LAKSON ISLAMIC TACTICAL FUND

Annual Report 2025

LAKSON INVESTMENTS
WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

CONTENTS

Vision

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

Mission

To deliver superior performance as measured by market share parameters, high-quality service and a portfolio of innovative yet tailored products across a range of investment disciplines and distribution channels.
To provide a fulfilling, stimulating and supportive environment for our employees that fosters their personal growth and facilitates our productivity as a team.

Fund's Information

Management Company	Lakson Investments Limited Head Office Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan. Phone: (9221) 3840.0000 Fax: (9221) 3568.1653 Web site: www.li.com.pk E-mail: info@li.com.pk
Board of Directors of the Management Company	Mr. Iqbal Ali Lakhani - Chairman Mr. Babar Ali Lakhani - Chief Executive Officer Mr. Jamil Ahmed Mughal Mr. Amin Mohammed Lakhani Mr. Bassel Hamwi
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	2-Star (One Year) 3-Star (Three Years) 3-Star (Five Years) Fund Performance Ranking AM2+ : Asset Manager Rating by PACRA

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2025

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 June 30, 2025.

Fund Objective
The investment objective of 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 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
The LITF closed 4QFY25 with a return of 20.85% against the benchmark return of 19.72%, outperformed the benchmark by 1.13%. The fund maintains 15.4% exposure in equities, 43.8% in Sukuk, 39.8% in Cash and 1% in Others. Sector allocation is skewed towards Pharmaceuticals (1.6%), Oil & Gas Exploration (1.6%), Construction & Material (5.4%), Oil & Gas Marketing (1.8%), Commercial Banks (1.0%) and others (4.0%). The fund size of LITF as of June 30, 2025, is PKR 559.86 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
Following the completion of scheduled program reviews, the government secured USD 2bn in disbursements under the Extended Fund Facility (EFF) and signed a USD 1.4bn Resilience and Sustainability Facility (RSF) arrangement during the year. Reflecting these improvements and the build-up of macroeconomic buffers, Fitch Ratings upgraded Pakistan's sovereign rating to B- from CCC+, citing progress in fiscal consolidation and external financing.

On the external front, the current account posted a surplus of USD 2.1bn, supported by record-high remittances and restrained import growth, even as the trade deficit stood at USD 29.4bn. Workers' remittances reached a historic USD 38.3bn, providing a critical buffer for the external account and helping offset structural pressures from the country's high import bill. Foreign exchange reserves strengthened to USD 14.5bn by year-end, aided by multilateral inflows and IMF support, while the PKR appreciated by 1.4% on average against the USD, reflecting exchange rate stability and disciplined external account management.

The State Bank of Pakistan embarked on a significant easing cycle, reducing the policy rate from 22.0% to 11.0% as inflation fell sharply to an average of 4.49% in FY25, compared to 23.4% the previous year. Softer food prices, a stable currency, and effective policy coordination collectively restored price stability and created the conditions for a cautious economic recovery.

On fiscal side, GDP growth remained subdued at 2.7% due to deteriorating agriculture economics (crops) and soft manufacturing activity. Although agriculture sector recorded a growth of 0.6%, crops segment contracted by 6%+. Growth in manufacturing was 1.3%. Contractionary policies and decrease in interest rates aided in reducing the fiscal deficit to 5.4% vs 6.8% recorded last year. Primary surplus recorded at 2.4% in FY25 vs 0.9% in FY24. Interest expense remains the biggest contributor to total expenditure - accounting for 76% of FBR tax collection of PKR 11.7T (up 26% y/y).

Fixed Income Market Review

The fiscal year commenced with T-Bill yields remaining elevated, supported by a high policy rate of 19.50% in July. Policy rate was subsequently reduced to 17.50% by September and the secondary market yields aligned with the central bank's guidance. Throughout first quarter, demand from institutional investors remained strong. Yields on shorter tenors stayed close to policy rates, with 1-year yields ranging between 15.85% -16%, the 6-months ranged from 16.61% and 3-months ranged at 17.13% at the end of first quarter.

In the second quarter, the Central Bank initiated aggressive monetary easing, reducing the policy rate from 17.50% to 13.00%. This resulted in a notable decline in short-term T-Bill yields, with 1-year instruments trading near 12.05% at the end of the quarter, while longer-duration instruments remained relatively stable, reflecting cautious investor sentiment.

During the third quarter, the Central Bank cut the policy rate by 1%, reducing it to 12%. This led to a further decrease in yields and an uptick in trading activity, as investors rebalanced portfolios in response to the declining interest rate environment.

In the last quarter of the fiscal year, policy rates stabilized at 11.00%. Consequently, T-Bill yields were also adjusted, with 1-year instruments trading around 10.95% - 11.10%.

Through FY25, the 3-year PIB yields fluctuated between a high of 16.58% and a low of 11.15%, averaging 12.74%. The 5-year PIB yields ranged from 15.41% down to 11.40%, averaging 12.80% during the year. Meanwhile, the 10-year PIB started the fiscal year trading at 14.10% and ended at 11.84%, with an average yield of 12.57% for the period.

Equity Market Review

The KSE-100 Index delivered a stellar performance in FY25, surging by 60.1% in PKR terms (57.1% in USD terms) to close at 125,627, up from 78,445 at the end of FY24. This remarkable rally was driven by aggressive monetary easing, improved market liquidity, and the unlocking of fundamental value across key sectors.

FY25 also witnessed record market participation, with the highest-ever trading volumes and the highest traded value since FY21.

The KSE100 exhibits the strongest performance across all asset classes, boasting a FY25 return of 60.1%, significantly outperforming Gold (45.2%), T-Bills (10.9%), DSC (11.8%), Bank Deposits (12.3%), PIBs (12.3%), and USD/PKR (1.95%). Even the historical gains from Gold and T-Bills in recent times have been unable to match the impressive surge of the equity market.

On a sector-wise basis, most activity during the period was witnessed in E&P, Cement, OGMCs, Banks and Automobile Assemblers posting a trade value of USD 12mn, USD 11mn, USD 10mn, USD 9mn, and USD 9mn, respectively.

Emerging Market Review

Emerging markets rose 13% YoY in FY25, as measured by the MXEF Index. China outperformed, supported by attractive valuations, rapid AI innovation (notably DeepSeek), and fiscal expansion. While weakness in the construction sector and U.S. tariffs created headwinds, exporters partially offset the impact by diversifying into alternative markets. In contrast, India delivered a modest 6% YoY return, as relative overvaluation and stretched sector valuations weighed on sentiment, prompting foreign investors to rotate into undervalued China, which was benefiting from fiscal support.

Frontier markets outpaced both emerging and developed peers, rising 19% YoY. Weak commodity prices-particularly oil, which fell 22% YoY-alongside a softer U.S. dollar, supported undervalued frontier economies.

Looking ahead, continued dollar weakness and subdued oil prices should support both emerging and frontier markets, though commodity-dependent economies such as Brazil and Russia may face headwinds if prices remain weak. Meanwhile, potential monetary easing in the U.S. could lower globally borrowing costs, improve external financing conditions, and strengthen growth prospects across these markets.

Future Outlook

In FY25, Pakistan started reaping the benefits of difficult economic decisions taken in previous years. Inflation, although supported by high base effect and softening global commodity prices, started coming down and averaged 4.5% vs. 23.4% in FY24. Due to the receding inflation, SBP has reduced from policy rate from the highs of 22% to 11%. CAD recorded a surplus of USD 2.1B while foreign exchange reserves reached USD 14.5B, in FY25. GDP growth remained muted at 2.7% due to subdued manufacturing and agriculture growth.

Continuation of IMF EFF program is vital to reap full benefits of the economic measures undertaken by the Government. Pakistan has successfully completed a review of EFF program in 2HFY25, the second review of which is due in September 2025. Furthermore, IMF has also approved Resilience and Sustainability Facility (RSF) of USD 1.4B to support climate resilience initiatives. These programs would ensure economic discipline and would unlock access to global markets.

Despite improving economic indicators, the purchasing power remained suppressed. Higher tax incidence and high inflationary periods in 2022 and 2023 have shrunk the pockets of common people. However, early signs of revival in demand have been witnessed, which is largely driven by decreasing interest rates and low inflation.

Moving forward, country is expected to build on the economic stability achieved in FY25. GDP growth is budgeted to be 4.2% supported by revival in agriculture and services sector. However, we believe that growth would be lower than anticipated due to floods. Inflation in 2MFY26 has averaged at 3.5% and would remain subdued in 1H but will pick pace from 2H. Average would hover between 6% to 7% and would largely depend on the impact of floods on food basket. Interest rates are near the bottom of the cycle; however, there is still a room of 50 to 100 bps reduction. We believe that SBP would adopt a cautionary approach and opt for such decrease only after witnessing the impact of floods on economy and inflation. On external front, Pakistan external obligations stood at ~USD 26B for FY26, same as of last year. Out of the total, USD 16B is expected to be rolled over. Out of the remaining USD 10B, USD 6B is principal and rest is interest rates. Additionally, current account is expected to remain in the range of 0% to 1% of GDP. We believe that the Country would not just be able to honor its external obligations, but it is also expected to increase foreign exchange reserves to USD 17.5B by Jun-26.

Pakistan remined vulnerable to global commodity prices. Any shocks on that front would disrupt the path of economic recovery. Furthermore, ongoing floods also posed high risk to the economic recovery. Any Geo-political conflicts could also impact path of recovery.

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: September 22, 2025
Karachi

لیکسن اسلامک ٹیکٹیکل فنڈ
30 جون 2025ء کوختم 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 30 جون 2025ء کوختم ہونے والی مدت کے لیےاپنی جائزہ رپورٹ مع مختصرعبوری 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 ایمرجنگ مارکیٹ سیکیوریٹیز میں سرمایہ کاری کرتے ہوئے سرمائے کی قدر میں طویل مدتی اضافہ کرنا ہے۔

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

فنڈ کی کارکردگی
لیکسن اسلامک ٹیکٹیکل فنڈ نے بینچ مارک منافع 19.72% کے مقابلے میں مالی سال 2025ء کی چوتھی سہ ماہی کیلئے 20.85% منافع فراہم کیا۔ فنڈ نے سہ ماہی کے دوران بینچ مارک کے مقابلے میں 1.13% بہتر کارکردگی کا مظاہرہ کیا۔ اس فنڈ کی سرمایہ کاری ایکویٹیز میں 15.4%، صکوک میں 43.8%، کیش میں 39.8% اور دیگر میں 1% ہے۔ شعبہ جاتی تفویض کا جھکاؤ اس طرح ہے:
فارماسیوٹیکلز (1.6%)، تیل وگیس کی تلاش (1.6%)، کنسٹرکشن اور میٹریل (5.4%)، تیل اور گیس کی مارکیٹنگ (1.8%)، کمرشل بینک (1.0%) اور دیگر (4.0%) ہے۔ 30 جون 2025ء کے مطابق LITF کے فنڈز کا حجم 559.86 ملین روپے ہے۔

فی یونٹ آمدنی(EPU)

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

معاشی جائزہ

پروگرام کے طے شدہ جائزوں کی تکمیل کے بعد، حکومت نے توسیعی فنڈ کی سہولت (EFF) کے تحت 2 ارب امریکی ڈالر کی ادائیگیاں وصول کیں اور سال کے دوران 1.4 ارب امریکی ڈالر کی ریزیلیئنس اینڈ سسٹین ایبلٹی فیسیلٹی (RSF) کے معاہدے پر دستخط کیے۔ اس بہتری اور میکرو اکنامک بفرز کی تشکیل کی عکاسی کرتے ہوئے، Fitch Ratings نے مالی استحکام اور بیرونی فنانسنگ میں پیش رفت کا حوالہ دیتے ہوئے پاکستان کی خودمختار درجہ بندی کو +CCC سے -B میں ترقی دے دی ہے۔

بیرونی محاذ پر، کرنٹ اکاؤنٹ میں 2.1 ارب امریکی ڈالر کا سرپلس ریکارڈ کیا گیا، جو ریکارڈ سطح کی ترسیلات زر اور درآمدات میں محدود اضافے کے سبب ممکن ہوا، حالانکہ تجارتی خسارہ 29.4 ارب امریکی ڈالر رہا۔ بیرون ملک سے ترسیلات زر تاریخی طور پر 38.3 ارب امریکی ڈالر تک پہنچ گئیں، جو ایکسٹرنل اکاؤنٹ کے لیے ایک اہم بفر فراہم کرتی ہیں اور ملک کے بھاری درآمدی بل سے پیدا ہونے والے اسٹرکچرل دباؤ کو کم کرنے میں مدد کرتی ہیں۔ غیر ملکی زرمبادلہ کے ذخائر مستحکم ہو کر سال کے آخر تک 14.5 ارب امریکی ڈالر تک جا پہنچے، جو کثیر الجہتی آمدنی اور آئی ایم ایف کی مدد سے ممکن ہوا، جبکہ پاکستانی روپیہ امریکی ڈالر کے مقابلے میں اوسطاً 1.4% مضبوط ہوا، جو زرمبادلہ کی شرح میں استحکام اور ایکسٹرنل اکاؤنٹ کے موثر انتظام کی عکاسی کرتا ہے۔

اسٹیٹ بینک آف پاکستان نے نرمی کے ایک اہم دور کا آغاز کیا، شرح سود کو 22.0% سے 11.0% تک کم کردیا کیونکہ مہنگائی مالی سال 2025 میں 4.49% کی اوسط تک تیزی سے گری، جبکہ گزشتہ سال یہ 23.4% تھی۔ خوراک کی کم قیمتوں، مستحکم کرنسی اور مؤثر پالیسی رابطہ کاری نے مل کر قیمتوں کو دوبارہ مستحکم کیا اور محتاط اقتصادی بحالی کے لیے موزوں حالات پیدا کیے۔

مالیاتی میدان میں جی ڈی پی کی نمو، زرعی معیشت (فصلوں) میں بگاڑ اور کم صنعتی سرگرمی کی وجہ سے 2.7% کی کمتر شرح پر رہی۔ اگرچہ زراعت کے شعبے میں 0.6% کی نمو ریکارڈ کی گئی، فصلوں کا شعبہ 6% سے زیادہ سکڑ گیا۔ صنعتی نمو 1.3% رہی۔ اختصاری پالیسیوں اور شرح سود میں کمی نے مالیاتی خسارے کو 5.4% تک کم کرنے میں مدد کی، جبکہ گزشتہ سال یہ 6.8% ریکارڈ کیا گیا تھا۔ پرائمری سرپلس مالی سال 2025 میں 2.4% ریکارڈ کیا گیا، جو مالی سال 2024 میں 0.9% تھا۔ سود کا خرچ کل اخراجات میں سب سے بڑا حصہ دار رہا، جو کہ 11.7 ٹریلین روپے کی ایف بی آر کی مجموعی ٹیکس وصولی کا 76% ہے (سال بہ سال 26% اضافہ)۔

فکسڈ انکم مارکیٹ کا جائزہ

مالی سال کا آغاز ٹی بلز کے منافع جات کی بلند سطح کے ساتھ ہوا، جسے جولائی میں 19.50% کی بلند شرح سود سے مدد ملی۔ پالیسی ریٹ کو ستمبر تک 17.50% تک کم کر دیا گیا اور مارکیٹ کے ثانوی منافع جات مرکزی بینک کی رہنمائی کے مطابق ہو گئے۔ پہلی سہ ماہی کے دوران، ادارہ جاتی سرمایہ کاروں کی جانب سے طلب مضبوط رہی۔ مختصر میعاد کے منافع جات پالیسی ریٹ کے قریب رہے، پہلی سہ ماہی کے اختتام پر 1 سال کا منافع 15.85%-16% کے درمیان رہا، 6 ماہ کا منافع 16.61% اور 3 ماہ کا منافع 7.13% رہا۔

دوسری سہ ماہی میں، مرکزی بینک نے جارحانہ مالیاتی نرمی کا آغاز کیا، پالیسی ریٹ کو 17.50% سے 13.00% تک کم کر دیا۔ اس کے نتیجے میں مختصر مدت کے ٹی بلز کے منافع میں نمایاں کمی آئی، 1 سالہ انسٹرومنٹس سہ ماہی کے آخر میں تقریباً 12.05% پر ٹریڈ کر رہے تھے، جبکہ طویل مدتی انسٹرومنٹس نسبتاً مستحکم رہے، جو سرمایہ کاروں کے محتاط جذبات کی عکاسی کرتے ہیں۔

تیسری سہ ماہی کے دوران، مرکزی بینک نے پالیسی ریٹ کو 1% کم کر کے 12% کر دیا۔ اس کے نتیجے میں منافع میں مزید کمی آئی اور تجارتی سرگرمی میں اضافہ ہوا کیونکہ سرمایہ کاروں نے کم ہوتی ہوئی شرح سود کے تناظر میں اپنے پورٹ فولیوز کو دوبارہ متوازن (ری بیلنس) کیا۔

مالی سال کی آخری سہ ماہی میں پالیسی ریٹ 11.00% پر مستحکم ہو گیا۔ نتیجتاً ٹی بلز کے منافع جات میں بھی ردوبدل ہوا، جیسا کہ 1 سالہ انسٹرومنٹس تقریباً 10.95%-11.10% پر ٹریڈ کر رہے تھے۔

مالی سال 2025 کے دوران، 3 سالہ PIB کا منافع 16.58% کی بلند ترین سطح اور 11.15% کی کم ترین سطح کے درمیان متغیر رہا، اوسط منافع 12.74% رہا۔ 5 سالہ PIB کا منافع 15.41% اور 11.40% کے مابین رہا، سال کے دوران اوسط 12.80% رہی۔ دریں اثنا 10 سالہ PIB نے مالی سال کا آغاز 14.10% پر کیا اور اختتام 11.84% پر ہوا، سال بھر کے لیے اوسط منافع 12.57% رہا۔

ایکویٹی مارکیٹ کا جائزہ

کے ایس ای-100 انڈیکس نے مالی سال 2025 میں شاندار کارکردگی کا مظاہرہ کیا، جو کہ پاکستانی روپے میں 60.1% (USD میں 57.1%) کے اضافے کے ساتھ 125,627 پر بند ہوا، جو کہ مالی سال 2024 کے اختتام پر 78,445 تھا۔ یہ شاندار اضافہ مالیاتی نرمی کی جارحانہ پالیسی، بہتر مارکیٹ لیکویڈیٹی اور اہم شعبوں میں بنیادی قدر و قیمت کی راہ کھلنے کی وجہ سے ہوا۔

مالی سال 2025 میں مارکیٹ میں ریکارڈ شراکت بھی دیکھی گئی، جس میں سب سے زیادہ تجارتی حجم اور مالی سال 2021 کے بعد سب سے زیادہ تجارتی مالیت شامل تھی۔

کے ایس ای-100 نے تمام اثاثہ جات کے مقابلے میں سب سے مضبوط کارکردگی کا مظاہرہ کیا، جس کا مالی سال 2025 کا منافع

60.1% ہے، جو کہ سونے (45.2%)، ٹی بلز (10.9%)، ڈی ایس سی (11.8%)، بینک ڈپازٹس (12.3%)، پی آئی بیز (12.3%) اور امریکی ڈالر/ پاکستانی روپیہ (1.95%) سے نمایاں طور پر بہتر ہے۔ گزشتہ کچھ عرصے کے دوران سونے اور ٹی بلز سے حاصل شدہ تاریخی منافع بھی ایکویٹی مارکیٹ کے اس متاثر کن اضافے کا مقابلہ نہیں کر پایا۔

شعبہ وار بنیاد پر، اس دوران سب سے زیادہ سرگرمی E&P، سیمنٹ، آئل اینڈ گیس مارکیٹنگ کمپنیز، بینکوں اور آٹوموبائل اسمبلرز میں دیکھی گئی، جن کی ٹریڈنگ ویلیو بالترتیب 12 ملین ڈالر، 11 ملین ڈالر، 10 ملین ڈالر، 9 ملین ڈالر اور 9 ملین ڈالر رہی۔

ایمرجنگ مارکیٹ کا جائزہ

MXEF انڈیکس کے مطابق ابھرتی ہوئی مارکیٹوں میں مالی سال 2025 کے دوران 13% کی سالانہ ترقی ہوئی۔ چین نے بہتر کارکردگی دکھائی، جس کی معاونت پرکشش قیمتوں، تیز رفتار AI جدت (خاص طور پر DeepSeek) اور مالی توسیع نے کی جبکہ تعمیراتی شعبے میں کمزوری اور امریکی ٹیکسوں نے مشکلات پیدا کیں، برآمد کنندگان نے متبادل مارکیٹوں تک رسائی حاصل کر کے اثرات کو جزوی طور پر کم کیا۔ اس کے برعکس، بھارت نے 6% سالانہ کی شرح سے ترقی کی، کیونکہ نسبتاً زیادہ قیمتیں اور پھیلی ہوئی شعبہ جاتی قیمتیں سرمایہ کاری پر اثر انداز ہوئیں، جس کی وجہ سے غیر ملکی سرمایہ کاروں نے کم نرخوں والے چین کا رخ کیا، جو مالی معاونت سے فائدہ اٹھا رہا تھا۔

سرحدی مارکیٹوں نے ابھرتی ہوئی اور ترقی یافتہ مارکیٹوں دونوں کو پیچھے چھوڑتے ہوئے سال بہ سال 19% کی شرح سے ترقی کی۔ خام مال کی کم قیمتوں — خاص طور پر تیل، جس کی قیمت سال بہ سال بنیاد پر 22% گر گئی — کے ساتھ ساتھ کمزور امریکی ڈالر نے بھی سستی سرحدی معیشتوں کی مدد کی۔

آگے دیکھتے ہوئے، ڈالر کی مسلسل کمزوری اور تیل کی کم قیمتوں سے ابھرتی ہوئی اور سرحدی مارکیٹوں دونوں کو مدد ملنی چاہیے، حالانکہ اگر قیمتیں کم رہیں تو خام مال پر منحصر معیشتوں مثلاً برازیل اور روس کو مشکلات کا سامنا کرنا پڑ سکتا ہے۔ دریں اثنا، امریکہ میں ممکنہ مالیاتی نرمی عالمی سطح پر قرض لینے کی لاگت کو کم کر سکتی ہے، بیرونی مالیاتی حالات کو بہتر بنا سکتی ہے اور ان مارکیٹوں میں ترقی کے امکانات کو مستحکم کر سکتی ہے۔

مستقبل کا منظر نامہ

مالی سال 2025 میں، پاکستان نے گزشتہ سالوں میں کیے گئے مشکل اقتصادی فیصلوں کے فوائد حاصل کرنا شروع کر دیے۔ افراطِ زر، اگرچہ ہائی بیس ایفیکٹ کے اثر اور اشیاء کی عالمی قیمتوں میں تخفیف کی وجہ سے کم ہونا شروع ہوا اور اوسطاً 4.5% رہا جبکہ مالی سال 2024 میں یہ 23.4% تھا۔ افراطِ زر میں کمی کی وجہ سے اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 22% کی بلند سطح سے 11% تک کم کر دیا۔ مالی سال 2025 میں CAD نے 2.1 بلین امریکی ڈالر کا سرپلس ریکارڈ کیا جبکہ غیر ملکی زرمبادلہ کے ذخائر 14.5 بلین امریکی

ڈالر تک پہنچ گئے۔ جی ڈی پی کی نمو 2.7% تک محدود رہی جس کا سبب صنعتی اور زرعی نمو کا ماند پڑ جانا تھا۔ آئی ایم ایف کے ای ایف ایف پروگرام کا تسلسل حکومت کی جانب سے کیے گئے اقتصادی اقدامات کے مکمل فوائد حاصل کرنے کے لیے نہایت اہم ہے۔ پاکستان نے مالی سال 2025 کی دوسری ششماہی میں ای ایف ایف پروگرام کا جائزہ کامیابی سے مکمل کرلیا ہے، جس کا دوسرا جائزہ ستمبر 2025 میں متوقع ہے۔ مزید برآں، آئی ایم ایف نے موسمیاتی لچک کے اقدامات کی معاونت کے لیے 1.4 بلین امریکی ڈالر کی ریزیلیئنس اینڈ سسٹین ایبلٹی فیسلٹی (RSF) کی بھی منظوری دی ہے۔ یہ پروگرام اقتصادی نظم وضبط کو یقینی بنائیں گے اور عالمی مارکیٹوں تک رسائی کو ممکن بنائیں گے۔

اقتصادی اشاریوں میں بہتری کے باوجود قوت خرید دباؤ میں رہی۔ 2022 اور 2023 میں زیادہ ٹیکس اور بلند افراط زر کے باعث عام لوگوں کی جیبیں سکڑ گئی تھیں۔ تاہم، طلب میں بحالی کے ابتدائی آثار دیکھے گئے ہیں، جس کی بڑی وجوہات میں گھٹتی ہوئی شرح سود اور افراط زر میں کمی شامل ہیں۔

آگے بڑھتے ہوئے، توقع کی جاتی ہے کہ ملک مالی سال 2025ء میں حاصل کردہ اقتصادی استحکام کے بل پر مزید ترقی کرے گا۔ جی ڈی پی کی نمو 4.2% ہونے کی توقع ہے جو زراعت اور خدمات کے شعبے میں بحالی کی معاونت سے ہوگی۔ تاہم، ہمارا خیال ہے کہ سیلاب کی وجہ سے نمو توقع سے کم ہوگی۔ مالی سال 2026 کے دوسرے مہینے میں افراط زر کی اوسط 3.5% رہی ہے اور یہ پہلی ششماہی میں کم رہے گی لیکن دوسری ششماہی سے تیز ہوجائے گی۔ اوسط 6% سے 7% کے درمیان رہے گی اور یہ بنیادی طور پر اشیائے خوراک پر سیلاب کے اثرات پر منحصر ہوگی۔ سود کی شرحیں سائیکل کے نچلے حصے کے قریب ہیں؛ تاہم، 50 سے 100 بیسس پوائنٹس کی کمی کا ابھی بھی امکان ہے۔ ہمارا خیال ہے کہ اسٹیٹ بینک آف پاکستان محتاط رویہ اپنائے گا اور صرف سیلاب کے اثرات کو دیکھنے کے بعد ایسی کمی کا انتخاب کرے گا۔ بیرونی محاذ پر، پاکستان کی بیرونی ذمہ داریاں مالی سال 2026 کے لیے تقریباً 26 بلین امریکی ڈالر پر برقرار ہیں، جو گزشتہ سال کی طرح ہیں۔ توقع ہے کہ ان میں سے 16 بلین امریکی ڈالر رول اوور ہوجائے گا، باقی 10 بلین امریکی ڈالر میں سے 6 بلین امریکی ڈالر اصل رقم ہے اور باقی سود ہے۔ اس کے علاوہ کرنٹ اکاؤنٹ کے جی ڈی پی کے 0% سے 1% کے درمیان رہنے کی توقع ہے۔ ہمارا خیال ہے کہ ملک نہ صرف اپنی بیرونی ذمہ داریوں کو پورا کرنے میں کامیاب ہوگا بلکہ جون 2026 تک غیر ملکی زرمبادلہ کے ذخائر کے 17.5 بلین امریکی ڈالر تک بڑھ جانے کی توقع بھی ہے۔

پاکستان عالمی اشیاء کی قیمتوں کے حوالے سے حساس رہا ہے۔ اس محاذ پر کسی بھی جھٹکے سے اقتصادی بحالی کا راستہ متاثر ہوسکتا ہے۔ مزید برآں، حالیہ سیلاب بھی اقتصادی بحالی کے لیے بڑا خطرہ بن سکتا ہے۔ کسی جغرافیائی۔ سیاسی تنازع سے بھی بحالی کے معاملے پر اثر پڑسکتا ہے۔

اظہار تشکر

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

برائے ومنجانب بورڈ

چیف ایگزیکٹو آفیسر ڈائریکٹر

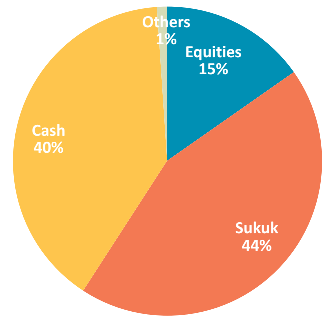
تاریخ: 22 ستمبر 2025ء

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2025

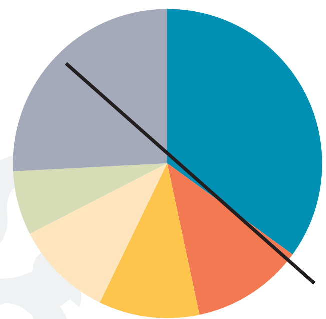
Fund Facts

Fund Type	Open-End
Category	Shariah Compliant Asset Allocation Fund
Net Assets (PKR Mil.)	559.86
NAV (30.06.2025)	86.0402
Pricing Mechanism	Forward Day
Trustee	CDC Pakistan Limited
Auditor	BDO Ebrahim & Co
Management Fee	Upto 2% effective from Dec 20,2021. (Current 2.00%)
Front End Load	2.50%
Back End Load	None
Launch Date	October 11, 2011
Benchmark	Weighted average daily return of KMI- 30 Index, 6M deposit rates of three A rated Islamic Banks or Islamic windows of Conventional Banks and MSCI Emerging Markets Islamic Index based on the Scheme's actual proportion in the equity, debt and emerging market securities
Dealing Days	Mon - Fri
Cut-Off Time	04:00 PM
Asset Manager Rating	AM2+ by PACRA (25.Aug.2023)
Risk Profile	High Risk

Asset Allocation



Asset Allocation



Fund Performance	LITF	Benchmark
FY25 - YTD	20.85%	19.72%
June-25	0.29%	1.56%
2 Months	1.94%	3.44%
3 Months	1.76%	2.82%
6 Months	3.98%	5.37%
12 Months	20.85%	19.72%
CY25-YTD	4.03%	5.38%
3 Years	83.69%	67.77%
5 Years	96.17%	97.59%
Since Inception	126.96%	157.82%

the benchmark of the fund was changed in September 2016

Investment Committee

Babar Ali Lakhani	Chief Executive Officer
Kashif Mustafa	Executive Direcotr & COO
Mustafa O. Pasha, CFA	Chief Investment Officer
Hassan Bin Nasir	
Talha Siddiqui	
Ahsan Ali, CFA	

Investment Objective

The investment objective of the Lakson Islamic Tactical Fund ("LITF") is to provide long-term capital appreciation by investing in a mix of shariah compliant avenues. The LITF achieved its investment objective by investing in a mix of risk-free government securities, corporate bonds, emerging market securities and equity market.

Investment Strategy

The asset allocation of LITF portfolio was constructed by investing in liquid and risk-free instruments like Shariah Government securities, Sariah complaint equities and high yielding Shariah bonds. The exposure of LITF in risk free options and bonds was managed based on the relative yield analysis of these instruments and our yield curve expectations. Exposure in cash enabled the LITF to benefit from adverse movements in secondary yields, while maintaining liquidity and meeting all its obligations in a timely manner. Equity exposure of the Fund will be determined by carrying out an analysis of the prevalent price to earnings (PE) ratio or multiple of the KSE-30 Index. An increase in the PE ratio will lead to a reduction in equity exposure and vice versa. The balance will remain invested in high quality Shariah compliant fixed income instruments of varying duration.

Economic Review

Following the completion of scheduled program reviews, the government secured USD 2bn in disbursements under the Extended Fund Facility (EFF) and signed a USD 1.4bn Resilience and Sustainability Facility (RSF) arrangement during the year. Reflecting these improvements and the build-up of macroeconomic buffers, Fitch Ratings upgraded Pakistan's sovereign rating to B- from CCC+, citing progress in fiscal consolidation and external financing.

On the external front, the current account posted a surplus of USD 2.1bn, supported by record-high remittances and restrained import growth, even as the trade deficit stood at USD 29.4bn. Workers' remittances reached a historic USD 38.3bn, providing a critical buffer for the external account and helping offset structural pressures from the country's high import bill. Foreign exchange reserves strengthened to USD 14.5bn by year-end, aided by multilateral inflows and IMF support, while the PKR appreciated by 1.4% on average against the USD, reflecting exchange rate stability and disciplined external account management.

The State Bank of Pakistan embarked on a significant easing cycle, reducing the policy rate from 22.0% to 11.0% as inflation fell sharply to an average of 4.49% in FY25, compared to 23.4% the previous year. Softer food prices, a stable currency, and effective policy coordination collectively restored price stability and created the conditions for a cautious economic recovery.

On fiscal side, GDP growth remained subdued at 2.7% due to deteriorating agriculture economics (crops) and soft manufacturing activity. Although agriculture sector recorded a growth of 0.6%, crops segment contracted by 6%+. Growth in manufacturing was 1.3%. Contractionary policies and decrease in interest rates aided in reducing the fiscal deficit to 5.4% vs 6.8% recorded last year. Primary surplus recorded at 2.4% in FY25 vs 0.9% in FY24. Interest expense remains the biggest contributor to total expenditure - accounting for 76% of FBR tax collection of PKR 11.7T (up 26% y/y).

Fixed Income Market Review

The fiscal year commenced with T-Bill yields remaining elevated, supported by a high policy rate of 19.50% in July. Policy rate was subsequently reduced to 17.50% by September and the secondary market yields aligned with the central bank's guidance. Throughout first quarter, demand from institutional investors remained strong. Yields on shorter tenors stayed close to policy rates, with 1-year yields ranging between 15.85% -16%, the 6-months ranged from 16.61% and 3-months ranged at 17.13% at the end of first quarter.

In the second quarter, the Central Bank initiated aggressive monetary easing, reducing the policy rate from 17.50% to 13.00%. This resulted in a notable decline in short-term T-Bill yields, with 1-year instruments trading near 12.05% at the end of the quarter, while longer-duration instruments remained relatively stable, reflecting cautious investor sentiment.

During the third quarter, the Central Bank cut the policy rate by 1%, reducing it to 12%. This led to a further decrease in yields and an uptick in trading activity, as investors rebalanced portfolios in response to the declining interest rate environment.

In the last quarter of the fiscal year, policy rates stabilized at 11.00%. Consequently, T-Bill yields were also adjusted, with 1-year instruments trading around 10.95% - 11.10%.

Through FY25, the 3-year PIB yields fluctuated between a high of 16.58% and a low of 11.15%, averaging 12.74%. The 5-year PIB yields ranged from 15.41% down to 11.40%, averaging 12.80% during the year. Meanwhile, the 10-year PIB started the fiscal year trading at 14.10% and ended at 11.84%, with an average yield of 12.57% for the period.

Emerging Markets Review

Emerging markets rose 13% YoY in FY25, as measured by the MXEF Index. China outperformed, supported by attractive valuations, rapid AI innovation (notably DeepSeek), and fiscal expansion. While weakness in the construction sector and U.S. tariffs created headwinds, exporters partially offset the impact by diversifying into alternative markets. In contrast, India delivered a modest 6% YoY return, as relative overvaluation and stretched sector valuations weighed on sentiment, prompting foreign investors to rotate into undervalued China, which was benefiting from fiscal support.

Frontier markets outpaced both emerging and developed peers, rising 19% YoY. Weak commodity prices-particularly oil, which fell 22% YoY-alongside a softer U.S. dollar, supported undervalued frontier economies.

Looking ahead, continued dollar weakness and subdued oil prices should support both emerging and frontier markets, though commodity-dependent economies such as Brazil and Russia may face headwinds if prices remain weak. Meanwhile, potential monetary easing in the U.S. could lower globally borrowing costs, improve external financing conditions, and strengthen growth prospects across these markets.

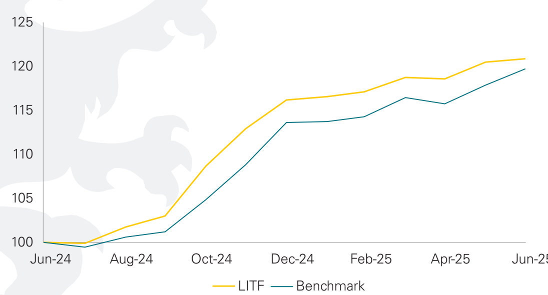
Fund Performance

The LITF closed 4QFY25 with a return of 20.85% against the benchmark return of 19.72%, outperformed the benchmark by 1.13%. The fund maintains 15.4% exposure in equities, 43.8% in Sukuk, 39.8% in Cash and 1% in Others. Sector allocation is skewed towards Pharmaceuticals (1.6%), Oil & Gas Exploration (1.6%), Construction & Material (5.4%), Oil & Gas Marketing (1.8%), Commercial Banks (1.0%) and others (4.0%). The fund size of LITF as of June 30, 2025, is PKR 559.86 mln

Performance Table	FY25	FY24
Net Assets - Beginning (PKR Mil.)	578.44	290.1500
Net Assets - Ending (PKR Mil.)	559.86	578.4400
Highest Offer Price (PKR)	107.6648	121.3931
Lowest Offer Price (PKR)	88.0871	88.1171
Highest Redemption Price (PKR)	104.7017	118.0522
Lowest Redemption Price (PKR)	85.6628	85.6920
Beginning NAV - Ex-Div. (PKR)	86.1242	85.7275
Interim Distributions (PKR)	18.3385	31.8942
Final Distribution (PKR)	-	-
Ending NAV - Ex-Div. (PKR)	86.0402	86.1242
Return	20.85%	37.77%
Net Income / (Loss) (PKR Mil.)	104.00	117.00

Distributions	FY25	FY24
1st Interim Distribution	18.0159	31.8942
NAV before Distribution	103.9522	117.6217
NAV after Distribution	85.9363	85.7275
Distribution Date	26-Jun-25	24-Jun-24
2nd Interim Distribution	0.3226	
NAV before Distribution	86.2589	
NAV after Distribution	85.9363	
Distribution Date	29-Jun-25	

LITF vs. Benchmark



Income Distribution

The Chief Executive Officer under the authority from Board of Directors of the Management Company declared the interim payout of PKR 18.3385 per unit (18.3385% of face value of PKR 100/-) amounting to PKR 5.4007 million in cash during the year ended June 30, 2025.

Future Outlook

In FY25, Pakistan started reaping the benefits of difficult economic decisions taken in previous years. Inflation, although supported by high base effect and softening global commodity prices, started coming down and averaged 4.5% vs. 23.4% in FY24. Due to the receding inflation, SBP has reduced from policy rate from the highs of 22% to 11%. CAD recorded a surplus of USD 2.1B while foreign exchange reserves reached USD 14.5B, in FY25. GDP growth remained muted at 2.7% due to subdued manufacturing and agriculture growth.

Continuation of IMF EFF program is vital to reap full benefits of the economic measures undertaken by the Government. Pakistan has successfully completed a review of EFF program in 2HFY25, the second review of which is due in September 2025. Furthermore, IMF has also approved Resilience and Sustainability Facility (RSF) of USD 1.4B to support climate resilience initiatives. These programs would ensure economic discipline and would unlock access to global markets.

1Despite improving economic indicators, the purchasing power remained suppressed. Higher tax incidence and high inflationary periods in 2022 and 2023 have shrunk the pockets of common people. However, early signs of revival in demand have been witnessed, which is largely driven by decreasing interest rates and low inflation.

Moving forward, country is expected to build on the economic stability achieved in FY25. GDP growth is budgeted to be 4.2% supported by revival in agriculture and services sector. However, we believe that growth would be lower than anticipated due to floods. Inflation in 2MFY26 has averaged at 3.5% and would remain subdued in 1H but will pick pace from 2H. Average would hover between 6% to 7% and would largely depend on the impact of floods on food basket. Interest rates are near the bottom of the cycle; however, there is still a room of 50 to 100 bps reduction. We believe that SBP would adopt a cautionary approach and opt for such decrease only after witnessing the impact of floods on economy and inflation. On external front, Pakistan external obligations stood at ~USD 26B for FY26, same as of last year. Out of the total, USD 16B is expected to be rolled over. Out of the remaining USD 10B, USD 6B is principal and rest is interest rates. Additionally, current account is expected to remain in the range of 0% to 1% of GDP. We believe that the Country would not just be able to honor its external obligations, but it is also expected to increase foreign exchange reserves to USD 17.5B by Jun-26.

Pakistan remined vulnerable to global commodity prices. Any shocks on that front would disrupt the path of economic recovery. Furthermore, ongoing floods also posed high risk to the economic recovery. Any Geo-political conflicts could also impact path of recovery.

Circumstances Materially Affecting Interests of Unit Holders

The Pakistan Credit Rating Agency Limited ('PACRA') has maintained the asset manager rating of the Management Company at "AM2+". The VIS Credit Rating Company Limited has assigned the one-year performance ranking of "2-Star", three-year & five-year performance ranking of "3-Star" to the LITF Fund.

Other Disclosures

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

There was no unit split undertaken during the year.

As of June 30, 2025, the LITF does not employ any leverage.

Breakdown of Unit Holding by Size

Units Range	No. of Clients	Units Held
Holding upto 100	9	164
101 - 500	1	108
501 - 1,000	-	-
1,001 - 5,000	1	1,486
5,001 - 10,000	3	26,584
10,001 - 50,000	-	-
50,001 - 100,000	8	603,901
100,001 - 500,000	3	957,140
500,001 - 1,000,000	1	614,994
1,000,001 - 5,000,000	4	4,302,614
5,000,001 - above	-	-
	30	**6,506,992**

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

TRUSTEE REPORT TO THE UNIT HOLDERS

LAKSON ISLAMIC TACTICAL FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Lakson 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 year ended June 30, 2025 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.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi: September 22, 2025

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Sarwar Shaheed Road
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Pakistan

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS TO THE UNITHOLDERS OF LAKSON ISLAMIC TACTICAL FUND

Opinion

We have audited the financial statements of **Lakson Islamic Tactical Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matter

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

Following is the Key audit matter:

S.NO	Key audit matter	How the matter was addressed in our audit
1.	**Existence and valuation of bank balances and investments** As disclosed in note 5 & 6 to the accompanying financial statements, the bank balances and investments amounting to Rs. 222.72 million and Rs. 332.05 million which represents 98.13% of total assets. The existence of bank balances and existence and valuation of investments are significant components of statement of asset and liabilities for the determination of net asset value of the Fund as at June 30, 2025.	Our audit procedures amongst other included the following: • Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2025 and traced it with the books and records of the Fund. Where such confirmations were not available alternate audit procedures were performed;

S.NO	Key audit matter	How the matter was addressed in our audit
	In view of the significance of above-mentioned balances we considered existence and valuation of investments in relation to the Fund's total assets and net asset value (NAV), as Key audit matter due to significance of these in relation to net assets.	• Re-performed valuation to assess that investment is carried as per the valuation methodology specified in the accounting policies; and • Performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and re-performance of valuations as per valuation methodology specified in accounting policies; and • Assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations. • Evaluated the adequacy of the disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of accounting and reporting standards as applicable in Pakistan and the NBFC Regulations.

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

The management company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

The Board of Director of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the management's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

Based on our audit, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: SEPTEMBER 30, 2025

UDIN: AR202510067Nn8mbjGBt

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

September 29, 2025

بسم الله الرحمن الرحيم

الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in Lakson Islamic Tactical Fund managed by Lakson Investment Limited are halal and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.

Mufti Irshad Ahmad Aijaz
Member Shariah Council

AL HILAL SHARIAH ADVISORS (PVT) LTD. KARACHI

Faraz Younus Bandukda, CFA
Chief Executive

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LAKSON ISLAMIC TACTICAL FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

	Note	2025 (Rupees)	2024 (Rupees)
ASSETS			
Bank balances	5	222,718,816	189,620,331
Investments	6	332,054,075	386,324,946
Markup accrued	7	7,879,610	9,383,970
Dividend receivable		12,302	12,302
Deposits and other receivables	8	2,701,737	2,681,954
TOTAL ASSETS		565,366,540	588,023,504
LIABILITIES			
Payable to the Management Company	11	2,537,163	2,347,034
Payable to the Trustee		125,908	106,897
Payable to Securities and Exchange Commission of Pakistan		51,965	44,839
Accrued expenses and other liabilities	12	2,788,170	2,070,874
Payable against purchase of investments		-	5,010,106
TOTAL LIABILITIES		5,503,206	9,579,750
CONTINGENCIES AND COMMITMENTS	14		
NET ASSETS		559,863,334	578,443,754
UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)		559,863,334	578,443,754
		(Number of units)	
NUMBER OF UNITS IN ISSUE	15	6,506,990	6,716,386
		(Rupees)	
NET ASSETS VALUE PER UNIT		86.0402	86.1242

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

LAKSON ISLAMIC TACTICAL FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees)	2024 (Rupees)
INCOME			
Realized gain on sale of investment at fair value through profit or loss - net		34,641,192	5,940,478
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' - Net	6.1	28,008,975	61,826,934
		62,650,167	67,767,412
Dividend income on investment at fair value through profit or loss		8,797,499	12,966,891
Profit on:			
Bank balances		7,279,164	33,752,610
Ijara Sukuk, commercial papers and musharaka certificate		46,575,121	15,598,602
		53,854,285	49,351,212
Exchange (loss) on foreign currency deposits		(193)	(123,039)
TOTAL INCOME		125,301,758	129,962,476
EXPENSES			
Remuneration to the Management Company	11.1	10,628,483	7,882,310
Sindh Sales tax on remuneration to the Management Company	11.2	1,593,000	1,024,700
Remuneration to the Trustee		1,222,148	864,206
Annual fee to Securities and Exchange Commission of Pakistan		504,853	374,410
SECP supervisory fee		2,500	2,500
Shariah Advisor Fee		329,960	330,000
Brokerage, Settlement, Bank and other charges		6,080,143	788,380
Auditors' remuneration	16	565,034	521,442
Fees and subscription		295,000	1,173,368
Printing charges		33,925	-
TOTAL EXPENSES		21,255,046	12,961,316
Net income from operating activities		104,046,712	117,001,159
Net income before taxation		104,046,712	117,001,159
Taxation	17	-	-
Net income after taxation		104,046,712	117,001,159
Allocation of net income for the year:			
Net income for the year		104,046,712	117,001,159
Income already paid on units redeemed		(99,121,183)	(105,933,693)
		4,925,529	11,067,466
Accounting income available for distribution:			
-Related to capital gains - net		4,925,529	7,986,328
-Excluding capital gains		-	3,081,138
Accounting income available for distribution		4,925,529	11,067,466

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

LAKSON ISLAMIC TACTICAL FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025 (Rupees)	2024 (Rupees)
Net income for the year	104,046,712	117,001,159
Other comprehensive income	-	-
Total comprehensive income for the year	104,046,712	117,001,159

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

LAKSON ISLAMIC TACTICAL FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025			June 30, 2024		
	Capital Value	**Undistributed loss**	**Total**	**Capital Value**	**Undistributed loss**	**Total**
	----- (Rupees) -----					
Net assets at beginning of the year	617,828,387	(39,384,633)	578,443,754	332,153,273	(42,002,887)	290,150,386
Issuance of 18,423,520 units (2024: 14,289,761 units)						
- Capital value	1,495,667,928	-	1,495,667,928	1,076,023,153	-	1,076,023,153
- Element of income	258,440,201	-	258,440,201	280,923,926	-	280,923,926
Total proceeds on issuance of units	1,754,108,129	-	1,754,108,129	1,356,947,079	-	1,356,947,079
Redemption of 18,632,915 units (2024: 10,957,937)						
- Capital value	1,604,744,934		1,604,744,934	(939,396,574)		(939,396,574)
- Element of (loss)	(3,376,958,290)	(99,121,183)	(3,476,079,473)	(131,875,391)	(105,933,694)	(237,809,085)
Total payments on redemption of units	(1,772,213,356)	(99,121,183)	(1,871,334,539)	(1,071,271,965)	(105,933,694)	(1,177,205,659)
Interim cash distribution during the year						
@ Rs. 18.0159 & 0.3226 on 26th & 29th June 2025 (2024: Rs. 31.8942)	-	(5,400,722)	(5,400,722)	-	(8,449,211)	(8,449,211)
Total comprehensive income for the year	-	104,046,712	104,046,712	-	117,001,159	117,001,159
Net assets as at end of the year	599,723,160	(39,859,826)	559,863,334	617,828,387	(39,384,633)	578,443,754
Undistributed loss brought forward:						
- Realized (loss)		(101,211,567)			(40,744,380)	
- Unrealized gain / (loss)		61,826,934			(1,258,507)	
		(39,384,633)			(42,002,887)	
Accounting income available for distribution:						
Relating to capital gains		4,925,529			7,986,328	
Excluding capital (loss) / gains		-			3,081,138	
		4,925,529			11,067,466	
Interim cash distribution during the year						
@ Rs. 18.0159 & 0.3226 on 26th & 29th June 2025 (2024: Rs. 31.8942)		(5,400,723)			(8,449,211)	
Undistributed (loss) at end of the year		(39,859,827)			(39,384,633)	
Undistributed (loss) carried forward						
- Realized (loss) / gain		(67,868,802)			(101,211,567)	
- Unrealized (loss) / gain		28,008,975			61,826,934	
		(39,859,827)			(39,384,633)	
Net assets value per unit at beginning of the year		86.1242			85.7275	
Net assets value per unit at end of the year		86.0402			86.1242	

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER | **CHIEF FINANCIAL OFFICER** | **DIRECTOR**

LAKSON ISLAMIC TACTICAL FUND
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	(Rupees)	(Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	104,046,712	117,001,159
Adjustments for non-cash charges and other items:		
Capital gain on sale of investments - net	34,641,192	-
Unrealised gain / (loss) in the fair value of investments classified as 'held for trading' - net	28,008,975	(61,826,934)
	166,696,879	55,174,225
(Increase) in assets		
Investments - net	(8,379,296)	(221,302,518)
Mark-up receivable	1,504,360	(6,096,425)
Deposits and other receivables	(19,783)	(9,580)
	(6,894,719)	(227,408,523)
(Decrease) / Increase in liabilities		
Payable to the Management Company	190,129	531,406
Payable to the Trustee	19,011	26,359
Payable to Securities and Exchange Commission of Pakistan	7,126	(12,687)
Payable against purchase of investments	(5,010,106)	701,776
Accrued expenses and other liabilities	717,296	3,354,893
	(4,076,544)	4,601,747
Net cash generated / (used in) from operating activities	155,725,616	(167,632,551)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of units	1,754,108,129	1,356,947,079
Dividend paid	(5,400,722)	(8,449,211)
Cash paid on redemption of units	(1,871,334,539)	(1,177,205,659)
Net cash (used in) / generated financing activities	(122,627,131)	171,292,209
Net increase in cash and cash equivalents during the year	33,098,485	3,659,657
Cash and cash equivalents at the beginning of the year	189,620,331	185,960,674
Cash and cash equivalents at the end of the year	222,718,816	189,620,331

The annexed notes from 1 to 24 form an integral part of these financial statements.

For Lakson Investments Limited
(Management Company)

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

LAKSON ISLAMIC TACTICAL FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Lakson Islamic Tactical Fund (the Fund) was established under the Trust Deed executed on May 30, 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 July 07, 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 Mutual Fund Association of Pakistan (MUFAP). 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 Shariah compliant investments within the limits prescribed in the offering document so as to ensure a riba-free return on investments. All investments of the Fund are as per the guidelines of the Shariah principles provided by the Shariah Advisor of the Fund and comprise of the investments permissible as 'Authorised Investments' under the Trust Deed.

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

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

1.4 Pakistan Credit Rating Company Limited (PACRA) has maintained the rating of the Management Company of the Fund to the scale 'AM2+' (stable outlook) vide its report dated 22 August 2025. (2024: AM2+ as on 23 August 2024)

On 23 May 2024, VIS assigned following rankings to the Fund based on the performance review:

1 Year ranking :	MFR 2-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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates judgements and associated assumptions are based on historical experience and various other factors including expectation of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements relate to classification and valuation.

2.4.1 Classification and measurement of financial assets and financial liabilities

For details please refer to notes 4.2.3 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer to notes 4.2.5 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information's are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2025.

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

4 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial Instruments

4.2.1 Financial Assets

Financial assets are classified in appropriate category at amortized cost, fair value through comprehensive income and fair value through profit and loss. The management determines the classification of financial assets in appropriate category based on fund's business model, managing the financial assets and the contractual terms of cashflows.

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs associated with these financial assets are charged to the income statement.

4.2.3 Classification

Debt Instruments

A debt instrument is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

4.2.4 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

4.2.5 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.

- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly balances with bank, investments, mark-up accrued, dividend receivable and other receivables.

4.2.6 Regular way contracts

Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.2.9 Financial liabilities

All financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognized at fair value and subsequently stated at amortized cost.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

4.3 Unit holders' Fund

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

4.4 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

4.5 Element of income

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

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in Unit holders' Fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP), the refund of capital is made in the form of additional units at zero price.

4.6 Net asset value - per unit

The net asset value per unit disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.7 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent (90%) of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed 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.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders.

4.8 Revenue recognition

- Mark-up on deposits with banks and mark-up / return on investments in debt securities are recognized using effective yield method.
- Capital gains / (loss) arising on sale of investments are recognized when the risk and rewards are transferred.
- Unrealized Gains / Loss recognized on mark to market investments classified as ' financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

4.9 Expenses

All expenses including Management's fee, Trustee's fee and annual fee of SECP are recognized in the Income Statement on an accrual basis.

4.10 Provisions

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

4.11 Distribution

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognized in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP), distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.12 Earnings per unit (EPU)

Earnings Per Unit (EPU) has not been disclosed as in the opinion of the Management, determination of weighted average units for calculating EPU is not practicable.

	Note	2025 (Rupees)	2024 (Rupees)
5 BANK BALANCES			
Local currency			
In profit and loss sharing accounts	5.1	222,678,644	189,598,938
In current account		40,172	21,393
		222,718,816	189,620,331

5.1 These carry mark-up at rates ranging from 6% to 18.1% (2024: 9% to 18.5%) per annum.

6 INVESTMENTS

	Note	2025 (Rupees)	2024 (Rupees)
Financial assets classified as fair value through			
Listed equity securities	6.1	86,100,018	180,633,907
GOP Ijara Sukuk	6.2	220,049,900	133,537,500
		306,149,918	314,171,407
Financial assets classified at amortised cost			
Short Term Ijara Sukuk	6.3	25,904,157	72,153,539
		332,054,075	386,324,946

6.1 Shares of listed company

At fair value through profit or loss

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

Name of the investee company	Holding as at 01 July 2024	Purchases during the year	Bonus / right shares received during the year	Disposed during the year	Holding as at June 30, 2025	Carrying value before revaluation as of June 30, 2025	Market value as of June 30, 2025 (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	61,924	-	-	51,700	10,224	2,447,523	3,394,879	947,356	1.02%	0.61%	0.00%
Faysal Bank Limited	224,930	54,785	-	246,000	33,715	1,776,395	2,350,610	574,215	0.71%	0.42%	0.00%
						4,223,918	5,745,489	1,521,571	1.02%	0.61%	
Fertilizers											
Engro Corporation Limited (6.1.1)	16,879	12,000	-	28,879	-	-	-	-	0.00%	0.00%	0.00%
Engro Fertilizers Limited (6.1.1)	83,947	17,500	-	82,200	19,247	3,244,471	3,572,051	327,579	1.08%	0.64%	0.00%
Fauji Fertilizer Bin Qasim Limited	110,402	79,285	-	189,687	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited	-	2,840	-	2,840	-	-	-	-	0.00%	0.00%	0.00%
						3,244,471	3,572,051	327,579	1.08%	0.64%	
Automobile Assemblers											
Millat Tractors Limited	3,410	-	-	2,600	810	515,225	452,515	(62,710)	0.14%	0.08%	0.00%
Sazgar Engineering Works Limited	-	662	-	-	662	724,913	754,561	29,648	0.23%	0.13%	0.00%
Ghandhara Industries Limited	-	1,033	-	-	1,033	740,252	671,894	(68,358)	0.20%	0.12%	0.00%
						1,980,389	1,878,970	(101,420)	0.57%	0.34%	
Chemicals											
Lucky Core Industries Limited	3,022	-	-	1,144	1,878	1,745,582	2,984,649	1,239,067	0.90%	0.53%	0.00%
						1,745,582	2,984,649	1,239,067	0.90%	0.53%	0.00%
Engineering											
Mughal Iron & Steel Industries Limited	20,507	53,495	-	61,390	12,612	1,141,662	909,577	(232,084)	0.27%	0.16%	0.00%
Mughal Iron & Steel Industries Limited - LOR	-	-	1,242	1,242	0	-	-	-	0.00%	0.00%	0.00%
						1,141,662	909,577	(232,084)	0.27%	0.16%	0.00%
Pharma & Bio Tech											
The Searle Company (6.1.2)	10	-	-	-	10	571	877	306	0.00%	0.00%	0.00%
AGP Limited	32,479	16,020	-	37,683	10,816	1,043,693	2,065,423	1,021,730	0.62%	0.37%	0.00%
Highnoon Laboratories Limited	5,778	-	-	4,050	1,728	1,233,066	1,707,195	474,129	0.51%	0.30%	0.00%
GlaxoSmithKline Pakistan Limited	-	11,623	-	4,000	7,623	2,853,832	2,978,459	124,626	0.90%	0.53%	0.00%
Ferozsons Laboratories Limited	-	7,920	-	2,800	5,120	1,891,200	1,994,854	103,655	0.60%	0.36%	0.00%
						7,022,362	8,746,808	1,724,446	1.14%	0.67%	
Cement											
Cherat Cement Company Limited	16,028	-	-	12,000	4,028	657,088	1,169,328	512,241	0.35%	0.21%	0.00%
Kohat Cement Company Limited	1,002	7,260	-	8,262	-	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement	-	65,227	-	49,178	16,049	1,856,473	2,657,072	800,600	0.80%	0.47%	0.00%
Pioneer Cement Company Limited	39,508	21,000	-	34,500	26,008	4,455,766	5,933,205	1,477,439	1.79%	1.06%	0.00%
Maple Leaf Cement Limited	129,233	150,461	-	163,000	116,694	5,438,480	9,834,970	4,396,490	2.96%	1.76%	0.00%
Lucky Cement Company Limited (6.1.1)	11,201	11,604	-	8,300	14,505	2,630,424	5,152,756	2,522,332	1.55%	0.92%	0.00%
Fauji Cement Company Limited	219,562	242,319	-	340,000	121,881	3,457,615	5,444,424	1,986,809	1.64%	0.97%	0.00%
						18,495,846	30,191,757	11,695,911	9.09%	5.39%	
Power Generation & Distribution											
Hub Power Company Limited	84,969	79,000	-	134,000	29,969	4,259,203	4,130,028	(129,175)	1.24%	0.74%	0.00%
Engro Powergen Qadirpur Limited	31,315	-	-	31,315	-	-	-	-	0.00%	0.00%	0.00%
						4,259,203	4,130,028	(129,175)	1.24%	0.74%	
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (6.1.2)	5,037	6,000	440	8,326	3,151	1,381,907	1,975,330	593,423	0.59%	0.35%	0.00%
Pakistan Oilfield Limited (6.1.1)	32,248	-	-	32,248	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited (6.1.1)	95,256	33,740	-	106,500	22,496	2,676,943	3,828,144	1,151,201	1.15%	0.68%	0.00%
Oil and Gas Development Company Limited (6.1.1)	77,135	17,592	-	76,000	18,727	2,535,342	4,130,427	1,595,085	1.24%	0.74%	0.00%
						6,594,193	9,933,902	3,339,709	2.99%	1.77%	0.00%
Oil and Gas Marketing Companies											
Attock Petroleum Limited	6,966	-	-	5,450	1,516	585,540	727,104	141,564	0.22%	0.13%	0.00%
Sui Northern Gas Pipelines Limited	104,255	44,097	-	103,500	44,852	3,638,870	5,234,677	1,595,807	1.58%	0.93%	0.00%
Pakistan State Oil Company Limited (6.1.2)	14,702	24,000	-	30,800	7,902	1,413,230	2,983,242	1,570,012	0.90%	0.53%	0.00%
						5,637,639	8,945,023	3,307,384	2.69%	1.60%	0.00%
Food And Personal Care Products											
Fauji Foods Limited	143,164	82,030	-	179,000	46,194	550,594	715,083	164,489	0.22%	0.13%	0.00%
						550,594	715,083	164,489	0.22%	0.13%	0.00%

Name of the investee company	Holding as at 01 July 2024	Purchases during the year	Bonus / right shares received during the year	Disposed during the year	Holding as at June 30, 2025	Carrying value before revaluation as of June 30, 2025	Market value as of June 30, 2025 (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)			(%)		
Technology and Communication											
System Limited	19,311	31,244	-	11,500	39,055	3,267,341	4,184,353	917,011	1.26%	0.75%	0.14%
						3,267,341	4,184,353	917,011	1.26%	0.75%	0.14%
Investment Bank/Companies/ Securities											
Engro Holdings Limited	-	30,472	-	10,500	19,972	3,436,419	3,646,088	209,669	1.10%	0.65%	0.03%
									1.10%	0.65%	0.03%
REFINERY											
Attock Refinery Limited	-	275	-	-	275	179,850	186,841	6,991	0.06%	0.03%	0.02%
CABLE AND ELECTRICAL GOODS											
Pak Elektron Limited	-	8,042	-	-	8,042	355,270	329,400	(25,869)	0.10%	0.06%	0.00%
Total as at June 30, 2025	1,594,180	1,111,526	1,682	2,060,594	646,794	62,134,741	86,100,018	23,965,277	23.72%	14.07%	0.20%
Total as at June 30, 2024	748,319	1,447,128	-	601,266	1,594,181	118,221,068	180,633,907	61,037,955	46.76%	31.00%	8.00%

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

	Jun-25	Jun-24	Jun-25	Jun-24
	(Number of shares)		(Rupees)	
Oil and Gas Development Company Limited	5,000	5,000	1,102,800	676,850
Engro Fertilizers Limited	19,000	20,000	3,526,210	3,324,400
Engro Corporation Limited	-	15,000	-	4,990,650
Lucky Cement Company Limited	-	8,000	-	7,253,840
Pakistan Oilfields Limited	-	5,000	-	2,449,700
Pakistan Petroleum Limited	21,500	300	3,658,655	35,133
	45,500	53,300	8,287,665	18,730,573

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 Oil Limited and 10 shares of The Searle Company Limited have been withheld by CDC. Market value of these shares as at June 30, 2025 amounted to Rs. 56,374 (2024: Rs. 25,104) and are included in the Fund's investments in these financial statements. Later the tax on bonus shares was revoked in the year 2018.

As per Finance Act 2023, section 236Z has been reimposed and is liable to deduct 10% tax on bonus shares issued by the companies. Subsequently in the year 2024, tax in the shape of 44 shares of Mari Petroleum Limited have been withheld by the Company. Market value of these shares as at June 30, 2025 amounted to Rs. 27,583 (2024: Rs. Nil).

6.2 GOP Ijara Sukuk (Face Value of Rs. 100)

Name of security	Issue date	Date of Maturity	Mark-up rate	Holding as at July 01, 2024	Purchases during the period	Disposed / matured during the period	Holding as at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised gain / (loss)	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
1 Year GOP Ijara Sukuk	24-Jan-24	24-Jan-25	19.50%	15,000	-	15,000	-	-	-	-	0.00%	0.00%	0.00%
5 Year GOP Ijara Sukuk	24-Jan-24	24-Jan-29	21.24%	13,200	-	-	13,200	66,000,000	68,105,400	2,105,400	20.51%	12.16%	0.00%
5 Year GOP Ijara Sukuk	30-Apr-24	30-Apr-25	12.90%	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%	0.00%
3 Year GOP Ijara Sukuk	26-Jun-23	26-Jun-26	18.49%	-	900,000	-	900,000	94,985,355	96,939,000	1,953,645	29.19%	17.31%	0.00%
5 Year GOP Ijara Sukuk	29-Jul-20	29-Jul-25	11.20%	-	550,000	-	550,000	55,020,846	55,005,500	(15,346)	16.57%	9.82%	0.00%
Total as at June 30, 2025								**216,006,202**	**220,049,900**	**4,043,698**	**66.27%**	**39.30%**	**0.00%**
Total as at June 30, 2024								134,123,405	133,537,500	(585,905)	34.57%	23.09%	0.00%

6.3 Short Term Sukuk Certificates (Face Value of Rs. 1000,000)

At amortised cost

IIL- Sukuk-6M	13-Feb-24	13-Aug-24	6 months KIBOR plus base rate of 0.5%	20	-	20	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited - Sukuk-6M	12-Jun-24	12-Dec-24	6 months KIBOR plus base rate of 0.15%	50	-	50	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited - Sukuk-6M	19-Dec-24	19-Jun-25	6 months KIBOR plus base rate of 0.15%		25	25	-	-	-	-	-	-	0.00%
K-Electric - Sukuk - 6M	12-Mar-25	12-Sep-25	6 months KIBOR	-	25	-	25	25,000,000	25,904,157	-	0.08	0.05	0.00%
Total as at June 30, 2025								**25,000,000**	**25,904,157**	**-**	**7.80%**	**4.63%**	**0.00%**
Total as at June 30, 2024								70,000,000	72,153,539	-	18.68%	12.47%	0.00%

6.3.3 Pakistan Telecommunication Company Limited - Sukuk-6M markup rate is 12.25% including spread.

		Note	June 30, 2025	June 30, 2024
			-------------(Rupees)-------------	
7	**MARKUP ACCRUED**			
	Accrued return on bank balances		7,879,610	9,383,970
			7,879,610	9,383,970
8	**DEPOSITS AND OTHER RECEIVABLES**			
	Security deposit to:			
	Central Depository Company of Pakistan Limited	8.1	100,000	100,000
	National Clearing Company of Pakistan Limited	8.2	2,500,000	2,500,000
	Advance tax	8.3	101,737	81,954
	Dividend receivable		12,302	12,302
			2,714,039	2,694,256

8.1 This represents deposit with Central Depository Company (CDC) on account of initial deposit for opening for invertor account for electronic transfer of book-entry securities.

8.2 This represents deposits with National Clearing Company of Pakistan Limited (NCCPL) in respect of trading of the listed securities.

8.3 As per clause 47(B) of part IV of second schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. The amount of withholding tax deducted on markup on bank deposits has been shown as advance tax as at June 30, 2025, in the opinion of the management, the amount of tax deducted at source will be refunded. This advance tax also includes the amount of tax wihtheld on bonus shares of MARI Petroleum Limited amounting to Rs. 19,743 (2024: Nil).

9 REMUNERATION PAYABLE TO THE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of Trust Deed as follows:

Net assets up to Rs. 1 billion	0.20% per annum of the daily average net assets of the Fund.
Net assets exceeding Rs. 1 billion	Rs. 2 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs. 1 billion.

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

10 REMUNERATION PAYABLE TO THE TRUSTEE

This represents annual fee payable to SECP in accordance with the NBFC regulations, whereby the management company is required to pay SECP an amount at the rate of 0.095% per annum of the average daily net assets of the Fund in accordance with the regulation 62 of the NBFC Regulations, 2008.

	Note	June 30, 2025	June 30, 2024
		-------------(Rupees)-------------	

11 PAYABLE TO MANAGEMENT COMPANY

	Note	June 30, 2025	June 30, 2024
Remuneration payable to the Management	11.1	1,093,996	943,978
Sindh Sales tax payable on remuneration to the Management Company	11.2	162,828	122,717
Federal excise duty payable on remuneration to the Management Company	11.3	1,280,339	1,280,339
		2,537,163	2,347,034

11.1 As per regulation 61 of the NBFC and Notified Entities Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 2% of average annual net assets of the fund, calculated on daily basis. The effective management fee rate for the year ended June 30, 2025 is 2% of average annual net assets calculated on daily basis.

11.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 15% (2024: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011 effective from July 01, 2024.

11.3 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, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 1.28 million (June 30, 2024: 1.28 million) ,including SST @ 13%, and 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 & SST not been made, the net asset value of the Fund as at June 30, 2025 would have been higher by Re. 0.24 (2024: Re. 0.19) per unit.

12 ACCRUED EXPENSES AND OTHER

	2025 (Rupees)	2024 (Rupees)
Charity payable	206,764	354,447
Auditors' remuneration	541,541	438,336
Custodian fee payable	23,173	9,137
Brokerage charges	290,196	297,441
Fee payable to shariah advisor	379,807	457,728
Fee payable to National Clearing Company of Pakistan	438,455	395,811
Withholding tax payable on dividend	444,907	92,249
Other liabilities	463,326	25,725
	2,788,170	2,070,874

13 TOTAL EXPENSE RATIO

As per the SECP circular vide direction no. 23 dated July 20, 2016 and as referred in Regulations 60 (5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), Total Expense Ratio (TER) calculated inclusive of Sindh Sales Tax and SECP fee is 4% as of June 30, 2025 and this includes 0.45% representing Government levies and SECP fee etc. As per NBFC Regulation the total expense ratio of the Asset Allocation Scheme shall be caped up to 4.5% (excluding government levies).

14 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2025, (2024: Nil).

15 NUMBER OF UNITS IN ISSUE

	2025	2024
	Number of Units	
Total outstanding as of 01 July	6,716,386	3,384,562
Issued during the year	18,423,520	14,289,761
Redemptions during the year	(18,632,915)	(10,957,937)
Total units in issue as of 30 June	6,506,990	6,716,386

	2025	2024
	Number of Units	

16 AUDITORS' REMUNERATION

Annual audit fee	295,815	268,926
Fee for the review of half yearly financial statements	119,818	108,925
Investments abroad upon procedures report	66,000	60,000
Out of pocket and sales tax expenses	83,401	83,591
	565,034	521,442

17 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, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons 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 June 30, 2025. 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:

	2025 (Rupees)	2024 (Rupees)
18.1 Details of balances with related parties / connected persons at the year end		
Lakson Investments Limited - Management Company		
Remuneration payable	1,093,996	943,978
Sindh Sales Tax on Management Company's remuneration*	162,828	122,717
Federal Excise Duty on Management Company's remuneration*	1,280,339	1,280,339
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	109,626	94,625
Sindh Sales Tax payable Trustee remuneration*	16,282	12,272
Security deposit	100,000	100,000
Habib Bank AG Zurich - Custodian		
Bank Deposits	-	-
Custodian fee payable	23,173	9,137
18.2 Transactions during the period		
Lakson Investments Limited - Management Company		
Remuneration for the period	10,628,483	7,882,310
Sindh sales tax on remuneration of Management Company *	1,593,000	1,024,700
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	1,062,848	788,231
Sindh Sales Tax on Trustee remuneration*	159,300	75,975
Settlement Charges	-	5,891
Habib Bank AG Zurich - Custodian		
Custody charges	146,000	122,400

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

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

	Year Ended June 30, 2025									
	----------------Number of units----------------					----------------Rupees----------------				
	Number of units as at July 01, 2024	Units issued during the period	Refund / Adjustment of units as element of income	Units redeemed during the period	Number of units as at June 30, 2025	Balance as at July 01, 2024	Units issued during the period	Units redeemed during the period	Gross Dividend Amount before Tax	Balance as at June 30, 2025
Lakson Investments Limited	-	-		-	-	-	-	-		-
Directors, Chief Executive, their spouse and minors	2,179	13	-	2,179	13	187,634	1,394	221,418	-	1,147
Other key management personnel	-	-		-			-	-		
Associated companies / undertakings of the Management Company	-	-		-			-	-		
Accuray Surgical Limited Employees Contributory Provident Fund	67,534	125,499	-	148,685	44,348	5,816,350	12,485,885	14,637,837	15,885	3,815,727
Century Insurance Co. Ltd., GF	113,213	224,242	8,481	256,942	88,994	9,750,358	22,539,210	25,674,169	29,210	7,657,020
Century Insurance Company Limited	-	-	15,612	-	15,612	-	-	-	-	1,343,217
Century Insurance Company Limited Employees Contributory Provident Fund Trust	91,424	187,127	-	211,138	67,413	7,873,785	18,664,328	20,961,396	24,328	5,800,249
Century Paper & Board Mills Limited ECPFT	1,184,580	2,382,261	12,997	2,710,044	869,793	102,021,003	239,431,184	270,248,994	306,184	74,837,191
Century Paper & Board Mills Limited EGF	1,139,611	2,284,340	163,445	2,580,566	1,006,830	98,148,104	228,896,509	256,930,040	996,509	86,627,845
Clover Pakistan Limited Employees Contributory Provident Fund Trust	-	-	166,560	-	166,560	-	-	-	-	14,330,817
Clover Pakistan Limited Employees Gratuity Fund	-	-	-	-	-	-	-	-	-	-
Colgate Palmolive Pakistan Limited ECPFT	1,113,881	2,299,305	-	2,580,223	832,964	95,932,085	233,123,579	257,308,453	323,579	71,668,351
Colgate Palmolive Pakistan Limited EGF	1,355,748	2,867,061	173,835	3,165,906	1,230,738	116,762,672	288,148,792	316,676,276	1,248,792	105,892,916
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	649,742	1,441,677	208,727	1,575,467	724,679	55,958,492	144,685,451	157,509,712	185,451	62,351,556
Gam Corporation Private Limited Employees Contributory Provident Fund	-	-	99,042	-	99,042	-	-	-	-	8,521,568
Hasanali & Gulbanoo Lakhani Foundation	-	-	-	-	-	-	-	-	-	-
Hasanali Karabhai Foundation ECPF Trust	14,131	28,224	-	35,999	6,357	1,217,026	2,847,100	3,463,653	3,000	546,921
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	7,727	1,157	2,969	-	11,853	665,473	99,446	-	142,066	1,019,810
Lakson Investments Limited ECPFT	75,600	196,193	-	195,773	76,021	6,511,009	19,599,573	19,622,669	24,573	6,540,860
Lakson Power Limited	-	-	13,007	-	13,007	-	-	-	-	1,119,102
Merit Packaging Limited Employees Contributory Provident Fund Trust	109,994	224,759	-	253,664	81,089	9,473,165	22,414,228	25,180,300	29,228	6,976,919
Merit Packaging Limited Employees Gratuity Fund	60,899	157,052	15,613	161,411	72,153	5,244,880	15,775,290	16,120,635	20,290	6,208,071
Premier Fashions Private Limited	-	-	10,835	-	10,835	-	-	-	-	932,242
Princeton Travels Private Limited Employees Contributory Provident Fund Trust	-	-	-	-	-	-	-	-	-	-
Siza Commodities Private Limited	-	-	-	-	-	-	-	-	-	-
Siza Foods Private Limited Employees Contributory Provident Fund Trust	504,072	934,324	-	1,110,670	327,726	43,412,820	92,267,703	109,666,480	117,703	28,197,608
Siza Private Limited	-	-	62,856	-	62,856	-	-	-	-	5,408,183
Siza Services Private Limited	-	-	-	-	-	-	-	-	-	-
Siza Services Private Limited Employees Contributory Provident Fund Trust	57,071	125,391	-	135,883	46,579	4,915,155	12,634,207	13,317,540	19,207	4,007,652
Sybrid (Private) Limited ECPFT	114,715	235,685	13,183	265,575	98,008	9,879,711	23,500,514	26,366,339	30,514	8,432,590
Tetley Clover Private Limited Employees Contributory Provident Fund Trust	-	-	16,297	-	16,297	-	-	-	-	1,402,207
Century Window Takaful Operations (OPF) Account	-	644,456	-	644,456	-	-	67,129,216	67,191,148	-	
NayaPay (Pvt) Limited Employee Contributory Provident Fund	52,177	9,494	-	-	61,671	4,493,725	815,874	-	959,852	
Century Window Takaful Operations (PTF) Account	-	300,135	-	300,135	-	-	31,263,308	31,292,151	-	-

	Year Ended June 30, 2024									
	----------------Number of units----------------					----------------Rupees----------------				
	Number of units as at July 01, 2023	Units issued during the period	Refund / Adjustment of units as element	Units redeemed during the period	Number of units as at June 30, 2024	Balance as at July 01, 2023	Units issued during the period	Units redeemed during the period	Gross Dividend Amount before Tax	Balance as at June 30, 2024
Lakson Investments Limited	-	-	-	-	-	-	-	-	-	-
Directors, Chief Executive, their spouse and minors	1,655	523	-	-	2,178	141,897	44,873	-	52,792	187,634
Associated companies / undertakings of the Management Company										
Accuray Surgical Limited Employees Contributory Provident Fund	56,704	145,587	17,381	152,138	67,534	4,861,060	15,598,132	16,145,692	-	5,816,350
Century Insurance Co. Ltd. Gratuity Fund	41,839	188,999	29,172	146,797	113,213	3,586,795	20,539,096	15,877,824	-	9,750,358
Century Insurance Company Limited Employees Contributory Provident Fund Trust	69,556	212,328	23,532	213,993	91,424	5,962,898	22,685,993	22,817,967	-	7,873,785
Century Paper & Board Mills Limited ECPFT	633,244	2,255,116	304,222	2,008,002	1,184,580	54,286,434	243,720,351	215,844,251	-	102,021,003
Century Paper & Board Mills Limited EGF	509,705	2,028,550	293,258	1,691,901	1,139,611	43,695,712	219,323,864	182,240,083	-	98,148,104
Colgate Palmolive Pakistan Limited ECPFT	599,263	2,130,410	285,354	1,901,147	1,113,881	51,373,331	229,691,997	204,384,786	-	95,932,085
Colgate Palmolive Pakistan Limited EGF	591,688	2,368,278	348,252	1,952,470	1,355,748	50,723,921	256,573,698	210,624,694	-	116,762,672
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	269,968	1,115,810	167,401	903,437	649,742	23,143,640	121,265,080	97,365,182	-	55,958,492
Hasanali Karabhai Foundation ECPF Trust	8,021	27,266	3,656	24,813	14,131	687,659	2,946,754	2,658,278	4,918	1,217,026
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	6,130	1,597	-	-	7,727	525,542	136,866	-	195,523	665,473
Lakson Investments Limited ECPFT	56,087	167,241	19,458	167,185	75,600	4,808,189	17,968,403	17,845,385	-	6,511,009
Merit Packaging Limited Employees Contributory Provident Fund Trust	77,919	238,200	28,310	234,435	109,994	6,679,831	25,614,130	25,056,612	-	9,473,165
Merit Packaging Limited Employees Gratuity Fund	42,266	132,863	15,685	129,915	60,899	3,623,396	14,286,280	13,863,920	-	5,244,880
Siza Foods Private Limited Employees Contributory Provident Fund Trust	338,461	1,181,018	144,207	1,159,613	504,072	29,015,393	127,508,204	123,183,588	-	43,412,820
Siza Services Private Limited Employees Contributory Provident Fund Trust	14,559	85,159	14,715	57,362	57,071	1,248,098	9,306,776	6,251,020	-	4,915,155
Sybrid (Private) Limited ECPFT	66,339	233,568	29,535	214,727	114,715	1,248,098	25,183,549	23,046,378	-	9,879,711
NayaPay (Pvt) Limited Employee Contributory Provident Fund	-	38,381	13,796	-	52,177	5,687,094	4,473,027	-	32,895	4,493,725

19 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Introduction and overview

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

- credit risk (refer note 19.1)
- liquidity risk (refer note 19.2)
- market risk (refer note 19.3)
- operational risk (refer note 19.4)

Risk management framework

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

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

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

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

19.1 Credit risk

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

Management of credit risk

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

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

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

- Analysing of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.

- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.

- Cash is held only with reputable banks with high quality external credit enhancements.

- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimize the risk of default and transactions are settled or paid for only upon delivery.

19.2 Exposure to credit risk

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

	2025		2024	
	Balance as per the Statement of Asset and Liabilities	Maximum Exposure	Balance as per the Statement of Asset and Liabilities	Maximum Exposure
	(Rupees)			
Bank balances (including profit due)	230,598,426	230,598,426	199,004,301	199,004,301
Investments (including profit due)	332,054,075	332,054,075	386,324,946	386,324,946
Dividend receivable	12,302	12,302	12,302	12,302
Deposit and other receivables	2,701,737	2,600,000	2,681,954	2,600,000
	565,366,540	565,264,803	588,023,504	587,941,550

Bank balances (Including profit due)

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

Rating	2025 Rupees	2024 Rupees	2025 %	2024 %
AA+	222,238,638	10,697,359	99.78	5.64
AA	16,787	16,787	0.01	0.01
A+	-	178,906,185	0.00	94.35
Other*	463,391	-	0.21	0.00
Total balance	222,718,816	189,620,331	100.00	100.00

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited (Formally JCR-VIS Credit Rating Company Limited) as of June 30, 2025.

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

Concentration of credit risk

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

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

	2025		2024	
	Rupees	%	Rupees	%
Commercial banks (including profit due)	230,598,426	98.89	199,004,301	98.71
National Clearing Company of Pakistan Limited	2,500,000	1.07	2,500,000	1.24
Central Depository Company of Pakistan Limited - security deposit	100,000	0.04	100,000	0.05
	233,198,426	100.00	201,604,301	100.00

Past due and impaired assets and collaterals held

None of the financial assets of the Fund are past due or impaired as at June 30, 2025.

Settlement risk

The Fund’s activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale. For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Liquidity risk

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

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

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash.

As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund is entitled to borrow, with prior approval of trustee, for meeting redemptions. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment with in 90 days of such borrowings.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue.

Maturity analysis for financial liabilities

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

	2025	
	Contractual cash flows	
	Carrying amount	**Within 3 months**
	-------------- (Rupees) --------------	
Non-derivative financial liabilities (excluding unit		
Payable to the Management Company *	1,093,996	1,093,996
Remuneration payable to the Trustee *	109,626	109,626
Accrued expenses and other liabilities *	2,788,170	2,788,170
	3,991,792	3,991,792
Unit holders' fund	559,863,334	559,863,334

	2024	
	Contractual cash flows	
	Carrying amount	**Within 3 months**
	-------------- (Rupees) --------------	
Non-derivative financial liabilities (excluding unit		
Payable to the Management Company *	943,978	943,978
Remuneration payable to the Trustee *	94,625	94,625
Accrued expenses and other liabilities *	2,070,874	2,070,874
Payable against purchase of investments	5,010,106	5,010,106
	8,119,583	8,119,583
Unit holders' fund	578,443,754	578,443,754

* excluding provision for workers' welfare fund, federal excise duty on Management Company's remuneration, annual Fee payable to the Securities and Exchange of Pakistan and Sindh Sales Tax payable on Management Company's remuneration and Trustee fee.

Above financial liabilities do not carry any mark-up.

Market risk

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

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

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

Currency risk

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

As per the approval accorded by the Securities and Exchange Commission of Pakistan and State Bank of Pakistan the Fund's exposure in foreign currency shall not exceed 30% of the aggregate funds mobilised subject to cap of US$ 15 million. Investment Committee monitors and reviews the investment performance and makes necessary adjustment in light of the current economic scenario and currency valuation outlook to mitigate the risk. A five percent strengthening of Pakistani Rupee against US dollar would have decreased the net assets of the fund by Rs. Nil (2024: Rs. Nil). This analysis assumes that all other variables in particular interest rate remain constant. Weakening of Pakistani Rupee by the same percentage would have a vice versa impact.

19.3.1 Interest rate risk

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

Exposure to interest rate risk

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

	2025 Rupees	2024 Rupees
Variable-rate instrument		
Financial assets (bank balances)	222,678,644	189,598,938
	222,678,644	189,598,938

Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased unit holder fund and income statement by Rs. 2.227 (2024: Rs. 1.896) million. The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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

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

Fixed rate instruments		
Short Term Ijara Sukuk	25,904,157	72,153,539
	25,904,157	72,153,539

Fair value sensitivity analysis for fixed rate instruments

As at June 30, 2025, the Fund holds Musharkah certificates exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2025, the net income for the year and net assets would be lower / higher by Rs. 0.259 million (2024: Rs. 0.722 million).

The Fund does not account for fixed rate financial asset at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect net assets of the fund.

	30 June 2025				
	Interest rate (%)	Exposed to interest rate risk		Not exposed to interest rate risk	Total
		No later than one month	More than one year		
		(Rupees)			
Financial assets					
Investments - Listed equity securities		-	-	86,100,018	86,100,018
Investment- GOP sukuk		-	-	220,049,900	220,049,900
Investments- Musharaka		-	-	25,904,157	25,904,157
Dividend receivable		-	-	12,302	12,302
Bank balances (including profit due)	9 to 18.5	222,718,816	-	7,879,610	230,598,426
Deposit and other receivables		-	-	2,701,737	2,701,737
		222,718,816	-	342,647,725	565,366,541

	30 June 2024				
	Interest rate (%)	Exposed to interest rate risk		Not exposed to interest rate risk	Total
		No later than one month	More than one year		
		--- (Rupees) ---			
Financial assets					
Investments - Listed equity securities		-	-	180,633,907	180,633,907
Investment- GOP sukuk		-	-	133,537,500	133,537,500
Investments- Musharaka		-	-	72,153,539	72,153,539
Dividend receivable		-	-	12,302	12,302
Bank balances (including profit due)	9 to 18.5	189,620,331	-	9,383,970	199,004,301
Deposit and other receivables		-	-	2,681,954	2,681,954
		189,620,331	-	398,403,173	588,023,504

19.3.2 Price risk

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

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

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

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

Sensitivity analysis - Price risk

In respect of the investments classified as at fair value through profit or loss the impact on income statement and unit holders' fund, to a 5% increase or decrease in the fair values of the investments, would have been an increase or decrease of Rs. 15.307 (2024: Rs. 15.709) million.

19.3.4 Operational risks

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

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

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

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

19.3.5 Unit holder's fund risk management

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

19.6 Fair value of financial instruments

Fair value is 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.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly 'occurring market transactions on an arm’s length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

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

	Note	2025					
		Carrying amount			Fair value		
		Mandatory at fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Total
On-balance sheet financial instruments		(Rupees)					
Financial assets measured at fair value							
Listed equity securities	6	86,100,018	-	86,100,018	86,100,018	-	86,100,018
GOP Ijara Sukuk	6	220,049,900	-	220,049,900	-	220,049,900	220,049,900
		306,149,918	-	306,149,918	86,100,018	220,049,900	306,149,918
Financial assets not measured at fair value							
Bank balances	5	-	222,718,816	222,718,816	-	-	-
Markup accrued	7	-	7,879,610	7,879,610	-	-	-
Deposits and other receivables	8	-	2,701,737	2,701,737	-	-	-
		-	233,300,164	233,300,164	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	11		1,093,996	1,093,996	-	-	-
Remuneration payable to the Trustee	10		109,626	109,626	-	-	-
Accrued expenses and other liabilities	12		2,343,263	2,343,263	-	-	-
Payable against purchase of investments			-	-	-	-	-
		-	3,546,885	3,546,885	-	-	-

	Note	2024					
		Carrying amount			Fair value		
		Mandatory at fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Total
On-balance sheet financial instruments		(Rupees)					
Financial assets measured at fair value							
Listed equity securities	6	180,633,907	-	180,633,907	180,633,907	-	180,633,907
GOP Ijara Sukuk	6	133,537,500	-	133,537,500	-	133,537,500	133,537,500
		314,171,407	-	314,171,407	180,633,907	133,537,500	314,171,407
Financial assets not measured at fair value							
Bank balances	5	-	189,620,331	189,620,331	-	-	-
Markup accrued	7	-	9,383,970	9,383,970	-	-	-
Deposits and other receivables	8	-	2,681,954	2,681,954	-	-	-
		-	201,686,255	201,686,255	-	-	-
Financial liabilities not measured at fair value							
Payable to the Management Company	11	-	943,978	943,978	-	-	-
Remuneration payable to the Trustee	10	-	93,001	93,001	-	-	-
Accrued expenses and other liabilities	12	-	1,978,625	2,070,874	-	-	-
Payable against purchase of investments		-	5,010,106	5,010,106	-	-	-
		-	8,025,709	8,117,958	-	-	-

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

20 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance of units	Payable against redemption of units	Total
	(Rupees)		
Opening balance as at July 01, 2024	-	-	-
Receivable against issuance of units	(1,754,108,129)	-	(1,754,108,129)
Payable against redemption of units	-	1,871,334,539	1,871,334,539
	(1,754,108,129)	1,871,334,539	117,226,409
Amount received on issuance of units	1,754,108,129	-	1,754,108,129
Amount paid on redemption of units	-	(1,871,334,539)	(1,871,334,539)
	1,754,108,129	(1,871,334,539)	(117,226,409)
Closing balance as at June 30, 2025	-	-	-

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21.1 Unit holding pattern of the Fund

Category	As at June 30, 2025		
	Number of Investors	Investment amount	% of Total net assets
		---Rupees---	
Individuals	11	870,475	0.16
Associated Companies and Directors	19	558,992,860	99.84
	30	559,863,335	100

Category	As at June 30, 2024		
	Number of Investors	Investment amount	% of Total net assets
		---Rupees---	
Individuals	8	180,304	0.03
Associated Companies and Directors	18	578,263,450	99.97
	26	578,443,754	100

	2025	2024
	------ Percentage ------	

21.2 List of top 10 brokers by percentage of commission payable

Top brokers during the year	2025	2024
Chase Securities (Pvt.) Ltd.	15.21%	6.54%
BMA Capital	13.83%	8.55%
EFG Hermes Pakistan	13.18%	8.13%
Ismail Iqbal Securities (Private) Ltd	12.67%	8.74%
Topline Securities Ltd	11.68%	7.02%
JS Global Capital Ltd	9.55%	17.78%
Insight Securities	8.00%	7.27%
Vector Securities (Pvt.) Ltd.	4.25%	12.48%
Icon Management (Pvt) Ltd	4.10%	0.00%
Arif Habib Ltd	2.79%	4.77%
Inter Market Securities Ltd	0.00%	15.78%

21.3 Particulars of the Investment Committee and Fund manager

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

- Mr. Babar Ali Lakhani (Chairman Investment Committee)
- Mr. Kashif Mustafa - (Executive Director & COO)
- Mr. Mustafa O. Pasha - (Chief Investment Officer)
- Mr. Hassan Bin Nasir
- Mr. Talha Siddiqui
- Mr. Ahsan Ali

Mr. Babar Ali Lakhani - Chief Executive Officer

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

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

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

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

Mr. Kashif Mustafa – Executive Director and COO

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

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

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

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

Mr. Hassan Bin Nasir- Fund Manager

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

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

Mr. Talha Siddiqui

Mr. Talha A. Siddiqui is a seasoned investment professional with over ten (10) years of rich experience in the Pakistani Capital Markets. He currently holds a position of Vice President – Head of Equities at Lakson Investments. He has completed his master's degree in economics from the University of Manchester with focus on Behavioural Economics.

Previously, Mr. Siddiqui has been associated with AL Habib Asset Management Ltd. where the funds under his management were industry leading in generating significant returns for investors. Furthermore, he has also worked in the capacity of Head of Research at BMA Asset Management Company Limited.

Mr. Ahsan Ali

Mr. Ali has over nine (09) years of experience and presently holds the position of Vice President – Head of Research at Lakson Investments. He completed his MBA and BBA from the Institute of Business Management and is a CFA Charter holder.

Previously, Mr. Ali has been associated with HBL Asset Management, The Aga Khan University and Optimus Capital Management, where he significantly contributed to research, portfolio management, budgeting, management reporting and preparation of feasibility studies.

21.4 Directors meeting attendance

Particular	Designation	Meeting Attended	2024 - 2025			
			12-Sep-24	28-Oct-24	19-Feb-25	22-Apr-25
Name of Director						
Mr. Iqbal Ali Lakhani	Chairman	4	Yes	Yes	Yes	Yes
Mr. Babar Ali Lakhani	Chief Executive Officer	4	Yes	Yes	Yes	Yes
Mr. Amin Mohammad Lakhani	Director	4	Yes	Yes	Yes	Yes
Mr. Jamil Ahmed Mughal	Director	4	Yes	Yes	Yes	Yes
			4	4	4	4

21.5 Rating of the Fund and the management company

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

22 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

23 GENERAL

23.1 Figures have been rounded off to the nearest thousand Rupee, unless otherwise stated.

24 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on ___________________ by the Board of Directors of the Management Company.

For Lakson Investments Limited
(Management Company)

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE OFFICER	DIRECTOR

Performance Table	FY25	FY24	FY23	FY22	FY21
Net Assets - Beginning (PKR Mil.)	578.44	290.15	330.21	489.10	150
Net Assets - Ending (PKR Mil.)	560	578.44	290.15	330.21	489
Net Asset value per share	86.0402	86.1242	85.7275	85.8709	97.1407
Selling Price for units	88.5182	88.5616	88.1536	88.0177	99.5693
Repurchase Price for units	86.0402	86.1242	85.7275	85.8709	97.1407
Highest Offer Price (PKR)	107.6648	121.3931	98.1092	101.2319	105.6522
Lowest Offer Price (PKR)	88.0871	88.1171	85.0483	86.4325	86.787
Highest Redemption Price (PKR)	104.7017	118.0522	95.4091	98.7628	103.0753
Lowest Redemption Price (PKR)	85.6628	85.692	82.9739	84.3243	84.6702
Beginning NAV - Ex-Div. (PKR)	86.1242	85.7275	85.9367	97.1407	83.2873
Interim Distributions (PKR)	18.3385	31.8942	8.9656	-	3.5000
Final Distribution (PKR)	-	-	-	-	-
Ending NAV - Ex-Div. (PKR)	86.0402	86.1242	85.9367	85.8709	97.1407
Return	20.85%	37.77%	-0.17%	-11.60%	20.81%
Net Income / (loss) (PKR Mil.)	104	117	26	(48)	53
Total Distribution (PKR Mil.)	2.0362	8	25	-	10
Accumulated Capital Growth	177	75	(34)	(35)	13
Average Annual return of the Fund					
One Year	20.85%	37.77%	-0.17%	-11.60%	20.81%
Three year	83.69%	18.80%	-5.89%	6.79%	29.58%
Five year	96.17%	34.27%	6.62%	14.55%	13.79%
Since inception (October 10,2011)	126.96%	87.67%	27.40%	27.61%	49.53%

Distributions	FY25	FY24	FY23	FY22	FY21
1st Interim Distribution	18.0159	31.8942	8.9656		3.5
NAV before Distribution	103.9522	117.6217	85.9367		101.2401
NAV after Distribution	85.9363	85.7275	85.9367		97.7401
Distribution Date	26-Jun-25	24-Jun-24	26-Jun-23		26-Jun-21
2nd Interim Distribution	0.3226				
NAV before Distribution	86.2589				
NAV after Distribution	85.9363				
Distribution Date	29-Jun-25				

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

During FY25
Summary of Actual Proxy voted by CIS:

	Resolutions	For	Against	Abstain*
Number	4	4	-	-
(%ages)		100%	-	-

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

A Lakson Group Company

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