities		
Remuneration payable to the Management Company	(11,973)	(94,706)
Remuneration payable to the Trustee	250	(8)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(50,308)	(91,632)
Payable against purchase of investments	(711,525)	(274,235)
Accrued expenses and other liabilities	(428,802)	(739,183)
	(1,202,357)	(1,199,764)
Net cash (outflow) / inflow from operating activities	98,140,387	79,802,927
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issue of units	1,003	-
Cash paid on redemption of units	(200,000)	(52,141,170)
Net cash used in financing activities	(198,997)	(52,141,170)
Net increase / (decrease) in cash and cash equivalents during the period	97,941,390	27,661,757
Cash and cash equivalent at the beginning of the period	25,366,159	65,836,538
Cash and cash equivalent at the end of the period	123,307,549	93,498,295

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

For Lakson Investments Limited
Management Company

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON TACTICAL FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 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** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.5** Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 25 August 2023 (2022: AM2+ as on 27 August 2022).

On August 04, 2023, VIS assigned following rankings to the Fund based on the performance review:

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

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

The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

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

- 2.2** This condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2023. However, selected explanatory notes are included to explain events and transactions that are significant.
- 2.3** This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.
- 2.4** In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2023.

2.5 Basis of measurement

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

2.6 Functional And Presentation Currency

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

2.7 Significant Judgements and Estimates

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

The significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2023.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2023.

4 FINANCIAL RISK MANAGEMENT

The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2023.

	Note	September 30, 2023 (Unaudited) (Rupees)	June 30, 2023 (Audited)
5 BANK BALANCES			
<i>In local currency</i>			
In profit and loss sharing accounts	5.1	122,336,944	24,371,600
In current account		8,503	8,503
<i>In foreign currency</i>			
In current account	5.2	962,101	986,056
		<u>123,307,549</u>	<u>25,366,159</u>

5.1 These carry mark-up rates ranging from 19.50% to 23.90% (June 30, 2022: 11.25% to 19.50%) per annum.

5.2 This represents USD denominated current account maintained in foreign country amounting to USD 3,331.27 (June 30, 2023: USD 3,331.27)

6 INVESTMENTS

At fair value through profit or loss

Listed equity securities	6.1	137,360,450	108,794,654
Term finance certificates	6.2	25,040,895	41,010,919
Government securities			
- Pakistan investment bonds	6.3.1	23,895,000	23,820,000
- Market treasury bills	6.3.2	-	112,286,322
		<u>186,296,345</u>	<u>285,911,895</u>

6.1 At fair value through profit or loss

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

Sectors / Companies

Sectors / Companies			★								
	Holding as at 01 July 2023	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at 30 September 2023	Carrying value before revaluation as of 30 September 2023	Market value as of 30 September 2023 (after revaluation)	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	% of holding in investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Commercial Banks											
MCB Bank Limited	59,056	300	-	-	59,356	6,798,265	7,677,699	879,434	4.12%	2.43%	0.01%
Bank Alfalah Limited	200,510	-	-	-	200,510	6,103,524	7,713,620	1,610,096	4.14%	2.44%	0.00%
Meezan Bank Limited	22,015	5,900★	-	-	27,915	2,588,196	3,199,338	611,142	1.72%	1.01%	0.00%
Bank Islami Pakistan Limited	156,600	-	-	127,814	28,786	511,239	503,467	(7,772)	0.27%	0.16%	0.00%
United Bank Limited	59,582	5,800	-	-	65,382	7,821,341	9,388,855	1,567,514	5.04%	2.97%	0.00%
Faysal Bank Limited	66,592	-	-	-	66,592	1,343,827	1,485,002	141,175	0.80%	0.47%	0.00%
						25,166,392	29,967,981	4,801,589	16.09%	9.48%	0.01%
Fertilizers											
Engro Corporation Limited - 6.1.1	31,362	-	-	11,700	19,662	5,109,957	4,721,633	(388,324)	2.53%	1.49%	0.00%
Fauji Fertilizer Company Limited	72,088	-	-	20,075	52,013	5,120,160	4,828,887	(291,273)	2.59%	1.53%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	135,500	-	-	135,500	1,869,830	1,861,770	(8,060)	1.00%	0.59%	0.01%
Engro Fertilizers Limited	52,542	-	-	8,898	43,644	3,601,939	3,313,452	(288,487)	1.78%	1.05%	0.00%
						15,701,886	14,725,742	(976,144)	7.90%	4.66%	0.01%
Pharma & Bio Tech											
The Searle Company Limited - 6.1.2	128	-	-	-	128	4,905	4,504	(401)	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	2,415	1,200	-	-	3,615	1,220,784	1,373,375	152,592	0.74%	0.43%	0.01%
						1,225,689	1,377,879	152,191	0.74%	0.44%	0.01%
Cement											
Kohat Cement Company Limited	-	7,200	-	-	7,200	1,338,296	1,218,528	(119,768)	0.65%	0.39%	0.00%
Lucky Cement Limited	14,786	1,200	-	-	15,986	8,382,998	9,021,539	638,541	4.84%	2.85%	0.01%
Maple Leaf Cement Factory Limited	-	110,220	-	-	110,220	3,398,396	3,299,987	(98,409)	1.77%	1.04%	0.00%
Pioneer Cement Limited	-	37,300	-	-	37,300	3,419,082	3,174,230	(244,852)	1.70%	1.00%	0.00%
Fauji Cement Company Limited	-	105,500	-	-	105,500	1,346,180	1,193,205	(152,975)	0.64%	0.38%	0.00%
D.G. Khan Cement Company Limited	-	49,000	-	-	49,000	2,687,343	2,127,580	(559,763)	1.14%	0.67%	0.00%
Cherat Cement Company Limited	-	25,960	-	-	25,960	3,356,160	3,353,513	(2,647)	1.80%	1.06%	0.00%
						23,928,454	23,388,582	(539,872)	12.55%	7.40%	0.01%
Power Generation & Distribution											
Hub Power Company Limited	76,600	3,500	-	-	80,100	5,599,153	7,075,233	1,476,080	3.80%	2.24%	0.00%
						5,599,153	7,075,233	1,476,080	3.80%	2.24%	0.00%

	Holding as at 01 July 2023	Purchased during the period	Bonus shares / letter of right received during the period	Disposed during the period	Holding as at 30 September 2023	Carrying value before revaluation as of 30 September 2023	Market value as of 30 September 2023 (after revaluation)	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	% of holding in investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	5,968	-	-	335	5,633	8,531,967	8,788,043	256,076	4.72%	2.78%	0.00%
Oil & Gas Development Company Limited - 6.1.1	34,972	44,050	-	-	79,022	6,798,750	7,622,462	823,712	4.09%	2.41%	0.00%
Pakistan Oilfields Limited	31,466	-	-	850	30,616	12,300,590	11,932,892	(367,698)	6.41%	3.78%	0.00%
Pakistan Petroleum Limited	46,941	52,050	-	-	98,991	6,422,798	7,332,263	909,465	3.94%	2.32%	0.00%
						34,054,106	35,675,660	1,621,554	19.15%	11.29%	0.00%
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited - 6.1.2	14,624	3,250	-	-	17,874	2,028,620	2,193,855	165,235	1.18%	0.69%	0.00%
Sui Northern Gas Pipeline	152,010	25,450	-	-	177,460	7,126,580	8,337,071	1,210,492	4.48%	2.64%	0.00%
Attock Petroleum Limited	23,961	-	-	-	23,961	7,194,290	6,982,715	(211,575)	3.75%	2.21%	0.07%
						16,349,490	17,513,641	1,164,151	0	0	0
Food & Personal Care Products											
Fauji Foods Limited	-	188,500	-	-	188,500	1,133,853	1,213,940	80,087	0.65%	0.38%	0.01%
						1,133,853	1,213,940	80,087	0	0	0
Technology and Communication											
Systems Limited	18,506	-	-	2,200	16,306	6,576,699	6,421,792	(154,907)	3.45%	2.03%	0.01%
						6,576,699	6,421,792	(154,907)	3.45%	2.03%	0.01%
Total as at 30 September 2023						129,735,722	137,360,450	7,624,728	73.73%	43.46%	0.12%
Total cost as at 30 September 2023						135,285,366					
Total as at June 30, 2023						110,152,055	108,794,654	(1,357,402)	38.05%	34.92%	13.70%
6.1.1	Following shares have been pledged with National Clearing Company of Pakistan Limited:							September 2023	June 2023	September 2023	June 2023
								(Number of shares)		(Rupees)	
Engro Corporation Limited								20,000	20,000	4,802,800	5,197,800
Habib Bank Limited								-	-	-	-
Oil & Gas Development Company Limited								-	25,000	-	1,950,000
Engro Fertilizers Limited								10,000	10,000	759,200	825,300
Luckt Cement Limited								-	7,000	-	1,819,230
								30,000	62,000	5,562,000	9,792,330

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 30 September 2023 amounted to Rs. 28,645 and Rs. 15,711 respectively, and is included in the Fund's investments in these financial statements.

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

6.2 Term Finance Certificates

At fair value through profit or loss
Performing

Name of security	Note	Date of Maturity	Mark-up rate	Holding as at July 01, 2023	Purchases during the period	Disposed / matured during the period	Holding as at September 30, 2023	Carrying value as at September 30, 2023 before revaluation	Market value as at September 30, 2023 (after revaluation)	Unrealised gain / (loss)	Credit rating	Market value as a percentage of total investments	Market value as a percentage of net assets	Face value as percentage of size of the issue
				----- (Number of Certificates) -----			----- (Rupees) -----			----- (%) -----				
Bank Al-Habib Limited	6.2.1	Dec 06, 2028	6 months KIBOR + 1.00%	2,000	-	-	2,000	10,026,919	10,041,333	14,414	AAA (dated June 25, 2022)	5.39%	3.18%	0.25%
NRSP Microfinance Bank Limited	6.2.2	Jun 01, 2028	3 months KIBOR + 3.00%	150	-	-	150	15,000,000	15,000,000	-	A- (dated October 08, 2022)	8.05%	4.75%	1.95%
Total as at September 30, 2023								25,026,919	25,041,333	14,414		13.44%	7.92%	2.20%
Total as at June 30, 2023								25,421,384	25,026,919	(394,465)				

Name of security	Note	Date of Maturity	Mark-up rate	Holding as at July 01, 2023	Purchases during the period	Disposed / matured during the period	Holding as at September 30, 2023	Carrying value as at September 30, 2023 before revaluation	Impairment as at September 30, 2023	Market value as at September 30, 2023 (after revaluation)	Credit rating	Market value as a percentage of total investments	Market value as a percentage of net assets	Face value as percentage of size of the issue
Non-performing														
				----- (Number of Certificates) -----			----- (Rupees) -----			----- (%) -----				
Silk Bank Limited	6.2.3	Aug 10, 2025	6 months KIBOR + 1.85%	8,000	-	-	8,000	31,967,200	31,967,200	-	Not rated	-	-	-
Total as at September 30, 2023								31,967,200	31,967,200	-		0.00%	0.00%	0.00%
Total as at June 30, 2023								31,967,200	(15,983,200)	15,984,000				

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

6.2.2 This 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).

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 previous year 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. Till June 2023, further provision of Rs. 15.98 million was recorded, which is 40% of principal amount followed by an another provision of Rs. 15.98 million during the quarter ended Sep 2023 which is remaining 40% of principal amount.

6.2.3.1 The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated 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 September 30, 2023, 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
			----- (Rupee) -----				
Silk Bank Limited	5.1.3	Term Finance Certificate	35,413,827	35,413,827	-	0.00%	0.00%

6.3 Government securities - at fair value through profit or loss

6.3.1 Pakistan Investment Bonds

Name of security	Note	Date of Issuance	Tenure	Cost	Holding as at July 01, 2023	Purchases during the period	Disposed / matured during the period	Holding as at September 30, 2023	Carrying value as at September 30, 2023 before revaluation	Market value as at September 30, 2023 (after revaluation)	Unrealised gain / (loss)	Market value as % of total investments	Market value as % of net assets
					----- No. Of Units -----				(Rupees) -----		----- (%) -----		
10 years Pakistan Investment Bond (face value of Rs. 100,000 each)	6.3.1.1	May 31, 2018	10 years	25,000,000	250,000	-	-	250,000	23,820,000	23,895,000	75,000	12.83%	7.56%
Total as at September 30, 2023									23,820,000	23,895,000	75,000	12.83%	7.56%
Total as at June 30, 2023									25,000,000	23,820,000	(1,180,000)	8.33%	7.65%

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 September 30, 2023 amounts to Rs. 25 million.

6.3.2 Market Treasury Bills

Name of security	Date of Issuance	Holding as at July 01, 2023	Purchases during the period	Disposed / matured during the period	Holding as at September 30, 2023	Carrying value as at September 30, 2023 before revaluation	Market value as at September 30, 2023 (after revaluation)	Unrealised gain / (loss)	Market value as % of total investments	Market value as % of net assets
						----- No. Of Units -----		(Rupees) -----		----- (%) -----
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	Jun 22, 2023	1,180,000	-	1,180,000	-	-	-	-	-	-
3 Months Market Treasury Bill (Face value of Rs 100,000 each)	May 18, 2023	-	3,200	3,200	-	-	-	-	-	-
Total as at September 30, 2023						-	-	-	-	-
Total as at June 30, 2023						112,471,282	112,286,322	(184,960)	39.27%	36.04%

		September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	(Rupees)	
7 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	517,703	528,299
Sales tax payable on remuneration to the Management Company	7.2	67,301	68,678
Federal excise duty payable on remuneration to the Management Company	7.3	1,943,186	1,943,186
		<u>2,528,190</u>	<u>2,540,163</u>

7.1 As per Regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Currently the effective rate of Management Company remuneration for the quarter ended September 30, 2023 is 0.50% of average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

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

7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, being prudent the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 1.94 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 September 30, 2023 would have been higher by Re. 0.57 (June 30, 2023: Re.0.57) per unit.

		September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
		(Rupees)	
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Brokerage payable		96,673	118,247
Fee payable to National Clearing Company of Pakistan		25,127	139,250
Auditors' remuneration		438,271	590,280
Fee payable to Central Depository Company		23,724	14,434
Other liabilities		56,628	207,015
		<u>640,424</u>	<u>1,069,226</u>

9 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the quarter ended September 30, 2023 is 3.28% which includes 0.41% representing government levies (comprising SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be capped up to 4.5% (excluding government levies).

10 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at September 30, 2023.

11 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.

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

		September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
		(Rupees)	
12.1 Details of balance with related parties / connected persons for the period ended			
Lakson Investments Limited - Management Company			
Remuneration payable	7.1	517,703	528,299
Sindh Sales Tax payable on Management Company's remuneration*	7.2	67,301	68,678
Federal Excise Duty	7.3	1,943,186	1,943,186
Central Depository Company of Pakistan Limited - Trustee			
Remuneration payable		144,233	162,729
Settlement charges payable		23,724	14,434
Security deposit		100,000	100,000
Habib Bank AG Zurich - Custodian			
Bank deposits		962,101	986,056
Settlement charges payable		27,361	30,738
12.2 Details of transaction with related parties / connected persons during the period ended		September 30, 2023 (Unaudited)	2022 (Audited)
		(Rupees)	
Lakson Investments Limited - Management Company of the Fund			
Remuneration to the Management Company		1,607,410	1,738,436
Sindh Sales Tax on Management Company's remuneration*		208,964	225,997
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration for the period		183,085	299,840
CDS Charges for the period		10,874	65,244
Habib Bank AG Zurich - Custodian			
Settlement charges		30,084	288,816

* Sales tax is paid / payable to the management company for onwards payment to the Government.

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

Period ended September 30, 2023							
-----Number of units-----				-----Rupees-----			
Number of units as at July 01, 2023	Units issued during the period	Units redeemed during the period	Number of units as at September 30, 2023	Balance as at July 01, 2023	Units issued during the period	Units redeemed during the period	Balance as at September 30, 2023
127,854	-	-	127,854	11,663,671	-	-	11,839,419

Directors, Chief Executive and their spouse and minors

Associated companies / undertakings of the Management Company

Accuray Surgical Limited Employees Contributory Provident Fund	53,355	-	2,161	51,194	4,867,434	-	200,000	4,740,621
Century Insurance Co. Ltd., GF	42,475	-	-	42,475	3,874,816	-	-	3,933,202
Century Insurance Company Limited Employees Contributory Provident Fund Trust	59,149	-	-	59,149	5,395,971	-	-	5,477,277
Century Paper & Board Mills Limited ECPFT	581,820	-	-	581,820	53,077,413	-	-	53,877,183
Century Paper & Board Mills Limited EGF	518,912	-	-	518,912	47,338,493	-	-	48,051,789
Colgate Palmolive Pakistan Limited ECPFT	552,966	-	-	552,966	50,445,167	-	-	51,205,275
Colgate Palmolive Pakistan Limited EGF	602,069	-	-	602,069	54,924,633	-	-	55,752,237
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	275,018	-	-	275,018	25,088,956	-	-	25,466,996
Hasanali Karabhai Foundation ECPF Trust	8,165	-	-	8,165	744,821	-	-	756,044
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,892	-	-	5,892	537,547	-	-	545,646
Lakson Investments Limited ECPFT	30,013	-	-	30,013	2,737,984	-	-	2,779,240
Merit Packaging Limited Employees Contributory Provident Fund Trust	73,594	-	-	73,594	6,713,736	-	-	6,814,899
Merit Packaging Limited Employees Gratuity Fund	39,921	-	-	39,921	3,641,877	-	-	3,696,753
Siza Foods Private Limited Employees Contributory Provident Fund Trust	339,965	-	-	339,965	31,013,837	-	-	31,481,153
Siza Services Private Limited Employees Countributory Provident Fund Trust	30,399	-	-	30,399	2,773,174	-	-	2,814,960
Sybrid (Private) Limited ECPFT	60,328	-	-	60,328	5,503,532	-	-	5,586,460

Period ended September 30, 2022							
-----Number of units-----				-----Rupees-----			
Number of units as at July 01, 2022	Units issued during the period	Units redeemed during the period	Number of units as at September 30, 2022	Balance as at July 01, 2022	Units issued during the period	Units redeemed during the period	Balance as at September 30, 2022
121,644	-	-	121,644	11,091,069	-	-	11,142,817
16,476	-	-	16,476	1,502,231	-	-	1,509,240
1,636,986	-	218,110	1,418,876	149,254,154	-	20,000,000	129,971,292

Directors, Chief Executive and their spouse and minors

Other key management personnel

Lakson Investments Limited - Management Company

Associated companies / undertakings of the Management Company

Accuray Surgical Limited Employees Contributory Provident Fund	44,659	-	4,526	40,133	4,071,832	-	415,000	3,676,260
Century Insurance Co. Ltd., GF	45,359	-	5,333	40,027	4,135,706	-	489,000	3,666,509
Century Insurance Company Limited	444,538	-	-	444,538	40,531,296	-	-	40,720,403
Century Insurance Company Limited Employees Contributory Provident Fund Trust	62,120	-	6,380	55,740	5,663,854	-	585,000	5,105,887
Century Paper & Board Mills Limited ECPFT	610,176	-	61,889	548,287	55,633,550	-	5,675,000	50,224,011
Century Paper & Board Mills Limited EGF	546,531	-	57,527	489,005	49,830,640	-	5,275,000	44,793,611
Colgate Palmolive Pakistan Limited ECPFT	577,532	-	56,436	521,096	52,657,217	-	5,175,000	47,733,272
Colgate Palmolive Pakistan Limited EGF	634,656	-	67,287	567,369	57,865,536	-	6,170,000	51,971,925
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	288,558	-	29,390	259,168	26,309,641	-	2,695,000	23,740,192
Gam Corporation Private Limited Employees Contributory Provident Fund	194,588	-	17,449	177,139	17,741,802	-	1,600,000	16,226,241
Hasanali Karabhai Foundation ECPF Trust	8,490	-	796	7,694	774,093	-	73,000	704,780
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,651	-	-	5,651	515,194	-	-	517,598
Lakson Investments Limited ECPFT	31,991	-	3,708	28,283	2,916,830	-	340,000	2,590,792
Merit Packaging Limited Employees Contributory Provident Fund Trust	74,713	-	7,514	67,199	6,812,012	-	689,000	6,155,510
Merit Packaging Limited Employees Gratuity Fund	39,132	-	3,937	35,195	3,567,929	-	361,000	3,223,950
Siza Foods Private Limited Employees Contributory Provident Fund Trust	159,373	-	16,140	143,232	14,530,981	-	1,480,000	13,120,315
Siza Services Private Limited Employees Countributory Provident Fund Trust	32,060	-	3,413	28,647	2,923,126	-	313,000	2,624,090
Sybrid (Private) Limited ECPFT	63,275	-	6,423	56,851	5,769,138	-	589,000	5,207,667

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

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

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

Investments of the Fund are categorised as follows:

----- (Un-Audited) -----				
As at September 30, 2023				
Fair Value				
Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
----- (Rupees) -----				
Investment in listed equity securities	137,360,450		-	137,360,450
Term finance certificates	-	25,040,895	-	25,040,895
Government Securities	-	23,895,000	-	23,895,000
	137,360,450	48,935,895	-	186,296,345
----- (Audited) -----				
As at June 30, 2023				
Fair Value				
Financial assets measured at fair value	Level 1	Level 2	Level 3	Total
----- (Rupees) -----				
Investment in listed equity securities	108,794,654		-	108,794,654
Term finance certificates	-	44,453,546	(3,442,627)	41,010,919
Government Securities		110,421,933	-	110,421,933
	108,794,654	154,875,479	(3,442,627)	260,227,506

14 GENERAL

14.1 The corresponding figures have been re-arranged wherever necessary

14.2 Figures have been rounded off to the nearest rupee

15 DATE OF AUTHORIZATION OF ISSUE

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR