

Bloomberg Ticker **LAKSEQT PA**

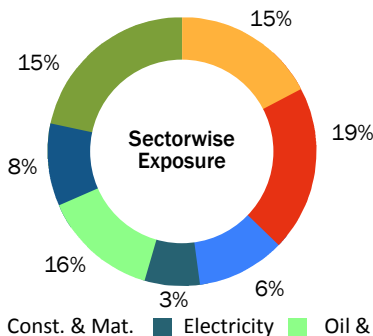
**Fund Description and Strategy**

The Lakson Equity Fund (LEF) is an open-end fund incorporated in Pakistan. The Fund's objective is to provide long-term capital appreciation and to outperform the Benchmark (KSE 30 Index). The Fund invests in equity and related listed securities. Investments shall be made in attractively priced companies that display financial strength, superior management skills and growth opportunities. The Fund predominately makes investments that take advantage of specific themes attributable to Pakistan and expects to have some exposure to smaller capitalized stocks that display a combination of value and growth. With its on-the-ground and value-based approach, the LEF is well-positioned to provide long-term capital appreciation and outperform the benchmark.

**Fund Metrics**

**Current Month Return Overview**

Jun 2018 Net Return	-1.84%
2018 Net Return	2.91%
Inception to Date Net Return	267.34%
Average Monthly Net Return	1.44%
Annualized Standard Deviation	16.02%
Sharpe Ratio	0.73
Beta	0.83



**Assets Under Management**

NAV	PKR 114.24
Net Assets Size	USD (Mn) 26.29
Lakson Investments AUMs	USD (Mn) 245.00

**Correlation (trailing 12 months)**

	KSE30	KSE100	MSCI Pakistan
Correlation	0.99	0.99	0.92

■ Chemicals 
 ■ Commercial Banks 
 ■ Const. & Mat. 
 ■ Electricity 
 ■ Oil & Gas Exp 
 ■ Oil & Gas Mkt 
 ■ Others

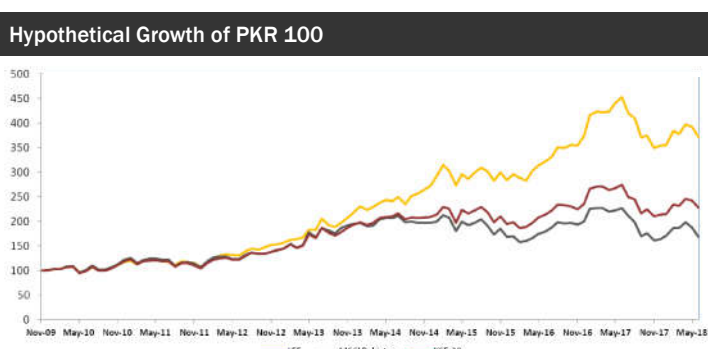
**Class A Monthly Net Return History** Year to Date

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	LEF	KSE 30	MSCI PK
2009											0.3%	1.7%	2.0%	3.0%	2.3%
2010	1.6%	0.3%	4.4%	-0.1%	-9.9%	1.6%	7.9%	-5.3%	0.8%	4.3%	5.5%	5.2%	16.1%	17.6%	21.4%
2011	1.6%	-5.5%	6.5%	0.6%	0.0%	-1.9%	-0.7%	-5.3%	6.0%	-0.3%	-3.0%	-6.1%	-8.7%	-12.2%	-12.9%
2012	9.0%	7.3%	4.2%	1.6%	-1.4%	-0.6%	6.0%	4.3%	-1.3%	3.6%	3.0%	1.0%	42.6%	35.2%	33.5%
2013	2.3%	3.9%	8.0%	2.5%	8.8%	0.2%	12.3%	-6.2%	-1.9%	4.2%	5.8%	5.1%	42.6%	36.7%	36.9%
2014	5.1%	-3.0%	2.8%	3.4%	2.4%	-0.6%	3.0%	-5.7%	7.4%	1.5%	6.2%	7.6%	33.6%	10.4%	2.8%
2015	7.4%	-3.5%	-9.9%	8.4%	-3.3%	4.6%	3.0%	-2.0%	-6.4%	5.8%	-5.3%	4.2%	1.0%	-7.2%	-14.8%
2016	-2.4%	-1.8%	7.0%	3.5%	2.8%	2.7%	5.7%	-0.2%	1.6%	-0.5%	5.5%	11.4%	40.7%	42.7%	32.3%
2017	1.7%	-0.2%	0.2%	4.0%	3.1%	-7.5%	-2.1%	-9.5%	0.8%	-6.5%	1.1%	0.4%	-14.5%	-17.2%	-23.9%
2018	8.1%	-1.5%	4.8%	-1.0%	-5.1%	-1.8%							2.9%	4.3%	-4.8%

**Fund & Portfolio Performance Statistics**

**Performance Comparison**

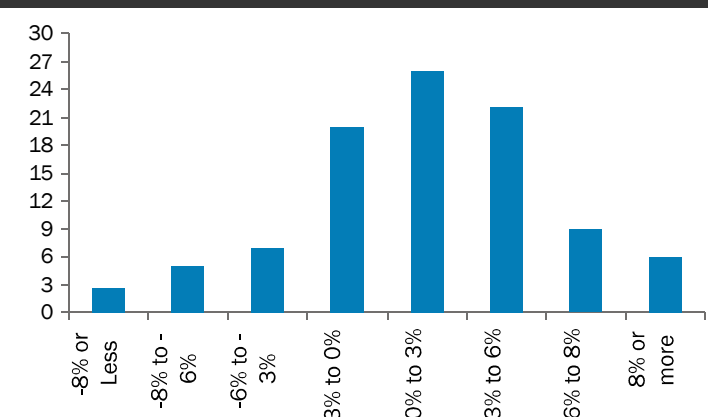
Index	1M Return	CYTD Return	12Mth Return
LEF	-1.84%	2.91%	-13.16%
KSE-100	-2.18%	3.56%	-10.00%
KSE-30TR	-1.58%	4.29%	-10.74%
MSCI Pakistan (PKR)	-3.36%	-4.79%	-22.98%
MSCI Emerging Markets (PKR)	1.39%	-2.61%	13.79%



**Sectorwise P/L Attribution**

	Apr-18	May-18
Commercial Banks	-44.16%	0.59%
Oil & Gas	-24.99%	-1.28%
Construction & Materials	-26.32%	-19.49%
Chemicals	-9.11%	-1.50%
Electricity	-3.92%	-4.62%
Autos	-9.14%	-3.69%
Others	-16.19%	-12.25%

**Distribution of Monthly Net Returns**

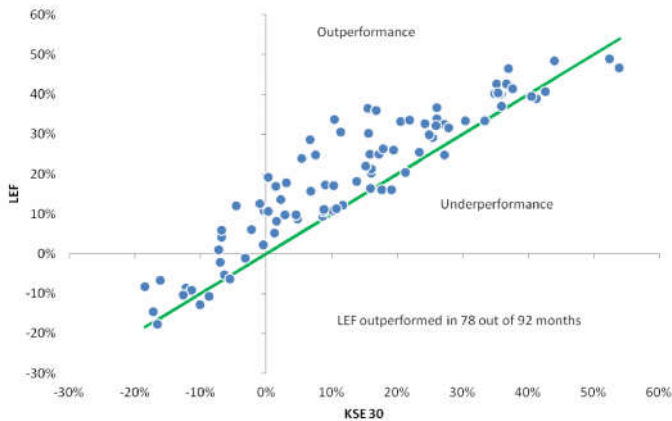


**Top 5 Holdings**

MCB Bank Limited	6.3%
Oil & Gas Development Co	6.2%
Engro Corporation Limited	5.3%
Habib Bank Limited	4.9%
United Bank Limited	4.8%

\*Top 10 Holdings available on request

### Monthly Performance Chart



### LEF Commentary

LEF closed the first 6 months of 2018 on a muted note, generating a CY'18 return of 2.9% as opposed to 4.3% for the KSE30, registering an underperformance of 1.4%. MTD return for June'18 was -1.8% vs. -1.6% for the market.

During the month, the fund increased exposure in equities to 83.3% as price declines in key sectors pushed fundamental valuations to attractive levels, prompting buys in Fertiliser, Chemicals and Oil Exploration. Heaviest sectors for the fund remained in Banks and Oil, both up and downstream, where price declines in heavy weights diluted exposures on MoM basis.

### Market Commentary

The KSE 100 took another beating in the outgoing month of Jun'18, posting its third consecutive decline (2.2%MoM) to close at 41,911pts. This was due largely to global risk-off sentiment and resurgent foreign selling while deteriorating economic conditions (concerns on forex reserves, currency adjustments and FATF verdict) further hampered sentiment. ADTO smoothed to US\$60.7mn vs. US\$49.11mn in May'18 (still lower than CY17 avg. US\$115mn), as clarity emerged post appointment of caretaker government. Foreign net selling continued to track last month's pace as FIPI outflow clocked in at US\$71.2mn in Jun'18 (vs. US\$73.2mn in May'18). Bulk of this was concentrated in Banks (US\$38.6mn), Cements (US\$18.2mn) and OMCs (US\$5.8mn). After having avoided being black-listed by the FATF (at the end of the month), the next major trigger for sentiment is the upcoming elections (on 25th July), where growing conviction on a PTI-led majority can dictate market direction.

### Fund Term

<b>Management Fee</b>	2.00%	<b>Front End Load*</b>	3.00%
<b>Fund Type</b>	Open-End	<b>Back End Load</b>	None
<b>Category</b>	Equity Fund	<b>Launch Date</b>	November 13, 2009
<b>Net Assets (USD Mn.)</b>	26.29	<b>Benchmark</b>	KSE-30 Total Return Index
<b>NAV in PKR (29.06.2018)</b>	114.24	<b>Dealing Days</b>	Mon-Fri
<b>Pricing Mechanism</b>	Forward Day	<b>Cut-Off Time</b>	4:00 PM Pak Standard Time
<b>Legal Advisor:</b>	Fazaleghani Advocates	<b>Risk Profile</b>	High Risk
<b>AMC Auditor:</b>	Deloitte Yousuf Adil Ch. Acc		
<b>Funds Auditor:</b>	BDO Ebrahim & Co.		
<b>LEF Auditor:</b>	KPMG Taseer Hadi & Co.		

*\*Applicable to retail distribution*

## Firm Description

Lakson Investments Limited is licensed by the Securities & Exchange Commission of Pakistan to provide asset management and investment advisory services under the Non Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008. Lakson Investments is the only Pakistani AMC to offer both domestic and internationally focused Funds covering domestic stocks, domestic money markets, domestic fixed income, developed markets, emerging markets and global commodities. In addition to its open end Funds, Lakson Investment offers bespoke investment management services for investors with a minimum of USD 500,000 in investable assets.

### Investment Committee:

Babar Ali Lakhani	<i>Chief Executive Officer</i>
Daniel Smaller	<i>Member of the Board</i>
Kashif Mustafa	<i>Chief Operating Officer</i>
Mustafa O. Pasha, CFA	<i>Head of Investments</i>
Syed Saifullah Kazmi	<i>Head of Equities</i>
Hassan Bin Nasir	<i>Head of Fixed Income</i>
Shahbaz Ashraf, CFA	<i>Head of Research</i>
M. Fakhir Musharraf	<i>Risk</i>
Junaid Arshad, ACCA	<i>Compliance</i>

### Contact Person:

Ana Mateen	<i>Head of Investor Relations</i>
	+92.21 3840 0000 x 2210
	ana.mateen@li.com.pk

## Risk Factors

- An investment in the Fund is speculative and may involve a high degree of risk.
- There can be no assurance that the Fund's investment objectives will be achieved, and substantial losses could result in certain circumstances.
- Lakson Investments Limited has sole investment authority over the Fund.
- The Fund does not have country diversification and, consequently may have a higher degree of risk.

## Announcements

### WWF Disclosure

As of 30th June, 2018 the LEF has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of PKR 38.09 million. If the same were not made the NAV per unit of the LEF would be higher by PKR 1.3455. If the LEF would not have made the SWWF provisions during FY18, the year to date return of the LEF for FY18 would be higher by 0.00%. For details investors are advised to read the latest Financial Statements of the LEF.