

LAKSON EQUITY FUND
Quarterly Report (March 31, 2013)



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

CONTENTS

Fund's Information	1
Review Report of the Directors of the Management Company	3
Condensed Interim Statement of Assets and Liabilities	5
Condensed Interim Income Statement	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Distribution Statement	8
Condensed Interim Statement of Movement in Unit Holders' Fund	9
Condensed Interim Cash Flow Statement	10
Notes to and forming part of the Condensed Interim Financial Information	11

Fund's Information

Management Company

Lakson Investments Limited
Head Office
Lakson Square, Building No.2,
Sarwar Shaheed Road,
Karachi-74200, Pakistan.
Phone: (9221) 3569.8000
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. A. Aziz H. Ebrahim
Mr. Mahomed J. Jaffer
Mr. Amin Mohammed Lakhani
Mr. Sher Afgan Malik
Mr. Daniel Scott Smaller
Mr. Zahid Zakiuddin

Chief Financial Officer & Company Secretary of the Management Company

Mr. Amir Mobin

Audit Committee

Mr. Zahid Zakiuddin - Chairman
Mr. A. Aziz H. Ebrahim
Mr. Iqbal Ali Lakhani
Mr. Sher Afgan Malik

Human Resource and Remuneration Committee

Mr. Iqbal Ali Lakhani - Chairman
Mr. Babar Ali Lakhani
Mr. Daniel Scott Smaller

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

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
United Bank Limited

Legal Adviser

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

Registrar

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

Distributors

Adam Securities (Pvt.) Limited
Amir Noorani
Concordia Securities (Pvt.) Limited
Elixir Securities (Pvt.) Limited
Metro Securities (Pvt.) Limited
Pearl Securities (Pvt.) Limited
Topline Securities (Pvt.) Limited
Vector Capital (Pvt.) Limited

Rating by PACRA

2 Star (Normal) : Fund Performance Ranking
AM3+ : Management Company Quality Rating

Review Report of the Directors of the Management Company For the nine months period ended March 31, 2013

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Equity Fund ("LEF") is pleased to submit its review report together with Condensed Interim Financial Statements for the nine months period ended March 31, 2013.

Fund Objective

The objective of the Fund is to provide long term capital appreciation by investing mainly in equity and related listed securities. Investments will be made in companies of substance, financial strength and demonstrably superior management skills with some exposure given to smaller capitalized value stocks.

Fund Profile

LEF is an actively managed open end equity fund. LEF maintain an average exposure of 70% of Net Assets in listed equity securities. The asset allocation to different sectors and stocks is made on the basis of relative attractiveness of each sector and individual stocks in that particular sector. The allocations may change from time to time keeping in view the market conditions, opportunities, political and economic factors. LEF is allowed to borrow up to 15% of Net Assets to meet redemptions however LEF did not utilize this facility during the period under review.

Fund performance

During the 9MFY13, the assets under management of the LEF increase by 25.34% from PKR 146 million to PKR 183 million. The LEF posted an absolute return of 25.33% in the 9MFY13 compared to the KSE-30 Index return of 19.18% and KSE-100 Index return of 30.74%. The LEF outperformed the KSE-30 Index by 615bps and underperformed the KSE-100 Index by 541bps. As of March 31, 2013, the LEF is invested 75% in equities.

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

Pakistan's economy has shown improvement in some key economic indicators during the 9MFY13. However, the absence of structural reforms to support price stability and growth poses serious risks to macroeconomic stability. As a result of persistent energy shortages, unfavorable law and order situation and weak global economic performance Pakistan is expected to miss the GDP growth target once again.

A sharp decline in inflation made the headlines as the Consumer Price Index ("CPI") averaged at 8.0% during the 9MFY13, significantly lower than 10.8% witnessed in the same period last year. The SBP responded to a sharply declining inflation and lowered the policy rate by a cumulative 250bps during the 9MFY13 to 9.5%, the lowest figure since 2007. The central bank cited subdued private sector credit off take and sharper than anticipated decline in CPI as the prime reasons behind the reduction in interest rates. Low utilization of credit by private businesses in the economy is a major reason for stagnant economic growth. Given the large borrowing needs of the government, scheduled banks preferred investment in government securities over loans to the private sector.

The manufacturing sector posted a marginal improvement, as the Large Scale Manufacturing ("LSM") increased by 2.9% during the 8MFY13. Food & Beverages, Petroleum Products and Iron & Steel Products showed strong growth during the 8MFY13 and increased by 5.44%, 11.23% and 13.02% respectively. On the other hand Automobile and Fertilizer sectors declined by 11.97% and 5.36% respectively.

The external account position remained weak as the current account recorded a deficit of USD 1,215 million during the 3QFY13, taking the cumulative deficit for the 9MFY13 to USD 1,028 million. Remittances played an important role in supporting the current account, increasing by 6.3% to USD 10.4 billion during the period. Foreign Direct Investment ("FDI") showed some improvement during the 9MFY13 and recorded a growth of 3.9% to stand at USD 622 million. The external account position continues to be driven by low financial inflows and high debt payments.

The foreign exchange reserves of the country were squeezed by USD 1.6 billion during the 3QFY13 owing to IMF repayments and a weak external account position. The total liquid reserves of the country at the end of March '13 stood at USD 12.20 billion; declining by 20.1% or USD 3.1 billion during the 9MFY13. The PKR remained under pressure and depreciated by 4.1% against the greenback during the 9MFY13 from PKR 94.58 to PKR 98.43.

Equity Market Review

Pakistan equities continued to embark on the positive momentum gained during the last calendar year as the KSE-100 Index witnessed its 5th consecutive quarterly gains, increasing by 6.7% during the 3QFY13; taking the cumulative gains for the 9MFY13 to 30.7%. Trading activity remained strong as the daily traded volumes averaged 212 million shares during the 3QFY13, up 30% QoQ and 7% compared to the same period of last year. Foreign investors also played a vital role with their active participation in the market as the net Foreign Portfolio Investment ("FPI") clocked in at USD 70 million during the 3QFY13 and at USD 227 million during the 9MFY13. A sharp decline in inflation during the 3QFY13 increased investor interest in the risk assets as it shrugged off the chances of monetary tightening at least in the short term. The Construction & Materials, Fixed Line Telecommunication, Food Producers, Personal Goods and Electricity sectors outperformed the market during the 3QFY13 while the Oil & Gas, Commercial Banks and Chemicals sectors were the major underperformers during this period.

Future Outlook

Inflation is expected to remain well below the target of 9.5% for FY13, however, a rising trend in monetary aggregates is a key indicator of medium term inflationary pressures. The external account position is expected to weaken further in the remaining months of FY13 in the absence of any capital and financial inflows. Further PKR depreciation due to weak external account position can have its implications on the inflation outlook going forward. Economic stability in the next fiscal year will largely depend upon the capability of the new government (election to be held on May 11, 2013) to introduce fiscal and energy sector reforms, better debt management, and improved law and order situation.

Acknowledgment

The Board is thankful to its valued investors, the Securities and 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 Lahore Stock Exchange 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

Babar Ali Lakhani
Chief Executive Officer

Dated: April 29, 2013

**Condensed Interim Statement of Assets and Liabilities
As at March 31, 2013**

	Note	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
ASSETS		(Rupees)	
Bank balances	5	33,764,107	33,980,089
Investments	6	139,654,170	111,611,150
Dividends and other receivables		4,300,921	347,074
Security deposits and prepayments		2,680,246	2,650,000
Receivable against sale of investments		4,358,512	-
Deferred formation cost		437,916	640,601
TOTAL ASSETS		<u>185,195,872</u>	<u>149,228,914</u>
LIABILITIES			
Payable to the Management Company		543,664	415,037
Payable to the Trustee		59,453	58,680
Annual fee payable to the Securities and Exchange Commission of Pakistan		119,143	136,716
Payable against purchase of investments		-	1,869,014
Accrued and other liabilities	7	1,729,475	1,028,895
TOTAL LIABILITIES		<u>2,451,735</u>	<u>3,508,342</u>
NET ASSETS		<u>182,744,137</u>	<u>145,720,572</u>
UNIT HOLDERS' FUND (as per statement of movement in Unit Holders' Fund)		<u>182,744,137</u>	<u>145,720,572</u>
CONTINGENCIES AND COMMITMENTS	8		
		(Number of units)	
Number of units in issue		<u>1,443,243</u>	<u>1,299,300</u>
		(Rupees)	
Net assets value per unit		<u>126.6204</u>	<u>112.1531</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

Condensed Interim Income Statement (Unaudited)

For the nine months and quarter ended March 31, 2013

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2013	2012	2013	2012
------(Rupees)-----					
INCOME					
Capital gain on sale of investments - net		17,390,006	1,762,564	10,028,896	2,645,904
Dividend income		9,467,150	9,252,408	4,671,250	3,835,673
Mark-up income		1,588,741	1,266,688	646,219	596,499
		<u>28,445,897</u>	<u>12,281,660</u>	<u>15,346,365</u>	<u>7,078,076</u>
Unrealised appreciation / (diminution) in the fair value of investments classified as 'held for trading' - net	6.1	15,202,694	7,663,728	(1,761,955)	23,726,301
		<u>43,648,591</u>	<u>19,945,388</u>	<u>13,584,410</u>	<u>30,804,377</u>
EXPENSES					
Remuneration to the Management Company	9	4,364,404	3,741,475	1,529,269	1,252,943
Remuneration to the Trustee		525,480	525,957	172,603	174,044
Annual fee to Securities and Exchange Commission of Pakistan		119,143	102,138	41,747	34,204
Brokerage, settlement and bank charges		626,407	500,610	281,477	276,664
Amortisation of deferred formation cost		202,685	202,867	66,575	67,130
Auditors' remuneration		261,955	199,056	128,486	58,442
Fees and subscription		89,754	90,161	29,918	29,835
Printing charges		44,877	45,081	15,045	14,918
Provision for Workers' Welfare Fund	7.1	756,724	290,999	189,519	290,999
		<u>6,991,429</u>	<u>5,698,344</u>	<u>2,454,639</u>	<u>2,199,179</u>
Net income from operating activities		<u>36,657,162</u>	<u>14,247,044</u>	<u>11,129,771</u>	<u>28,605,198</u>
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed		422,304	11,902	(1,843,355)	(986,535)
Net income for the period		<u>37,079,466</u>	<u>14,258,946</u>	<u>9,286,416</u>	<u>27,618,663</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Statement of Comprehensive Income (Unaudited)
 For the nine months and quarter ended March 31, 2013**

	Nine months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	------(Rupees)-----			
Net income for the period	37,079,466	14,258,946	9,286,416	27,618,663
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>37,079,466</u>	<u>14,258,946</u>	<u>9,286,416</u>	<u>27,618,663</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

 Chief Executive Officer

 Director

Condensed Interim Distribution Statement (Unaudited) For the nine months and quarter ended March 31, 2013

	Nine months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	----- (Rupees) -----			
Undistributed income at the beginning of the period - realised	15,210,747	18,537,681	12,168,765	5,148,307
Undistributed income / (accumulated loss) at the beginning of the period - unrealised	579,786	3,299,441	16,964,649	(16,062,573)
Undistributed income / (accumulated loss) at the beginning of the period	15,790,533	21,837,122	29,133,414	(10,914,266)
Final distribution as issue of bonus units at the rate of Rs. 11.1215 (2012: Rs. 17.4453) per unit approved on July 04, 2012 (2012: July 04, 2012)	(14,450,169)	(19,391,671)	-	-
	1,340,364	2,445,451	29,133,414	(10,914,266)
Total comprehensive income for the period	37,079,466	14,258,946	9,286,416	27,618,663
Undistributed income at the end of the period	38,419,830	16,704,397	38,419,830	16,704,397
Undistributed income at the end of the period - realised	23,217,136	9,040,669	40,181,785	9,040,669
Undistributed income / (accumulated loss) at the end of the period - unrealised	15,202,694	7,663,728	(1,761,955)	7,663,728
Undistributed income at the end of the period	38,419,830	16,704,397	38,419,830	16,704,397

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

For Lakson Investments Limited
(Management Company)

Chief Executive Officer

Director

**Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)
For the nine months and quarter ended March 31, 2013**

	Nine months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	------(Rupees)-----			
Net assets at the beginning of the period	145,720,572	132,994,116	184,796,220	132,671,058
Cash received on issue of 2,22,895.9059 (2012: 134,680) units and 221,979.4582 (2012: 140) units for the half year and quarter respectively	26,303,246	14,050,096	12,754,989	15,000
Cash paid on redemption of 221,979.4582 (2012:106,124) units and 221,979.4582 (2012: 106,124) units for the half year and quarter respectively	(25,936,843)	(11,600,000)	(25,936,843)	(11,600,000)
	366,403	2,450,096	(13,181,854)	(11,585,000)
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed	(422,304)	(11,902)	1,843,355	986,535
Final distribution as issue of bonus units at the rate of Rs. 11.1215 (2012: Rs. 17.4453) per unit approved on July 04, 2012 (2012: July 04, 2012)	(14,450,169)	(19,391,671)	-	-
Issue of 143,026 (2012: 189,743) bonus units as final distribution	14,450,169	19,391,671	-	-
Total comprehensive income for the period	37,079,466	14,258,946	9,286,416	27,618,663
Net assets as at the end of the period	182,744,137	149,691,256	182,744,137	149,691,256
Net assets value per unit at the beginning of the period	112.1531	119.6452	118.7157	92.3987
Net assets value per unit at the end of the period	126.6204	112.5609	126.6204	112.5609

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**Condensed Interim Cash Flow Statement (Unaudited)
For the nine months and quarter ended March 31, 2013**

	Nine months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
------(Rupees)-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	37,079,466	14,258,946	9,286,416	27,618,663
Adjustments for non-cash charges and other items:				
Capital (gain) on sale of investments - net	(17,390,006)	(1,762,564)	(10,028,896)	(2,645,904)
Net unrealised (appreciation) / diminution in the fair value of investments classified as 'held for trading'	(15,202,694)	(7,663,728)	1,761,955	(23,726,301)
Amortisation of deferred formation cost	202,685	202,867	66,575	67,130
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed	(422,304)	(11,902)	1,843,355	986,535
	4,267,147	5,023,619	2,929,405	2,300,123
(Increase) / decrease in assets				
Investments - net	4,549,679	17,899,912	18,269,451	23,200,762
Dividends and other receivables	(3,953,847)	(2,363,195)	(4,048,571)	(3,039,691)
Security deposits and prepayments	(30,246)	20,162	29,918	29,834
Receivable against sale of investments	(4,358,512)	-	(3,771,707)	6,999,543
	(3,792,926)	15,556,879	10,479,091	27,190,448
Increase / (decrease) in liabilities				
Payable to the Management Company	128,627	76,140	25,953	32,312
Payable to the Trustee	773	2,581	-	1,139
Annual fee payable to Securities and Exchange Commission of Pakistan	(17,573)	(46,553)	41,747	34,204
Payable against purchase of investment	(1,869,014)	5,882,008	-	5,882,008
Accrued and other liabilities	700,580	279,876	267,572	373,796
	(1,056,607)	6,194,052	335,272	6,323,459
Net cash (used in) / generated from operating activities	(582,386)	26,774,550	13,743,768	35,814,030
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from issuance of units	26,303,246	14,050,096	12,754,989	15,000
Cash paid on redemption of units	(25,936,843)	(11,600,000)	(25,936,843)	(11,600,000)
Net cash generated from / (used in) financing activities	366,403	2,450,096	(13,181,854)	(11,585,000)
Net (decrease) / increase in cash and cash equivalents during the period	(215,983)	29,224,646	561,914	24,229,030
Cash and cash equivalents at the beginning of the period	33,980,089	4,721,215	33,202,192	9,716,831
Cash and cash equivalents at the end of the period	33,764,106	33,945,861	33,764,106	33,945,861

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

Notes to the Condensed Interim Financial Information (Unaudited) For the nine months and quarter ended March 31, 2013

1. LEGAL STATUS AND NATURE OF BUSINESS

Lakson Equity Fund (the "Fund") was established under Trust Deed executed on September 2, 2009 between Lakson Investments Limited as its Management Company and Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a notified entity on September 18, 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Management Company of the Fund has been licensed by SECP as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The registered office of the Management Company is located at 14 - Ali Block, New Garden Town, Lahore.

The Fund is an open end mutual fund and is listed on Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units can also be redeemed by surrendering them to the Fund.

The Fund primarily invests in listed equity securities and other avenues of investment, which include cash or near cash instruments, cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 days maturity and any other investment authorised by SECP.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 2 star (normal) (Fund stability rating) to the Fund and 'AM3 +' (Management Company quality rating) to the Management Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Fund for the nine months period ended March 31, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of and directives issued under the Companies Ordinance, 1984, requirements of Trust Deed, requirements of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. In case where requirements differ, the provisions of or directives of Companies Ordinance, 1984, the requirements of Trust Deed, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, and Non-Banking Finance Companies and Notified Entities Regulations, 2008 have been followed.

The disclosures in this condensed interim financial information are presented in accordance with International Accounting Standard 34 "Interim Financial Reporting" and do not contain all the information required for full annual financial statements. Consequently, this condensed interim financial information should be read in conjunction with the financial statements of the Fund as at and for the year ended June 30, 2012.

This condensed interim financial information comprise of condensed interim statement of assets and liabilities as at March 31, 2013 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flows, condensed interim statement of movement in Unit Holder's Fund, and notes thereto, for the nine months period ended March 31, 2013.

2.2 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38(g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for investments that are stated at fair values.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.5 Use of estimates and judgments

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to financial statements as at and for the year ended June 30, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual audited financial statements as at and for the year ended June 30, 2012.

	Note	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
		(Rupees)	
5. BANK BALANCES			
In profit and loss sharing accounts	5.1	<u>33,764,107</u>	<u>33,980,089</u>
5.1			
The balances carry mark-up at rates ranging from 6.00% to 9.25% (June 30, 2012: 5% to 11.50%) per annum.			
6. INVESTMENTS - financial assets at fair value through profit or loss - held for trading			
Listed equity securities	6.1	<u>139,654,170</u>	<u>111,611,150</u>

6.1 Listed equity securities

Unless otherwise stated, the holdings in ordinary shares are of Rs. 10 each

Name of investee company	Number of shares				Balance as at March 31, 2013			Market value as a percentage of the total investments	Market value as a percentage of the paid-up capital of the investee company
	As at July 01, 2012	Purchased during the period	Bonus shares/ Right shares	Disposed during the period	As at March 31, 2013		Appreciation / (diminution)		
					Carrying Value	Market Value			
Chemicals									
Energ Corporation Limited	-	101,000	-	31,000	7,248,131	9,030,000	1,781,869	4.94	6.47
Fakirs Fertilizer Company	270,000	140,000	-	220,000	4,703,794	4,286,000	(417,794)	2.35	3.07
Fuji Fertilizer Company Limited	88,000	47,400	-	79,500	62,088,195	61,483,410	(604,785)	3.36	4.40
ICI Pakistan Limited	-	28,900	-	-	-	-	-	-	-
358,000	317,500	-	359,400	-	18,116,020	19,499,910	1,389,890	10.65	13.93
Oil and Gas									
Attock Petroleum Limited	11,000	1,400	-	12,400	-	-	-	-	-
Oil & Gas Development Company Limited	40,000	103,300	-	88,300	55,000	10,291,902	924,798	6.14	8.03
Pakistan Oilfields Limited	21,000	15,500	-	28,000	10,914,510	12,701,640	1,787,130	6.95	9.10
Pakistan Petroleum Limited	61,000	30,700	16,000	80,700	15,833,684	14,139,447	(1,694,237)	7.74	10.12
Pakistan State Oil Company Limited	39,000	4,900	4,900	49,000	5,989,525	5,972,022	(22,497)	3.27	4.28
133,000	199,500	20,900	160,700	193,100	37,739,621	44,029,869	4,290,188	24.09	31.53
Construction and Materials									
Attock Cement Pakistan Limited	-	31,000	4,500	35,500	-	-	-	-	-
Cerac Cement Company Limited	-	81,500	-	81,500	-	-	-	-	-
Pioneer Cement	-	230,000	-	230,000	-	-	-	-	-
Fuji Cement	-	100,000	-	100,000	-	-	-	-	-
D.G. Khan Cement Company Limited	162,500	205,500	-	208,000	160,000	8,126,948	11,083,200	2,956,252	6.06
Fecto Cement Limited	-	129,500	-	129,500	-	-	-	-	7.94
Kohat Cement Company Limited	81,000	31,000	-	3,000	107,500	7,284,995	8,381,775	1,097,280	4.59
Lucky Cement Limited	243,500	919,000	4,500	825,000	342,000	24,809,439	31,950,430	7,140,991	17.48
87,303	206,500	-	263,803	30,000	2,102,514	2,528,700	426,186	1.38	1.81
Nihat Mills Limited	57,801	-	57,801	-	-	-	-	-	-
Treet Corporation Limited	145,104	484,301	57,801	558,706	128,500	5,234,607	5,901,340	666,733	3.23
3,132,093	3,372,640	-	3,372,640	240,547	1,85	2.41	0.27	0.34	0.34
Non-Life Insurance									
Pakistan Reinsurance	175,000	290,000	-	215,000	290,000	5,022,703	6,382,500	1,359,797	3.49
4,57	4.21	-	4.57	-	4.57	4.57	4.57	4.57	4.21
Beverages									
Murree Brewery Company Limited	29,392	13,268	2,000	15,760	28,900	3,069,116	4,692,782	1,623,666	2.57
2.57	3.36	-	2.57	-	2.57	2.57	2.57	2.57	3.36
Electricity									
The Hub Power Company Limited	135,000	158,500	-	203,500	90,000	4,560,302	4,523,400	(36,902)	2.48
2.48	3.24	-	2.48	-	2.48	2.48	2.48	2.48	3.24
Banks									
Allied Bank Limited	71,251	33,249	6,200	62,500	48,200	2,844,378	2,841,390	(2,988)	1.55
Bank Alfalah Limited	277,500	287,500	-	230,000	335,000	5,704,210	5,058,500	(645,710)	2.77
Bank AlHabib Limited	179,995	110,000	-	97,995	192,000	5,599,200	5,053,400	(545,760)	2.77
National Bank of Pakistan	85,000	105,050	16,500	190,050	16,500	663,316	643,830	(19,486)	0.35
United Bank Limited	50,000	155,000	-	115,000	90,000	7,260,972	7,394,400	133,428	4.05
MCB Bank Limited	47,000	66,500	1,500	105,000	9,100	1,783,492	1,722,539	(60,953)	0.94
710,746	757,299	24,200	801,445	690,800	23,855,568	22,714,099	(1,141,469)	12.43	16.26
Total - March 31, 2013	1,929,742	3,139,568	109,401	3,139,511	2,039,200	124,451,476	139,654,170	15,202,694	100.00
Total - June 30, 2012	1,835,414	3,544,347	95,667	3,545,686	1,929,742	111,031,364	111,611,150	579,786	100.00

6.1.1 Investments include shares with market value aggregating to Rs 4,189 million (June 30, 2012: Rs 4,189 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of Fund's trades.

	Note	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
		(Rupees)	
7. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration		198,206	190,000
Brokerage and settlement charges		19,585	73,461
Payable to Workers' Welfare Fund	7.1	1,492,157	735,434
Other liabilities		19,527	30,000
		<u>1,729,475</u>	<u>1,028,895</u>

7.1 Workers' Welfare Fund

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it is alleged that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year end June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) vide its letter dated October 06, 2010 to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. However, the FBR vide its letter dated January 04, 2011 has cancelled its earlier letter dated October 06, 2010 ab initio and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

Subsequent to the year end June 30, 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down.

During the current period a larger bench of the Honorable High Court of Sindh has passed an order declaring that the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. The Legal counsel appointed by Mutual Fund Association of Pakistan is of the opinion that the constitution petitions filed by the Mutual Funds to challenge Workers Welfare Fund have not been affected by the judgment passed by the larger bench of Sindh High Court and the stay granted to Mutual Funds in separate constitutional petitions remains intact.

In view of above stated facts and considering the vagaries of litigation, the Management Company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 1.492 million upto March 31, 2013. If the same has not been so recorded, the net assets value per unit of the Fund would have been higher by Rs. 1.03 / 1.03%.

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2013

9. REMUNERATION OF THE MANAGEMENT COMPANY

The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the NBFC Regulations of an amount not exceeding three percent per annum of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to two percent per annum of such assets of the Fund. Currently, the Management fee is charged @ 3.00% of the average daily net assets of the Fund. Effective from July 1, 2011, through The Sindh Sales Tax on Services Act, 2011, sales tax @ 16% is imposed on the fund management services. Remuneration of the Management Company charged to the Fund during the period includes the imposed tax. The remuneration is paid to the Management Company monthly in arrears.

10. TAXATION

The Fund's income is exempt from Income Tax as per Clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made in this condensed interim financial information.

11. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the Trustee, SIZA Services (Private) Limited being the holding company of the Management Company, associated companies of the Management Company, key management personnel, other funds being managed by the Management Company and entities having holding more than 10% in the units of the Funds as at March 31, 2013.

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

	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
	(Rupees)	
11.1 Balance as at period / year end		
Lakson Investments Limited - Management Company		
Remuneration payable	536,770	408,311
Sales load payable	<u>6,894</u>	<u>6,726</u>
Units held as at the period / year end 757,791 (June 30, 2012: 682,646) units	<u>95,951,816</u>	<u>76,560,850</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	58,723	57,377
Settlement charges payable	<u>730</u>	<u>1,303</u>
Security deposit	<u>100,000</u>	<u>100,000</u>
Directors of the Management Company		
Mr. Daniel Scott Smaller		
Units held as at the period / year end 2,233 (June 30, 2012: 2,012) units	<u>282,791</u>	<u>225,642</u>
Key management personnel, employees and connected persons of the Management Company		
Units held as at the period / year end 513 (June 30, 2012: 284) units	<u>64,957</u>	<u>31,880</u>
Associated companies / undertakings of the Management Company		
SIZA (Private) Limited		
Units held as at the period / year end 654,295 (June 30, 2012: 589,413) units	<u>82,847,149</u>	<u>66,104,514</u>
	Nine months ended March 31,	
	2013	2012
	(Unaudited) (Rupees)	
11.2 Transactions relating to the units of the Fund		
Lakson Investments Limited - Management Company		
Issue of bonus units: 75,145 (2012: 103,077) units	<u>7,592,046</u>	<u>10,534,419</u>
Redemption of units: Nil (2012: 24,285) units	<u>-</u>	<u>2,600,000</u>
Directors of the Management Company		
Mr. Daniel Scott Smaller		
Issue of units: Nil (2012: 399) units	<u>-</u>	<u>45,096</u>
Issue of bonus units: 221 (2012: 235) units	<u>22,375</u>	<u>24,035</u>
Key management personnel, employees and connected persons of the Management Company		
Issue of units: 197 (2012: 466) units	<u>22,500</u>	<u>47,500</u>
Redemption of units: Nil (2012: 181) units	<u>-</u>	<u>20,232</u>
Issue of bonus units: 31 (2012: Nil) units	<u>3,161</u>	<u>-</u>

Nine months ended
March 31,
2013 2012
(Unaudited)
(Rupees)

Associated companies / undertakings of the Management Company

SIZA (Private) Limited

Issue of bonus units: 64,882 (2012: 85,942) units	6,555,159	8,783,214
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11.3 Other transactions during the period

Nine months ended March 31,		Quarter ended March 31,	
2013	2012	2013	2012
----- (Unaudited) -----			
----- (Rupees) -----			

Lakson Investments Limited - Management Company

Remuneration of the Management Company	4,364,404	3,741,475	1,529,269	1,252,943
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Central Depository Company of Pakistan Limited-Trustee

Remuneration of the Trustee	525,480	525,957	172,603	174,044
Settlement charges	14,245	8,298	7,194	4,244

Associated companies / undertakings of the Management Company

ICI Pakistan Limited - associated undertaking due to common directorship

Dividend income during the period	-	56,000	-	-
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12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 29, 2013 by the Board of Directors of the Management Company.

13. GENERAL

Figures have been rounded off to the nearest rupee.

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

Chief Executive Officer

Director



A Lakson Group Company

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