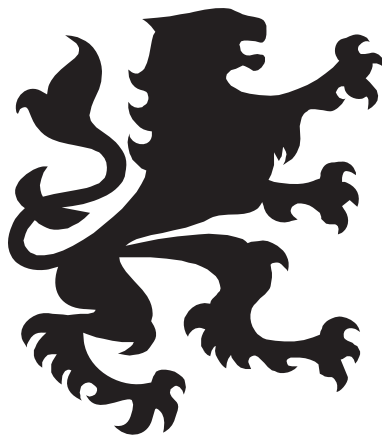


LAKSON ISLAMIC TACTICAL FUND

Half Yearly Report (December 31, 2023)



LAKSON INVESTMENTS

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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Fund's Information

Management Company	Lakson Investments Limited 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	Mr. Junaid Arshad
Company Secretary of the Management Company	Ms. Nobia Shams
Audit Committee	Mr. Amin Mohammed Lakhani Mr. Iqbal Ali Lakhani Mr. Jamil Ahmed Mughal
Human Resource and Remuneration Committee	Mr. Iqbal Ali Lakhani - Chairman Mr. Babar Ali Lakhani
Trustee	Central Depository Company of Pakistan Limited CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, Pakistan.
Auditors	BDO Ebrahim & Co. Chartered Accountants 2nd Floor, Block C, Lakson Square, Building No. 1, Sarwar Shaheed Road, Karachi - 74200.
Bankers to the Fund	AlBaraka Bank Pakistan Limited Bank Islami Pakistan Limited Dubai Islamic Bank Limited Habib Metropolitan Islamic Bank Limited Habib Bank AG Zurich

Legal Adviser

Fazleghani Advocates
F-72/I, Block 8, KDA-5,
Kehkashan, Clifton,
Karachi, Pakistan.

Shariah Advisor

Al Hilal Shariah Advisors

Registrar

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

Distributor

Rabia Fida
BMA Capital Management

Rating

3-Star (One Year)
3-Star (Three Years)
3-Star (Five Years)
Fund Performance Ranking
AM2+ : Asset Manager Rating by PACRA

Review Report of the Directors of the Management Company For the half year ended December 31, 2023

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

Fund Objective

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

Principal activities

LITF is an open-end asset allocation fund and is listed on Pakistan Stock Exchange Limited. The Fund is managed using an active investment management style which focuses on an analysis of the macro factors such as government policies, global economic data, commodities prices and supply/demand dynamics. The Fund switches exposure between equities and fixed income based on the outlook of the investments team. Exposure of the Scheme in fixed income securities is managed through duration and yield curve management.

Fund performance

Lakson Islamic Tactical Fund provided a return of 10.68% for 2QFY24 against the Benchmark return of 16.62%. The fund has underperformed the benchmark by -5.94 during the period. As of December 31, 2023, the Fund maintains 34.2% exposure in equities, 2.7% exposure in sukuk and 64.9% in cash on a total asset basis. The fund size of the LITF as of December 31, 2023 is PKR 433.58 mln.

Earning per Unit (EPU)

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

Economic Review

Post IMF and Pakistan staff-level agreement in June for the provision of USD 3bn in bailout funds under a stand-by arrangement (SBA) for nine months, This development helped Pakistan to unlocked funding from bilateral and multilateral sources helping in rebuilding FX reserves. As of Dec'23 end, SBP reserves reached to USD8.2bn versus less than USD4bn earlier. This has averted the risk of near term default as reflected by the stunning recovery of Pakistan International Eurobonds. The government took several actions, including increasing fuel and energy prices, implementing tax policies, securing commitments from friendly nations, and making adjustments to the PKR and interest rate.

Elevated food prices, coupled with multiple FX devaluations, budgetary measures, and hikes in petroleum product prices and electricity tariffs, have markedly heightened inflationary pressures, resulting in an average headline figure of 28.8% in 1HFY24. We foresee a deceleration in CPI starting from Feb'24 due to high base-effect with the exception of any potential increase in gas and electricity tariffs. We expect an avg. inflation of 24.82% for FY24.

In 5MFY24, there was a 16% YoY decline in imports, totaling to USD21.6bn, while exports remained flat YoY to USD12.1bn. This resulted in a 33% YoY decline in trade deficit, which reached to USD9.4bn. Resultantly, country current account balance is USD1.1bn deficit (down 64% YoY). This reflects the implementation of administrative controls aimed at limiting the import bill along with the weak economic demand. On fiscal front, FBR tax collection was above target PKR98bn to PKR4,466bn. The tax collection is expected to improve in coming months due to ease in imports restrictions

Fixed Income Market Review

The semi-annual 2024 started with the State Bank maintaining the policy rate at 22%. The monetary policy committee cited that inflation is projected to remain on the downwards trajectory and real



interest rates continues to remain in forward territory. By Dec end, cut-off yields for 3months, 6months and 12months reached to 21.4480%, 21.999% and 21.4300%, respectively. Similarly, PIB yield were also adjusted downward as 3 year bond yield reached to 17.1999%, 5 year & 10 year bond was recorded at the cut off yield at 15.88% & 15%.

Equity Market Review

The KSE100 gained 42% in 1HFY24 but is still some way off its mean valuations let alone the peaks. Despite a sharp rally, KSE-100 index is still trading at an attractive forward P/E multiple of 4.7x vs. 5 & 10-year average of 6.0x & 7.2x, respectively. If Pakistan is able to manage its top-down risks, Pakistan equities have the potential to deliver a multiyear bull run. Supportive factors include significant room for valuation rerating, strong corporate profitability and immense space for institutional money (both domestic and foreign) to rotate into equities. However, traded value also increased by 88% to USD 44.1mn. while market cap rose by 39% to USD26,453mn. Moreover, foreign participation also witnessed of inflow of USD71mn against an outflow of USD2,252mn in last 7 years. Given that foreign institutions own less than 5% of the KSE100's market capitalization vs. the 2015 peak of 10%, there is evidently still some way to go.

Emerging Market Review

The MSCI Emerging market index rose by 3.5% QoQ during 1HFY24. The performance was mainly led by improvement in investor's sentiment coupled with reduction in recession fears.

Future Outlook

The market took the postponement of the IMF board meeting into January in its stride, convinced that the disbursement of the US\$700mn tranche should be a formality. This sentiment is backed by the World Bank and the ADB together approving new loans of c US\$1.5bn, which have helped FX reserves rebounding quickly to c US\$7.5bn at present (still less than 2m import cover). Discipline is sustaining, with the SBP keeping the policy rate unchanged at 22% for the 4th straight MPC meeting, while the current account registered a surplus in November without visible import restrictions. Despite the World Bank's apprehensions that vested interests could roll back ongoing reforms after elections, we believe economic discipline has a good chance of sustaining, with the default scare six months ago still fresh in the mind of authorities. We expect monetary easing from March onwards, when inflation turns the corner more decisively. The PKR should be stable in the near-term but will likely need to see FDI narrowing the remaining funding gap (estimated at US\$3-4bn) to ensure it continues to hold up. In this regard, Aramco has bought a 40% stake in Gas & Oil Pakistan Ltd but other, larger, transactions involving state-owned entities are still awaited (e.g. Reko Diq).

The KSE100 has gained 60% FYTD in US\$, but is still some way off its mean valuations let alone the peaks. Forward P/E for our coverage universe is estimated at 3.7x vs. the long-term average of 7.5x, while the KSE100's market capitalization of US\$33.3bn continues to look small compared to a high of US\$100bn in 2017. If Pakistan is able to manage its top-down risks, Pakistan equities have the potential to deliver a multiyear bull run.

Acknowledgement

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

For and on Behalf of the Board

Chief Executive Officer

Director

Dated: February 27, 2024



لیکسن اسلامک ٹیکٹیکل فنڈ 31 دسمبر 2023ء کو ختم ہونے والی مدت کے لیے مینجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

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

فنڈ کا مقصد

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

نمایاں سرگرمیاں

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

فنڈ کی کارکردگی

لیکسن اسلامک ٹیکٹیکل فنڈ نے مالی سال 2024ء کی دوسری سہ ماہی کیلئے بیچ مارک منافع %16.62 کے مقابلے میں %10.68 منافع فراہم کیا۔ فنڈ نے سہ ماہی کے دوران بیچ مارک کے مقابلے میں %5.94 کمتر کارکردگی کا مظاہرہ کیا۔ 31 دسمبر 2023ء کے مطابق فنڈ نے مجموعی اثاثہ جات کی بنیاد پر ایکویٹیز میں %34.2، صکوک میں %2.7 اور کیش میں %64.9 سرمایہ کاری برقرار رکھی۔ 31 دسمبر 2023ء کے مطابق LITF کے فنڈز کا حجم 433.58 ملین روپے ہے۔



فیوٹ آرمڈی (EPU)

فیوٹ آرمڈی (EPU) ظاہر نہیں کی گئی، کیوں کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے کمزوروں اور پینٹس کا تعین اوپن اینڈ فنڈز کے لیے قابل عمل نہیں ہے۔

معاشی جائزہ

جون میں آئی ایم ایف اور پاکستان کے درمیان 9 ماہ کے لیے اسٹینڈ بائی آرینجمنٹ (SBA) کے تحت ہیل آؤٹ فنڈز میں 3 ارب ڈالر کی فراہمی کے معاہدے کی صورت میں پیش رفت سے پاکستان کو دوطرفہ اور کثیرالاجتہی ذرائع سے فنڈنگ حاصل کرنے میں مدد ملی جو زمر مبادلہ ذخائر کی بحالی میں بھی معاون ثابت ہوئی۔ دسمبر 2023 کے اختتام تک اسٹیٹ بینک کے ذخائر 18 ارب 20 کروڑ ڈالر تک پہنچ گئے جو پہلے 4 ارب ڈالر سے بھی کم تھے۔ اس سے مستقبل قریب میں ڈیفالٹ کا خطرہ ٹل گیا ہے جیسا کہ پاکستان انٹرنیشنل یوروبانڈز کی حیرت انگیز بحالی سے ظاہر ہوتا ہے۔ حکومت نے ایندھن اور توانائی کی قیمتوں میں اضافہ، ٹیکس پالیسیوں پر عمل درآمد، دوست ممالک سے وعدوں کی تعمیل کرانے اور پاکستانی روپے اور شرح سود میں اینڈجسٹمنٹ سمیت متعدد اقدامات کیے۔

اشیائے خوردونوش کی قیمتوں میں اضافے کے ساتھ ساتھ شرح مبادلہ میں متعدد بار کمی، بجٹ اقدامات اور پیٹرولیم مصنوعات کی قیمتوں اور بجلی کے نرخوں میں اضافے نے افراط زر کے دباؤ میں واضح طور پر اضافہ کیا ہے، جس کے نتیجے میں 2024 کی پہلی ششماہی میں اوسط ہیڈ لائن افراط زر کی شرح 28.8 فیصد رہی۔ ہم توقع کرتے ہیں کہ گیس اور بجلی کے نرخوں میں کسی بھی ممکنہ اضافے کے استثنیٰ کے ساتھ وسیع بنیادی اثرات کی وجہ سے فروری 2024 سے CPI میں کمی آئے گی۔ ہمیں مالی سال 2024 کے لئے 24.82 فیصد اوسط افراط زر کی توقع ہے۔

مالی سال 2024 کے 5 ماہ کے دوران درآمدات میں سال بہ سال 16 فیصد کمی واقع ہوئی جو مجموعی طور پر 21.6 ارب ڈالر رہیں جبکہ برآمدات سال بہ سال بنیادوں پر بدستور 12.1 ارب ڈالر رہیں۔ اس کے نتیجے میں تجارتی خسارہ سال بہ سال 33 فیصد کم ہوا جو 9.4 ارب ڈالر تک پہنچ گیا۔ یوں ملک کا کرنٹ اکاؤنٹ بیلنس منفی 1.1 بلین امریکی ڈالر (سال بہ سال 64 فیصد کم) ہے۔ یہ کمزور معاشی طلب کے ساتھ ساتھ درآمدی بل کو محدود کرنے کے مقصد سے انتظامی پابندیوں کے نفاذ کی عکاسی کرتا ہے۔ مالی محاذ پر ایف بی آر کی ٹیکس وصولی، ہدف سے 98 بلین روپے بڑھ کر 466 بلین روپے رہی۔ درآمدی پابندیوں میں نرمی کی وجہ سے آنے والے مہینوں میں ٹیکس وصولی میں مزید بہتری کی توقع ہے۔

فلسفہ انکم مارکیٹ کا جائزہ

مالی سال 2024ء کی پہلی ششماہی کا آغاز اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ کو 22 فیصد پر برقرار رکھنے کے ساتھ



ہوا۔ مانیٹری پالیسی کمیٹی کے مطابق افراط زر میں کمی کا امکان ہے اور حقیقی شرح سود بدستور بالائی سطح پر برقرار رہے گی۔
دسمبر کے اختتام تک 3 ماہ، 6 ماہ اور 12 ماہ کے لیے منافع جات بالترتیب 21.4480 فیصد، 21.9999 فیصد اور 21.4300 فیصد تک پہنچ گئے۔ اسی طرح PIB کے منافع جات میں کمی واقع ہوئی، 3 سالہ بانڈ کا منافع 17.1999 فیصد تک پہنچ گیا جبکہ 5 اور 10 سالہ بانڈز کا منافع 15.88 فیصد اور 15 فیصد ریکارڈ کیا گیا۔

ایکویٹی مارکیٹ کا جائزہ

کے ایس ای 100 انڈیکس میں مالی سال 2024 کی پہلی ششماہی کے دوران 42 فیصد اضافہ ریکارڈ کیا گیا لیکن یہ اب بھی اپنی بالائی سطح تو کجا، اوسط قیمتوں تک بھی نہیں پہنچا۔ انتہائی تیزی کے باوجود کے ایس ای 100 انڈیکس اب بھی 5 اور 10 سال کی اوسط بالترتیب 6.0x اور 7.2x کے مقابلے میں 4.7x کی پرکشش فارورڈ P/E ملٹی پل پر ٹریڈ کر رہا ہے۔ اگر پاکستان تمام تر خطرات سے نمٹنے میں کامیاب ہو جاتا ہے تو پاکستانی مارکیٹ میں کئی سالوں پر محیط تیزی کا دور شروع ہو سکتا ہے۔ معاون عوامل میں ویلیو ایشن ری ریٹنگ کی وسیع گنجائش، مستحکم کارپوریٹ منافع اور ادارہ جاتی رقوم (ملکی اور غیر ملکی دونوں) کی ایکویٹیز میں گردش کے لئے بہت زیادہ گنجائش شامل ہیں۔ تاہم ٹریڈنگ ویلیو بھی 88 فیصد اضافے کے ساتھ 4 کروڑ 41 لاکھ ڈالر تک پہنچ گئی جبکہ مارکیٹ کیپ 39 فیصد اضافے کے ساتھ 26,453 ملین ڈالر تک جا پہنچی۔ اس کے علاوہ غیر ملکی سرمایہ کاری میں بھی 71 ملین ڈالر کی آمد دیکھی گئی جبکہ گزشتہ 7 سالوں میں 2,252 ملین امریکی ڈالر کی کمی دیکھی گئی تھی۔ یہ دیکھتے ہوئے کہ غیر ملکی اداروں کے پاس کے ایس ای 100 کی مارکیٹ کیپٹل ریزیشن کا 5 فیصد سے بھی کم حصہ ہے جو 2015 میں 10 فیصد کی بلند ترین سطح پر تھا، واضح طور پر ابھی کافی راستہ طے کرنا باقی ہے۔

ایمرنگ مارکیٹ کا جائزہ

مالی سال 2024 کے نصف اول کے دوران MSCI ایمرنگ مارکیٹ انڈیکس میں سہ ماہی بنیادوں پر 3.5 فیصد اضافہ ہوا۔ یہ کارکردگی بنیادی طور پر سرمایہ کاروں کے مثبت رجحان کے ساتھ ساتھ کساد بازاری کے خدشات میں کمی کی وجہ سے دیکھنے کو ملی۔

مستقبل کا منظر نامہ

مارکیٹ نے آئی ایم ایف بورڈ اجلاس کے جنوری میں ملٹوی ہونے کو پرسکون انداز میں لیا، اس یقین کے ساتھ کہ 700 ملین امریکی ڈالر کی قسط جاری ہونا محض ایک رسمی کارروائی ہے۔ اس تاثر کو عالمی بینک اور ایشیائی ترقیاتی بینک کی جانب سے 1.5 بلین امریکی ڈالر کے نئے قرضوں کی منظوری سے تقویت ملی، جس سے فی الحال زر مبادلہ کے ذخائر تیزی سے بڑھ کر 7.5 بلین امریکی ڈالر تک پہنچ گئے ہیں (اب بھی امپورٹ کور سے 2 ملین ڈالر کم)۔ اسٹیٹ بینک کی جانب سے مانیٹری پالیسی کمیٹی (MPC) کے مسلسل چوتھے اجلاس میں پالیسی



ریٹ کو 22 فیصد پر برقرار رکھنے کے ساتھ مالیاتی نظم و ضبط برقرار ہے جبکہ کرنٹ اکاؤنٹ نے نومبر میں درآمدات پر واضح پابندیوں کے بغیر سرپلس ریکارڈ کیا۔ عالمی بینک کے ان خدشات کے باوجود کہ انتخابات کے بعد جاری اصلاحات کو مفاد پرست عناصر واپس لے سکتے ہیں، ہم سمجھتے ہیں کہ معاشی نظم و ضبط برقرار رہنے کے اچھے امکانات ہیں، کیونکہ چھ ماہ قبل والا ڈیفالٹ کا خوف حکام کے ذہن میں اب بھی تازہ ہے۔ ہم مارچ کے بعد سے مالیاتی نرمی کی توقع کرتے ہیں، جب افراط زر میں مزید نمایاں کمی آئے گی۔ پاکستانی روپے کو مستقبل قریب میں مستحکم ہونا چاہئے لیکن ممکنہ طور پر براہ راست بیرونی سرمایہ کاری (FDI) سے فنڈنگ کے باقی ماندہ فرق (تخمینہ 3 تا 4 ارب امریکی ڈالر) کو کم کرنے کی ضرورت ہوگی تاکہ اس استحکام کو برقرار رکھا جاسکے۔ اس سلسلے میں آرا مکونے گیس اینڈ آئل پاکستان لمیٹڈ میں 40 فیصد حصص خریدے ہیں لیکن سرکاری اداروں سے متعلق دیگر بڑی ٹرانزیکشنز (مثلاً ریکوڈک) کا ابھی انتظار ہے۔

کے ایس ای 100 انڈیکس میں امریکی ڈالر میں FYTD بنیادوں پر 60 فیصد اضافہ ہوا ہے لیکن یہ اب بھی اپنی بالائی سطح تو کجا، اوسط قیمتوں تک بھی نہیں پہنچا۔ ہماری کوریج یونیورس کے لئے فارورڈ P/E کا تخمینہ 3.7x، مقابلہ طویل مدتی اوسط 7.5x ہے، جبکہ کے ایس ای 100 کی مارکیٹ کپٹلائزیشن 33.3 بلین امریکی ڈالر ہے جو 2017 میں 100 بلین امریکی ڈالر کی بلند ترین سطح کے مقابلے میں بدستور کم دکھائی دے رہی ہے۔ اگر پاکستان تمام تر خطرات سے نمٹنے میں کامیاب ہو جاتا ہے تو پاکستانی مارکیٹ میں کئی سالوں پر محیط تیزی کا دور شروع ہو سکتا ہے۔

اظہار تشکر

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

برائے و منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 27 فروری 2024ء

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
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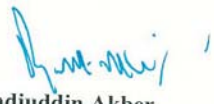
TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON ISLAMIC TACTICAL FUND

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

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 23, 2024



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Pakistan

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of LAKSON ISLAMIC TACTICAL FUND ("the Fund") as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flows and a summary of significant accounting policies and other explanatory notes to the condensed interim financial information for the half year then ended (here-in-after referred to as "condensed interim financial information"). Lakson Investments Limited (the "Management Company") is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2023 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2023 and December 31, 2022 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: February 27, 2024

UDIN: RR202310067z11oEXj5

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

		December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
	Note		
ASSETS			
Bank balances	5	281,486,020	185,960,674
Investments	6	159,751,296	103,195,494
Markup accrued		5,241,292	3,287,545
Dividend receivable		12,302	12,200
Deposits and other receivables		2,817,543	2,672,476
Total Assets		449,308,454	295,128,389
LIABILITIES			
Payable to the Management Company	7	1,972,852	1,815,628
Payable to the Trustee		96,260	80,538
Payable to Securities and Exchange Commission of Pakistan		29,054	57,526
Accrued expenses and other liabilities	8	1,600,976	1,369,099
Payable against purchase of investments		10,232,399	1,655,213
Total Liabilities		13,931,540	4,978,004
NET ASSETS		435,376,913	290,150,384
REPRESENTED BY:			
UNIT HOLDERS' FUND (as per statement of			
Movement in unit holder fund)		435,376,913	290,150,384
CONTINGENCIES AND COMMITMENTS			
	10		
		(Number of units)	
Number of units in issue		4,154,280	3,384,564
		(Rupees)	
Net assets value per unit		104.8020	85.7275

The annexed notes from 1 to Note 15 form an integral part of this condensed interim financial information.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON ISLAMIC TACTICAL FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

		Half Year Ended		Quarter ended	
		December 31,		December 31,	
		2023	2022	2023	2022
	Note	(Rupees)		(Rupees)	
INCOME					
Realized gain / (loss) on sale of investment at fair value through profit or loss - net		4,495,029	(2,469,987)	4,029,041	(562,276)
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss' - net	6.1	35,705,516	(1,414,815)	31,261,611	5,239,421
Dividend income on investment at fair value through profit or loss		40,200,545	(3,884,801)	35,290,652	4,677,146
Return/mark up on :		6,783,120	8,047,925	2,765,252	2,754,437
- bank balances - at amortised cost		18,236,107	6,624,534	9,456,420	3,979,498
- debt securities		1,231,919	3,436,104	615,960	1,690,895
		19,468,026	10,060,638	10,072,380	5,670,393
Exchange loss on foreign currency deposits - at amortised cost		(65,540)	135,204	(1,485)	135,204
Reversal of SWWF		-	-	-	(1,458,203)
Total income		66,386,150	14,358,964	48,126,798	11,778,977
EXPENSES					
Remuneration to the Management Company	7.1	3,196,934	2,233,723	1,676,257	1,146,264
Sindh Sales tax on remuneration to the Management Company	7.2	415,601	290,384	217,913	149,014
Federal excise duty on remuneration to the Management Company	7.3	-	-	-	-
Remuneration to the Trustee		361,254	341,279	189,417	152,846
Annual fee to Securities and Exchange Commission of Pakistan		151,854	30,202	79,622	13,527
Auditors' remuneration		317,979	296,133	166,234	151,064
Fees and subscription		241,576	178,100	125,672	75,624
SECP supervisory fee		-	1,288	-	1,288
Printing charges		16,755	8,815	8,475	8,815
Brokerage, Settlement, Bank and other charges		647,797	1,286,697	371,902	555,921
Shariah Advisor Fee		173,480	200,445	82,984	111,780
Total expenses		5,523,230	4,867,066	2,918,476	2,366,143
Net operating income and net income before taxation		60,862,920	9,491,899	45,208,322	9,412,834
Taxation	11	-	-	-	-
Net income for the period		60,862,920	9,491,899	45,208,322	9,412,834
Allocation of net income for the period:					
Net income for the period		60,862,920	9,491,899	45,208,322	9,412,834
Income already paid on units redeemed		(64,395,674)	(343,555)	(64,375,298)	(343,555)
		(3,532,754)	9,148,343	(19,166,976)	9,069,279
Accounting income available for distribution					
-Related to capital gains - net		-	-	(4,903,461)	-
-Excluding capital gains		(3,532,754)	9,148,343	(14,263,516)	9,069,279
Accounting income available for distribution		(3,532,754)	9,148,343	(19,166,977)	9,069,279

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON ISLAMIC TACTICAL FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half Year Ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	(Rupees)		(Rupees)	
Net income for the period	60,862,920	9,491,899	45,208,322	9,412,834
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>60,862,920</u>	<u>9,491,899</u>	<u>45,208,322</u>	<u>9,412,834</u>

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON ISLAMIC TACTICAL FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half Year Ended					
	Dec 31, 2023			Dec 31, 2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees) -----					
Net assets at beginning of the period	332,153,272	(42,002,887)	290,150,385	371,494,464	(41,286,239)	330,208,225
Issuance of 7,501,031 units (2022: 12 units)						
Capital value	643,044,635	-	643,044,635	1,030	-	1,030
Element of (loss)/ income	131,098,096	-	131,098,096	(30)	-	(30)
Total proceeds on issuance of units	774,142,732	-	774,142,732	1,000	-	1,000
Redemption of 6,731,315 units (2022: 942,579)						
Capital value	(577,058,837)		(577,058,837)	(83,975,234)	-	(83,975,234)
Element of (loss)/ income	(48,324,613.10)	(64,395,674)	(112,720,287)	3,233,660	(343,555)	2,890,104
Total payments on redemption of units	(625,383,450)	(64,395,674)	(689,779,124)	(80,741,575)	(343,555)	(81,085,130)
Total comprehensive income for the period	-	60,862,920	60,862,920	-	9,491,899	9,491,899
Net assets as at end of the period	<u>480,912,554</u>	<u>(45,535,641)</u>	<u>435,376,913</u>	<u>290,753,889</u>	<u>(32,137,895)</u>	<u>258,615,994</u>
Accumulated (loss) / undistributed income brought forward:						
Realized (loss) / income at beginning of the period		(40,744,380)			(22,439,370)	
Unrealized (loss) / income at beginning of the period		<u>(1,258,507)</u>			<u>(18,846,869)</u>	
		(42,002,887)			(41,286,239)	
Accounting income available for distribution:						
Relating to capital gains		-			-	
Excluding capital gains		<u>(3,532,754)</u>			<u>9,148,344</u>	
		(3,532,754)			9,148,344	
Total comprehensive income / (loss) for the period		60,862,920			9,491,899	
Undistributed (loss) / income at end of the period		<u><u>(45,535,641)</u></u>			<u><u>(32,137,895)</u></u>	
Undistributed (loss) / income carried forward						
Realized (loss) / Income		(81,241,157)			(30,723,081)	
Unrealized gain / (loss)		<u>35,705,516</u>			<u>(1,414,815)</u>	
		<u><u>(45,535,641)</u></u>			<u><u>(32,137,895)</u></u>	
Net assets value per unit at end of the period		<u>104.8020</u>			<u>89.0909</u>	
Net assets value per unit at beginning of the period		<u>85.7275</u>			<u>85.8709</u>	

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON ISLAMIC TACTICAL FUND
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half Year Ended	
	December 31,	
	2023	2022
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	60,862,920	9,491,899
Adjustments for non-cash and other items:		
Gain / loss on sale of investment at fair value through profit or loss - net	4,495,029	(2,469,987)
Unrealized gain on revaluation of investment at- fair value through profit or loss - net	35,705,516	(1,414,815)
	<u>101,063,465</u>	<u>5,607,098</u>
(Increase) / decrease in assets		
Investments	(96,756,345)	171,426,796
Mark-up receivable	(1,953,747)	(726,082)
Dividend receivable	(102)	-
Deposits and other receivables	(145,067)	(24,799)
Receivable against sale of securities	-	-
	<u>(98,855,262)</u>	<u>170,675,915</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	157,224	54,150
Remuneration payable to the Trustee	15,722	(74,440)
Annual fee payable to Securities and Exchange Commission of Pakistan	(28,473)	(55,303)
Payable against purchase of marketable securities	8,577,185	(744,600)
Accrued expenses and other liabilities	231,876	(1,104,306)
	<u>8,953,535</u>	<u>(1,924,500)</u>
Net cash flows from operating activities	<u>11,161,738</u>	<u>174,358,513</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	774,142,732	1,000
Amount paid against redemption of units	(689,779,124)	(81,085,130)
Net cash flows from / (used in) financing activities	<u>84,363,608</u>	<u>(81,084,130)</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>95,525,346</u>	<u>93,274,384</u>
Cash and cash equivalents at the beginning of the period	<u>185,960,674</u>	<u>63,571,229</u>
Cash and cash equivalents at the end of the period	<u><u>281,486,020</u></u>	<u><u>156,845,613</u></u>

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

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON ISLAMIC TACTICAL FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The Lakson Islamic Tactical Fund (formerly Lakson Asset Allocation Emerging Markets Fund) (the "Fund") was established under the Trust Deed executed on 30 May 2011 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity by the Securities and Exchange Commission of Pakistan (SECP) on 7 July 2011 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).
- 1.2 The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore, while the head office is in the Lakson Square Building No. 2, Karachi.
- 1.3 The Fund is an open end mutual fund and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund is categorised as "Shariah Compliant/Islamic Asset Allocation Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and is authorised to invest in Sharia compliant investments within the limits prescribed in the offering document so as to ensure a riba-free return on investments. All investments of the Fund are as per the guidelines of the Shariah principles provided by the Shariah Advisor of the Fund and comprise of the investments permissible as 'Authorised Investments' under the Trust Deed.

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

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

- 1.4 Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 25 August 2023 (2022: AM2+ as on 26 August 2022).

On 30 November 2023, VIS credit rating company limited assigned following rankings to the Fund based on the performance review for the year ended '30 June 2024:

1 Year ranking : MFR 3-Star

3 Year ranking : MFR 3-Star

5 Year ranking : MFR 3-Star

- 1.5** Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), 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. For this purpose, Re-Stated Trust Deeds of all Funds have been executed between the Management Company and the Trustees and all the relevant Trust Deeds alongwith necessary documents have been submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh."

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS - 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017
- Provisions of and directives issued under the Companies Act, 2017; 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), directives issued by the SECP and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.

- 2.2** This condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 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.

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 December 31, 2023.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

These condensed interim financial information is presented in Pakistan rupee ('Rupees' or 'Rs. '), which is the Fund's functional and presentation currency. All amount have been rounded off to the nearest rupee, unless otherwise indicated.

2.6 Significant judgements and estimates

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

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

3 SUMMARY OF 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's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2023.

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
5 BANK BALANCES	Note	(Rupees)	
Local Currency			
Profit and loss sharing accounts	5.1	281,387,688	185,470,125
Foreign Currency			
Current account	5.2	98,333	490,549
		<u>281,486,020</u>	<u>185,960,674</u>

- 5.1 These represent profit and loss sharing accounts maintained with banks carrying mark-up rates ranging from 9% to 19% (June 30, 2023: 3.85% to 19.5%) per annum.
- 5.2 This represents USD denominated current account maintained in a foreign country.

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
Note	(Rupees)	

6 INVESTMENTS

At fair value through income statement

- held for trading

Listed equity securities

Government of Pakistan Ijara Sukuk

6.1	148,239,833	91,683,077
6.2	11,511,463	11,512,417
	<u>159,751,296</u>	<u>103,195,494</u>

6.1 Shares of listed company

At fair value through profit or loss

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

Sectors / Companies	Holding as at 01 July 2023	Purchased during the period	Bonus / right shares received during the year	Disposed during the year	Holding as at December 31, 2023	Carrying value before revaluation as of December 31, 2023	Market value as of December 31, 2023(after revaluation)	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	----- (Number of Shares) -----					----- (Rupees) -----			----- (%) -----		
Commercial Banks											
Meezan Bank Limited	47,782	17,617	-	3,475	61,924	6,220,202	9,992,057	3,771,854	0.06	2.30	0.10%
BankIslami Pakistan Limited	152,100	-	-	152,100	-	-	-	-	-	-	0.00%
						6,220,202	9,992,057	3,771,854	0.06	2.30	
Fertilizers											
Engro Corporation Limited (6.1.1)	23,979	-	-	7,100	16,879	4,386,683	4,977,786	591,103	0.03	1.14	0.10%
Engro Fertilizers Limited	93,932	12,500	-	22,485	83,947	7,285,590	9,421,372	2,135,782	0.06	2.16	0.07%
Fauji Fertilizer Bin Qasim Limited	-	122,000	-	60,865	61,135	849,937	1,950,207	1,100,270	0.01	0.45	0.02%
						12,522,210	16,349,364	3,827,154	0.10	3.76	
Automobile Assemblers											
Millat Tractors Limited	-	3,288	-	-	3,288	1,997,533	1,911,216	(86,318)	0.01	0.44	0.43%
Chemicals											
Lotte Chemical Pakistan Limited	-	41,520	-	-	41,520	1,112,832	1,120,625	7,793	0.01	0.26	0.01%
Lucky Core Industries Limited	-	2,265	-	-	2,265	1,748,721	1,763,529	14,808	0.01	0.41	0.19%
						2,861,553	2,884,154	22,601	0.02	0.66	
Engineering											
Mughal Iron & Steel Industries Limited	-	20,507	-	-	20,507	1,458,399	1,357,153	(101,246)	0.01	0.31	0.11%
Pharma & Bio Tech											
The Searl Company (6.1.2)	10	-	-	-	10	383	515	132	0.00	0.00	0.00%
AGP Limited	-	20,783	-	-	20,783	1,483,072	1,461,253	(21,819)	0.01	0.34	0.15%
Highnoon Laboratories Limited	2,472	3,120	-	-	5,592	2,101,895	2,821,500	719,604	0.02	0.65	1.39%
						3,585,350	4,283,267	697,917	0.03	0.98	
Cement											
Cherat Cement Company Limited	-	31,399	-	4,140	27,259	3,753,688	4,442,672	688,984	0.03	1.02	0.25%
Kohat Cement Company Limited	-	7,750	-	-	7,750	1,493,593	1,815,283	321,690	0.01	0.42	0.12%
D.G. Khan Cement	-	45,600	-	26,390	19,210	1,054,810	1,486,854	432,044	0.01	0.34	0.03%
Pioneer Cement Company Limited	-	45,497	-	7,700	37,797	3,696,344	4,344,387	648,044	0.03	1.00	0.19%
Maple Leaf Cement Limited	-	131,974	-	19,100	112,874	3,732,029	4,393,056	661,027	0.03	1.01	0.08%
Lucky Cement Company Limited	12,391	1,600	-	2,790	11,201	6,249,156	8,814,963	2,565,807	0.06	2.02	0.27%
Fauji Cement Company Limited	-	197,000	-	2,500	194,500	2,481,820	3,679,940	1,198,120	0.02	0.85	0.03%
						22,461,439	28,977,155	6,515,716	0.18	6.66	
Power Generation & Distribution											
Hub Power Company Limited	90,549	14,200	-	19,780	84,969	6,195,622	9,949,020	3,753,399	0.06	2.29	0.09%
Engro Powergen Qadirpur Limited	-	88,500	-	-	88,500	2,380,795	2,824,920	444,125	0.02	0.65	0.09%
						8,576,417	12,773,940	4,197,524	0.08	2.93	
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	7,516	200	-	2,679	5,037	7,743,594	10,558,056	2,814,462	0.07	2.43	0.96%
Pakistan Oilfield Limited	41,842	-	-	9,594	32,248	12,956,279	13,606,721	650,442	0.09	3.13	0.58%
Pakistan Petroleum Limited (6.1.1)	56,645	54,381	-	15,770	95,256	6,495,098	10,957,298	4,462,199	0.07	2.52	0.06%
Oil and Gas Development Company Limited	43,685	42,150	-	8,700	77,135	6,679,890	8,673,831	1,993,941	0.05	1.99	0.02%
						33,874,861	43,795,905	9,921,044	0.27	10.06	
Oil and Gas Marketing Companies											
Attock Petroleum Limited	14,300	-	-	2,490	11,810	3,545,953	4,470,203	924,251	0.03	1.03	0.54%
Sui Northern Gas Pipelines Limited	107,500	33,080	-	36,325	104,255	4,219,256	7,664,828	3,445,572	0.05	1.76	0.12%
Pakistan State Oil Company Limited (6.1.2)	26,530	3,550	-	7,152	22,928	2,582,323	4,051,607	1,469,283	0.03	0.93	0.15%
						10,347,532	16,186,638	5,839,106	0.10	3.72	

Sectors / Companies	Holding as at 01 July 2023	Purchased during the period	Bonus / right shares received during the year	Disposed during the year	Holding as at December 31, 2023	Carrying value before revaluation as of December 31, 2023	Market value as of December 31, 2023(after revaluation)	Unrealised gain / (loss) - net	Market value as percentage of total investments	Market value as percentage of net assets	Par value of shares held as a percentage of total paid up capital of the investee company
	(Number of Shares)					(Rupees)			(-%)		

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Food And Personal Care Products

Fauji Foods Limited	-	159,434	-	20,580	138,854	835,852	1,546,834	710,982	0.01	0.36	0.03%
At-Tahur Limited PREMA	201	-	-	-	201	3,308	2,784	(525)	0.00	0.00	0.00%
						839,160	1,549,617	710,457	0.01	0.36	

Technology and Communication

System Limited	26,885	-	-	7,573	19,312	7,788,706	8,179,367	390,662	0.05	1.88	0.74%
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Total as at December 31, 2023

Total cost as at December 31, 2023

Total as at June 30, 2023

112,533,363	148,239,833	35,706,470	0.93	34.05
115,763,304				
226,290,874	207,444,005	(18,846,869)	90.48	52.33

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

	31-Dec-23 ----- (Number of shares) -----	30-Jun-23	31-Dec-23 ----- (Rupees) -----	30-Jun-23
Oil and Gas Development Company Limited	5,000	5,000	550,800	390,000
Engro Fertilizers Limited	20,000	20,000	2,202,200	1,650,600
Engro Corporation Limited	15,000	22,300	4,401,750	5,795,547
Lucky Cement Company Limited	8,000	10,000	6,266,880	5,220,900
Pakistan Oilfields Limited	5,000	-	2,095,450	-
Pakistan Petroleum Limited	300	300	33,312	17,742
	53,300	57,600	15,550,392	13,074,789

6.1.2 Finance act, 2014 had introduced tax on bonus shares issued by the companies. Most of the equity funds including the Fund have challenged the applicability of withholding tax provision on bonus shares before Honourable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. In the Fund's case, tax in the shape of 147 shares of Pakistan State Oils Limited (30 June 2023: 147 shares) and 10 shares of The Searle Company Limited (30 June 2023: 10 shares) have been withheld by CDC. Market value of these shares as at 31 December 2023 amounted to Rs. 26,060 (30 June 2023: Rs. 16,768) and are included in the Fund's investments in these financial statements.

6.2 Government of Pakistan Ijara Sukuk

	Issue date	Date of Maturity	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealised (diminution) / appreciation	Market value as a percentage of net assets	Market value as a percentage of total investments
			----- (Number) -----				----- (Rupees) -----			%	
Ijara Sukuk	17-Apr-23	17-Apr-24	115,000	-	-	115,000	11,512,455	11,511,463	(955)	2.64%	7.21%

		December 31, 2023 (Unaudited) (Rupees)	June 30, 2023 (Audited)
7	PAYABLE TO MANAGEMENT COMPANY	Note	
	Remuneration payable to the Management Company	7.1	612,843
	Sindh Sales tax payable on remuneration to the Management Company	7.3	79,670
	Federal excise duty payable on remuneration to the Management Company	7.4	1,280,339
			<u>1,972,852</u>
			<u>1,815,628</u>

7.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding 2% per annum of the average annual net assets of the Fund. The fee is subject to a minimum of 1% and a maximum of 2% of the average annual net assets of the Fund. Currently the effective rate of Management Company remuneration for the half year ended December 31, 2023 is 1.01% (June 30, 2023: 1.73%) of the average net assets. Remuneration is paid to the Management company in arrears on a monthly basis.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2023: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011.

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

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

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

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period up to 30 June 2016 aggregating to Rs. 1.28 million. Had the provision not been made, NAV per unit of the Fund as at December 31, 2023 would have been higher by Re. 0.31 (30 June 2023: Re. 0.38) per unit.

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

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
Note	(Rupees)	
8 ACCRUED EXPENSES AND OTHER LIABILITIES		
Charity payable	188,607	353,651
Auditors' remuneration	384,171	385,677
Custodian fee payable	23,791	49,057
Payable for professional services	125,672	-
Brokerage charges	318,671	-
Fee payable to shariah advisor	301,208	420,360
Fee payable to National Clearing Company of Pakistan	258,563	137,385
Fee payable to Central Depository Company	293	519
Other liabilities	-	22,450
	<u>1,600,976</u>	<u>1,369,099</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 half year ended December 31, 2023 is 3.47% which includes 0.42% representing government levies (comprising of Workers Welfare Fund and SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be capped up to 4.5% (excluding government levies).

10 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2023.

11 TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management intends to distribute atleast 90% of the income earned by the year end by this Fund to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial statement.

12 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee, Habib Bank AG Zurich Switzerland being the Custodian, Siza Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company and the holding company, key management personnel, other funds being managed by the Management Company and entities having holding 10% or more in the units of the Fund as at December 31, 2023. It also includes staff retirement funds of the above related parties / connected persons.

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

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

December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
-------------------------------------	-------------------------------

(Rupees)

12.1 Details of balances with related parties / connected persons :

Lakson Investments Limited - Management Company of the Fund

Remuneration payable	612,843	473,707
Sindh Sales Tax on Management Company's remuneration*	79,670	61,582
Federal Excise Duty on Management Company's remuneration*	1,280,339	1,280,339
Federal Excise Duty on Sales load payable to the Management Company*	-	-

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

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
(Rupees)		
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	61,764	47,851
Sindh Sales Tax on Management Trustee remuneration*	34,495	32,687
Security deposit	100,000	100,000
Settlement charges payable	293	519
Habib Bank AG Zurich - Custodian		
Bank Deposits	38,333	136,898
Custodian fee payable	23,791	49,057

12.2 Transactions during the period

Lakson Investments Limited		
- Management Company of the Fund		
Remuneration for the period	3,196,934	1,087,459
Sindh sales tax on remuneration of Management Company *	415,601	141,370
Central Depository Company of Pakistan Limited		
- Trustee		
Remuneration for the period	319,693	166,755
Sindh Sales Tax on Management Company's remuneration*	41,560	21,678
Settlement Charges	1,434	-
Habib Bank AG Zurich - Custodian		
Custody charges	73,600	4,000

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

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

Lakson Investments Limited

Directors, Chief Executive, their spouse and minors

Associated companies / undertakings of the Management Company

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

Half Year Ended December 31, 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 December 31, 2023	Balance as at July 01, 2023	Units issued during the period	Units redeemed during the period	Balance as at December 31, 2023

-	-	-	-	-	-	-	-
1,655	-	-	1,655	141,897	-	-	173,470
56,704	95,434	103,421	48,717	4,861,060	9,808,179	10,510,084	5,105,653
41,839	104,958	82,998	63,799	3,586,795	10,833,003	8,497,513	6,686,289
69,556	144,437	138,878	75,114	5,962,898	14,847,943	14,206,176	7,872,146
633,244	1,374,758	1,258,061	749,942	54,286,434	142,162,082	128,942,288	78,595,385
509,705	1,182,197	1,022,085	669,816	43,695,712	121,621,175	104,674,232	70,198,074
599,263	1,301,884	1,198,547	702,599	51,373,331	134,194,728	122,962,584	73,633,817
591,688	1,360,783	1,182,432	770,038	50,723,921	140,340,654	121,306,145	80,701,516
269,968	633,470	537,746	365,691	23,143,640	65,560,624	55,061,947	38,325,172
8,021	16,791	15,956	8,857	687,659	1,735,277	1,633,696	928,234
6,130	-	-	6,130	525,542	-	-	642,476
56,087	111,098	111,626	55,559	4,808,189	11,486,944	11,429,575	5,822,709
77,919	156,515	155,278	79,157	6,679,831	16,183,958	15,899,692	8,295,832
42,266	87,649	83,921	45,994	3,623,396	9,065,208	8,592,215	4,820,315
338,461	739,856	675,663	402,654	29,015,393	76,539,304	69,188,129	42,198,898
14,559	42,803	28,940	28,423	1,248,098	4,413,940	2,963,067	2,978,765
66,339	148,388	135,763	78,964	5,687,094	15,348,680	13,911,780	8,275,610

Period ended December 31, 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 December 31, 2022	Balance as at July 01, 2022	Units issued during the period	Units redeemed during the period	Balance as at December 31, 2022

Lakson Investments Limited

Directors, Chief Executive, their spouse and minors

Associated companies / undertakings of the Management Company

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

560,827	-	560,827	-	54,479,127	-	54,479,127	-
109,263	-	107,720	1,543	9,382,507	-	9,564,051	137,428
41,318	-	3,461	37,856	3,547,975	-	296,000	3,372,655
41,968	-	4,081	37,887	3,603,813	-	349,000	3,375,372
57,486	-	4,888	52,598	4,936,346	-	418,000	4,685,991
564,452	-	47,405	517,047	48,469,964	-	4,054,000	46,064,175
505,636	-	44,084	461,552	43,419,395	-	3,770,000	41,120,079
534,244	-	43,207	491,037	45,876,001	-	3,695,000	43,746,936
587,334	-	51,544	535,790	50,434,906	-	4,408,000	47,734,012
266,973	-	22,510	244,463	22,925,193	-	1,925,000	21,779,443
169,914	-	13,424	156,490	14,590,655	-	1,148,000	13,941,829
7,872	-	608	7,264	675,950	-	52,000	647,125
5,713	-	-	5,713	490,593	-	-	508,989
43,124	-	2,841	40,283	3,703,098	-	243,000	3,588,808
68,782	-	13,037	55,746	5,906,376	-	1,147,000	4,966,382
36,090	-	3,017	33,074	3,099,080	-	258,000	2,946,514
147,447	-	12,383	135,064	12,661,412	-	1,059,000	12,032,960
29,662	-	2,619	27,042	2,547,083	-	224,000	2,409,238
58,545	-	4,911	53,634	5,027,326	-	420,000	4,778,299

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

The following table shows the carrying amounts and fair values of financial assets and financial

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

	------(Un-audited)-----			
	----- As at December 31, 2023 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Assets				
Financial assets at fair value through profit or loss				
Listed equity securities	148,239,833	-	-	148,239,833
GOP Ijara Sukuk	-	11,511,463	-	11,511,463
Total	<u>148,239,833</u>	<u>11,511,463</u>	<u>-</u>	<u>159,751,296</u>
	------(Audited)-----			
	----- As at June 30, 2023 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Assets				
Financial assets at fair value through profit or loss				
Listed equity securities	91,683,077	-	-	91,683,077
GOP Ijara Sukuk	-	11,512,417	-	11,512,417
Total	<u>91,683,077</u>	<u>11,512,417</u>	<u>-</u>	<u>103,195,494</u>

14 GENERAL

- 14.1 The corresponding figures have been re-arranged wherever necessary
- 14.2 Figures have been rounded off to the nearest Rupee, unless otherwise stated.

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on February 27, 2024.

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



A Lakson Group Company

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