Funds Managed by:

AKD Investment Management Ltd.

3rd Quarter Report
March 31, 2017
(Un-audited)



quarterly report

AKD OPPORTUNITY FUND

AKD INDEX TRACKER FUND

AKD CASH FUND

AKD AGGRESSIVE INCOME FUND

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

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CORPORATE INFORMATION

MANAGEMENT COMPANY

AKD Investment Management Limited
216-217, Continental Trade Centre, Block-8,
Clifton, Karachi-74000

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Abdul Karim Memon

Director & Chief Executive Officer
Mr. Imran Motiwala

Directors
Mr. Ali Wahab Siddiqui
Mr. Hasan Ahmed
Mr. Saim Mustafa Zuberi
Ms. Aysha Ahmed
Mr. Nadeem Saulat Siddiqui

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT OF THE MANAGEMENT COMPANY

Ms. Noureen Nadir Ali

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)
Mr. Hasan Ahmed (Member)
Mr. Saim Mustafa Zuberi (Member)
Ms. Noureen Nadir Ali (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

Mr. Abdul Karim Memon (Chairman)
Mr. Imran Motiwala (Member)
Mr. Saim Mustafa Zuberi (Member)

RATING

AKD Investment Management Ltd. (AMC)
AM3+ (AM Three Plus) issued by PACRA

Vision

To serve investors in Pakistan's capital markets with diligence, integrity and professionalism, thereby delivering consistent superior returns and unparalleled customer service.

Mission Statement

AKD Fund shall continuously strive to:

- *Keep primary focus on investing clients' interest*
- *Achieve highest standards of regulatory compliance and good governance*
- *Prioritize risk management while endeavoring to provide inflation adjusted returns on original investment*
- *Enable the investing public and clients to make AKDIML Funds a preferred part of their overall savings and investment management strategy*
- *Distinguish themselves and compete on the basis of unparalleled service quality while setting industry standards for professionalism, transparency and consistent superior performance*
- *Foster and encourage technical, professional, ethical development of human capital to provide our people the best opportunities and environment for their personal growth*

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF) and AKD Aggressive Income Fund (AKDAIF) is pleased to present its interim report along with the Funds' accounts for the nine months ended on March 31, 2017.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 9MFY17, the return of AKD Opportunity Fund stood at 46.59% compared to the benchmark KSE-100 Index return of 27.45%, thus significantly outperforming the benchmark by 19.14%.

AKD Index Tracker Fund (AKDITF)

For the 9MFY17, the return of AKD Index Tracker Fund stood at 25.47% compared to the benchmark KSE-100 Index return of 27.45%.

AKD Cash Fund (AKDCF)

For the 9MFY17, the annualized return of AKD Cash Fund stood at 6.57% compared to benchmark return of 5.20%.

AKD Aggressive Income Fund (AKDAIF)

For the 9MFY17, the annualized return of AKD Aggressive Income Fund stood at 6.83% compared to the benchmark return of 6.38%.

MACRO PERSPECTIVE

The major macroeconomic indicators continued their positive trend in 9MFY17, on the back of strong growth led by China Pakistan Economic Corridor (CPEC), stable exchange rate and adequate foreign reserves. Moreover, foreign direct investment (FDI) from CPEC and up gradation of Pakistan's capital market from MSCI frontier Markets (FM) index to MSCI Emerging Market (EM) index is expected to further improve the stance of Pakistan stock market exchange in the global market.

CPI inflation during 9MFY17 clocked in 4.00%YoY as compared to 2.65%YoY during the corresponding period last year. Throughout 9MFY17, inflation remained within the SBP target range of 4.5%-5.5% and as a result the State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75 percent.

During the period under review, international oil prices recovered and traded in the range of USD 45-55 per barrel, positively impacted by OPEC's production cuts. The next OPEC meeting will take place in May 2017 where key decisions of supply cuts will have a significant impact on the oil prices going forward.

On the other hand, we believe that there will be an upward inflationary trend in 4Q FY17, driven by seasonal impact (Ramzan/Eid-ul-Fitr) and pass-through impact of oil prices. We believe the Consumer Price Index (CPI) will remain within the SBP's target range of 4.5-5.5% for

FY17. A reversal in the monetary policy seems less probable in FY17 due to SBP focus on investment growth and improved private sector lending. (+13.6%YoY as of Feb'17).

According to SBP the current account deficit (CAD) clocked in at USD 6.13 billion (2.6% of GDP) in 9MFY17 against USD 2.35 billion (1.1% of GDP) in corresponding period last year. This is due to the tepid remittances in 9MFY17 (-2.3% YoY) and the trade balance deficit of USD 22.94 billion, up 26.8%.

Imports have increased by 12% YoY, on the back of rising machinery and equipment demand for CPEC related projects. While at the same time exports have suffered a decline of 2%, mainly owing to strong PKR relative to regional currencies, hurting the competitiveness of our export oriented industry. In this regard the Government has offered an incentive package for the Textile Industry to support its ailing exports. The Government has also imposed restriction to maintain 100% cash balance on the import of certain items to curb imports.

The total liquid foreign exchange reserves of Pakistan reached USD 21.55 billion (5-6 month import cover) by the end of 9MFY17, from its all-time high level of USD 24.02 billion in October 2016. Going forward, we expect some pressure on the reserves as external repayments (cumulative USD 1.5 bn- 1.75 bn) under Eurobond, Paris Club and China SAFE debt retirement to begin in June FY'17, while IMF re-payments will start in FY18. Despite these expected outflows we expect foreign inflows (Eurobond issue, multilateral and CPEC Loans) to compensate the same.

On the fiscal front, FBR has collected total tax revenue of PKR 2,258bn in 9MFY17, reflecting shortfall of 7% (PKR 168bn) against target PKR 2,426bn for the period. The Government has set the target of tax collection to PKR 3.62tn for FY17, which is ambitious in our view.

FDI has posted an increase of 12% YoY during the 9MFY17 as reported by SBP. Pakistan attracted FDI of USD 1.602 billion compared to USD 1.425 billion in the same period last year. Net foreign investment in Pakistan, comprising FDI, portfolio investment and foreign public investment increased by 116.4 percent to USD 2.232 billion in July-March of FY17 compared to USD 1.032 billion in the same period of last fiscal year. The increase is mainly due to foreign acquisitions of local companies as well as other funds from bilateral and multilateral sources. This is going to be a positive sign in future as China and other countries are expressing interest in investing in Pakistan to provide support to the external account.

In this regard The National Assembly in December, approved a mega tax amnesty scheme for real estate sector that would approve whitening of black money invested in the sector by paying only three per cent tax on the difference between the property prices notified in FBR valuation tables and the rates recorded by the property registration authority in transfer documents. As per the news flows, an amount of PKR 1.1 billion tax revenue has so far been collected by FBR under the amnesty scheme, implying total asset declaration of PKR 37 billion. The government is also considering introducing another amnesty scheme to bring back assets of Pakistan in overseas accounts.

EQUITY MARKET REVIEW

The 9MFY'17, has been an impressive period for the KSE-100 index, which posted its all-time high closing of 50,192 in January, posting a return of 27% in 9MFY'17. Major Bull run was seen in the months of November and December, in which the index grew by 7% and 12% respectively; subsequently the index has remained highly volatile since the start of the calendar year, advancing only 0.73% since January, mainly due to crack-down on In-house financing by brokers and pending decision of the Panama case.

The performance of the index in 9MFY'17 is mainly attributed to

- Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy.

- Renewed investor confidence due to Morgan Stanley Capital International (MSCI)'s re-classification of Pakistan in to Emerging Market Index.

- Country's successful completion of IMF program.

- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years.

- Sales uptick in Pakistan auto sector, on the back of renewed consumer spending and rise in consumer financing.

- S&P raising Pakistan's sovereign credit rating to B from B-.

- Announcement of a PKR 180 billion Export/Textile package to boost exports.

- 40% stake sale in the management of PSX, a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company (PCIC), and Habib Bank Ltd. (HBL) submitted the highest bid of PkR28/share for the 40% strategic stake.

- FBR's Revaluation of properties and regularization of real estate sector to increase tax net, as many investors switched from real estate to equity markets.

- SECP's crack-down on In-house lending activities of brokerage houses.

- Supreme Court's proceedings and un-disclosed verdict on Panama case.

MONEY MARKET REVIEW

During 9MFY17, The SBP carried out 20 T-bills auctions where the government managed to raise PKR 5.674 trillion. During this period, weighted average yield on 3, 6, and 12 months T-bills clocked in at 5.90%, 5.93%, 5.93% respectively down from 6.45%, 6.47%, 6.48% during the corresponding period last year. SBP also conducted 6 auctions of PIB's and managed to raise PKR 646 billion during HYFY17. The PIB auctions followed suit where weighted average maturities yield on 3, 5, 10 years PIB declined to 6.17%, 6.67%, 7.76% respectively from 7.34%, 8.29%, 9.24% in the corresponding period last year. The Government announced Monetary Policy Statement on March 25, 2017, where the Monetary Policy committee decided to keep the policy rate unchanged at 5.75%. State Bank of Pakistan conducted 62 open market operations (OMOs) of different maturities and injected average amount of PKR 662 billion per OMO at an average cut off yield of 5.81%.

FUTURE OUTLOOK

Pakistani equity market offer great opportunities for long term fundamental investors, after a long period of under-performance of the economy due to supply side bottlenecks, the economy is finally taking-off, spurred by capital investments under CPEC, low oil prices, export incentivization, increasing business confidence and democratic stability.

Annual GDP growth averaged at 3% under the previous political regime, the current government has delivered average growth of 4.3% in the last three years; while Fiscal year 2016's GDP growth of 4.7% is the highest since FY07. We foresee that the government's target GDP growth rate of 7% by FY'19 is well within the reach mainly owing to resolution of supply side bottlenecks and materialization of CPEC.

The KSE100 index has out-performed both MSCI Emerging and Frontier Markets, consistently in the past 5 years (posting an average annual surplus return of 31% above the MSCI EM&FM index).

Furthermore, In September Pakistan became signatory of "Multilateral Convention on Mutual Administrative Assistance in Tax Matters", a framework created by OECD. The Convention is the most powerful instrument for international tax cooperation. It provides for all forms of administrative assistance in tax matters: exchange of information on request, spontaneous exchange, automatic exchange, tax examinations abroad, simultaneous tax examinations and assistance in tax collection. It guarantees extensive safeguards for the protection of taxpayers' rights.

By becoming a signatory of the convention, Pakistan has sent a strong signal of its intention to curb offshore tax evasion and avoidance. The benefit of such a step will be two folds, first it will help increase the tax net and secondly, it might trigger another wave of liquidity in local equity markets.

In addition to foreign portfolio investments we believe many strategic investments (apart from CPEC related investments), similar to RFC of Netherlands acquiring Engro Foods and Shanghai Electric's management takeover of K-Electric, are going to be the prime drivers of growth in the coming years.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: April 27, 2017

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے کے ڈی انوسٹمنٹ مینجمنٹ لمیٹڈ (AKDIML)، مینجمنٹ کمپنی برائے اے کے ڈی اپر چونیٹی فنڈ (AKDOF)، اے کے ڈی انڈیکس ٹریکر فنڈ (AKDITF)، اے کے ڈی کیش فنڈ (AKDCF) اور اے کے ڈی ایگریسو انکم فنڈ (AKDAIF) کے بورڈ آف ڈائریکٹرز مسرت کیساتھ 31 مارچ 2017 کو اختتام پزیر ہونے والے 9 ماہ کے فنڈز کا حساب بمع عبوری رپورٹ پیش کررہے ہیں۔

فنڈز کی مالیاتی کارکردگی:

اے کے ڈی اپر چونیٹی فنڈ (AKDOF)

9MFY17 کیلئے اے کے ڈی اپر چونیٹی فنڈ (AKDOF) کا منافع 46.59% رہا جبکہ بنچ مارک KSE-100 انڈیکس کا منافع 27.45% رہا اور اس طرح بنچ مارک سے 19.14% آگے نکل گیا۔

اے کے ڈی انڈیکس ٹریکر فنڈ (AKDITF)

9MFY17 کیلئے اے کے ڈی انڈیکس ٹریکر فنڈ (AKDITF) کا منافع KSE-100 انڈیکس کے بنچ مارک منافع 27.45% کے مقابلے میں 25.47% رہا۔

اے کے ڈی کیش فنڈ (AKDCF)

9MFY17 کیلئے اے کے ڈی کیش فنڈ (AKDCF) کا سالانہ منافع 6.57% رہا جبکہ بنچ مارک کا منافع 5.2% رہا۔

اے کے ڈی ایگریسو انکم فنڈ (AKDAIF)

9MFY17 کیلئے اے کے ڈی ایگریسو انکم فنڈ (AKDAIF) کا سالانہ منافع 6.83% رہا جبکہ بنچ مارک کا منافع 6.38% رہا۔

میکرو پرسپیکٹو:

نمایاں میکرو اکنامکس کے اشاریوں نے پاک چائنا اقتصادی راہداری کے باعث ہونے والی ترقی، مستحکم شرح مبادلہ اور مناسب زرمبادلہ کے ذخائر، مثبت رجحانات کا مظاہرہ جاری رکھا۔ مزید برآں سی پیک (CPEC) کی وجہ سے براہ راست غیرملکی سرمایہ کاری (FDI)، پاکستان کی کیپیٹل مارکیٹ کی ایم ایس سی آئی (MSCI) فرنٹیئر مارکیٹ (FM) سے ایم ایس سی آئی (MSCI) ایمرجنگ مارکیٹ (EM) میں اپ گریڈیشن سے عالمی مارکیٹ میں پاکستان اسٹاک مارکیٹ ایکسچینج کی حیثیت مزید بہتر ہونے کا امکان ہے۔

سی پی آئی (CPI) افراطِ زر 9MFY17 میں سال بہ سال بنیاد پر 4.00% رہا جو کہ اسی مدت کیلئے گزشتہ سال 2.65% تھا۔ 9MFY17 کے دوران افراط زر اسٹیٹ بینک کے 4.5%-5.5% کے ہدف میں رہا جس کی وجہ سے اسٹیٹ بینک پاکستان (SBP) نے اپنا پالیسی ریٹ 5.75% رکھا۔

زیر جائزہ دورانیہ کیلئے OPEC کی تیل کی پیداوار میں کمی کے فیصلے کی وجہ سے تیل کی بین الاقوامی قیمتوں میں بہتری نظر آئی جو کہ USD 45-55 کے درمیان ہے۔ OPEC کی اگلی میٹنگ مئی 2017 میں ہے جس میں تیل کی سپلائی میں کمی کا فیصلہ مستقبل میں تیل کی قیمتوں پر گہرا اثر ڈالے گی۔

ہمارا یہ بھی خیال ہے کہ 4QFY17 میں افراط زر میں رمضان اور عیدالفطر کے باعث اور تیل کی قیمتوں کی وجہ سے اضافے کا رجحان رہے گا۔ ہمیں یقین ہے کہ کنزیومر پرائس انڈکس (CPI) FY17 میں اسٹیٹ بینک کے 4.5%-5.5% کے ہدف میں رہے گا۔ FY17 میں معاشی پالیسی میں واپسی کا امکان کم نظر آتا ہے کیونکہ اسٹیٹ بینک پاکستان سرمایہ کاری میں اضافہ اور نجی شعبے میں قرضے کے اوپر توجہ دے رہی ہے۔

اسٹیٹ بینک کے مطابق کرنٹ اکاؤنٹ میں خسارہ 9MFY17 میں 6.13 بلین ڈالر (GDP کا 2.6%) تک جا پہنچا جبکہ گذشتہ سال کے اسی دورانیے کیلئے یہ خسارہ 2.35 بلین ڈالر (GDP کا 1.1%) تھا اس کی وجہ 9MFY17 میں ترسیلات زر میں کمی اور 22.94 بلین ڈالر کا (26.8%) کا تجارتی خسارہ ہے۔

سال بہ سال بنیاد پر درآمدات میں 12% کا اضافہ ہوا ہے جس کی وجہ سی پیک (CPEC) منصوبوں سے متعلق مشینری و آلات کی طلب میں اضافہ ہے۔ اسی اثنا برآمدات میں بھی 2% کی کمی واقع ہوئی ہے جسکی وجہ دیگر علاقائی ممالک کے مقابلے میں پاکستان روپے کی قدر میں اضافہ جو ہمارے برآمدات سے متعلق صنعتوں کو نقصان پہنچانے کا سبب بنا حکومت نے اس حوالے سے ٹیکسٹائل کی صنعت کو اپنی گرتی برآمدات کو سنبھالنے کیلئے ترغیبی پیکج کا اعلان کیا ہے۔ حکومت نے کچھ چیزوں کی درآمدات کیلئے 100% کیش بیلنس کی بھی پابندی لگائی ہے تا کہ کچھ مخصوص چیزوں کی درآمدات کی حوصلہ شکنی کی جا سکے۔

9MFY17 کے اختتام پر پاکستان کے کل بیرونی زرمبادلہ کے ذخائر اکتوبر 2016 کے بلند ترین سطح کے مقابلے میں 21.55 بلین ڈالر ہوگیا۔ ہمارے خیال میں ذخائر پر مزید دباؤ تب آئے گا جب بیرونی ادائیگیاں (مجموعی طور پر 1.5 بلین ۔1.75 بلین ڈالر) جن میں یوروبونڈ، پیرس کلب اور چائنا سیف (SAFE) ریٹائرمنٹ JUNFY17 میں شروع ہونگی جبکہ IMF کی ادائیگیوں کا FY18 میں آغاز ہوگا۔ ان متوقع ادائیگیوں کی تلافی کے طور پر ہم کچھ فنڈز کی آمد (یوروبونڈ کا اجراء، ملٹی لیٹرل Multilateral اور CPEC قرضے) کی بھی توقع کر رہے ہیں۔

معاشی محاذ پر ایف بی آر (FBR) نے 9MFY17 کیلئے 2,258 بلین روپے ٹیکس کی مد میں اکٹھا کئے جو کہ اس مدت میں ٹارگٹ کے مقابلے میں 2,426 بلین روپے کی کمی دیکھی گئی۔ حکومت نے FY17 کیلئے 3.62 ٹریلین روپے کا ہدف مقرر کیا ہے جو ہمارے خیال میں اولوالعزمی ہے۔

اسٹیٹ بینک پاکستان نے سال بہ سال کی بنیاد پر براہ راست بیرونی سرمایہ کاری میں 12% کا اضافہ بتایا ہے۔ پاکستان میں گزشتہ سال اسی مدت میں ہونے والی براہ راست 1.425 بلین ڈالر کی براہ راست سرمایہ کاری کے مقابلے میں 1.602 بلین ڈالر کی سرمایہ کاری ہوئی ہے۔ پاکستان میں کل بیرونی سرمایہ کاری جن میں براہ راست بیرونی سرمایہ کاری، پورٹ فولیو انوسٹمنٹ اور بیرونی ملک پبلک انوسٹمنٹ شامل ہیں Jul-MarFY کے مالی دورانیے کیلئے 116.4% کے اضافے کیساتھ 2.232 بلین ڈالر ہوگی جو کہ اسی دورانئے کیلئے گزشتہ مالی سال میں 1.032 بلین ڈالر تھی۔ اس اضافے کی بڑی وجہ مقامی کمپنیوں کی بیرونی ذرائع سے خریداری اور اس کے علاوہ دوطرفہ اور کئی طرفہ ذرائع کی طرف سے فنڈز کی فراہمی ہے۔ چائنا اور دوسرے ممالک کا پاکستان میں سرمایہ کاری میں دلچسپی کا اظہار بیرونی اکاؤنٹ کو سپورٹ کرنے میں مثبت کردار ادا کرے گا۔

اس حوالے سے قومی اسمبلی نے دسمبر میں رئیل اسٹیٹ سیکٹر کیلئے ایک بڑی ٹیکس ایمنسٹی اسکیم منظور کی ہے۔ اس اسکیم کے تحت پراپرٹی کی ٹرانسفر کے کاغذات میں دی گئی قیمت اور FBR کی قیمت کے تعین کے فرق کا 3 فیصد ادا کرنے کے بعد اس پراپرٹی میں استعمال شدہ سرمایہ کالا دھن سے سفید ہو جائیگا۔ اس ایمنسٹی اسکیم کے تحت ایک خبر کے مطابق اب تک 1.1 بلین روپے کی ٹیکس کی مد میں آمدنی ہوئی ہے۔ جس سے 37 بلین روپے کے اثاثے ظاہر کئے گئے۔ حکومت پاکستان سے باہر موجود اثاثوں کیلئے بھی ایمنسٹی اسکیم پر غور کر رہی ہے۔

ایکوٹی مارکیٹ کا جائزہ:

9MFY17 KSE-100 انڈیکس کیلئے متاثر کن دورانیہ رہا جس میں جنوری میں تمام وقتوں کی 50,192 کی بلند ترین سطح حاصل ہوئی، یعنی 9MFY17 میں 27.45% کا منافع ریکارڈ کیا۔ نمایاں تیزی نومبر اور دسمبر کے مہینوں میں دیکھنے میں آئی جس میں انڈیکس بالترتیب 7% اور 12% سے بڑھا۔ سال کے آغاز سے، بروکرز کی ان ہاؤس فاننسنگ اور پانامہ کیس کے فیصلے میں تاخیر کے باعث، انڈیکس انتہائی غیر مستحکم رہا اور جنوری سے صرف 0.73% کا اضافہ ہوا۔

9MFY17 میں انڈیکس کی کارکردگی کی وجوہات درج ذیل ہیں۔

ا) سی پیک (CPEC) پروجیکٹس کی مثبت ڈیولپمنٹ، جو بجلی کی کمی کو پورا کر کے معیشت میں دوبارہ جان ڈال سکتے ہیں۔

۲) مورگن اسٹینلے کیپیٹل انٹرنیشنل (MSCI) کی پاکستان کی ایمرجنگ مارکیٹ انڈیکس میں ازسرنو درجہ بندی نے سرمایہ کاروں کا اعتماد بحال کردیا۔

۳) ملک میں IMF پروگرام کی کامیابی کی تکمیل۔

۴) اوپیک(OPEC) ممبران کی آٹھ سالوں میں پہلی بار تیل کی پیداوار میں کمی کے باعث تیل کی قیمت میں استحکام۔

۵) صارفین کی قوت خرید اور کنزیومر فائیننگ میں کی وجہ سے آٹو سیکٹر کی سیلز میں اضافہ۔

۶) ایس اینڈ پی(S&P) کا پاکستان کو سووین(Soverign) کریڈٹ ریٹنگ میں B- سے B میں کر دینا۔

۷) برآمدات میں اضافہ کیلئے 180 بلین روپے کا ٹیکسٹائل کی برآمدات کے پیکج کا اعلان۔

۸) PSX کی مینجمنٹ کیلئے 40% اسٹیک(Stake) کی فروخت جسمیں ایک کنسورشم جو چائنا فیوچر ایکسچینج، شنگھائی اسٹاک ایکسچینج، شینزن اسٹاک ایکسچینج، پاک چائنا انوسٹمنٹ کمپنی اور حبیب بینک لمیٹڈ (HBL) پر مشتمل ہے۔ 40% اسٹریٹجک اسٹیک(Startegic Stake) کیلئے 28 روپے فی شیئر کی بلند ترین بولی(Bid) دی گئی۔

۹) ایف بی آر(FBR) کی جائیدادوں کی از سرِ نو تخمینہ لگانا اور رئیل اسٹیٹ سیکٹر کو ٹیکس کے دائرہ کار میں لانے کیلئے ریگولر ائیزیشن، کیونکہ کئی سرمایا کار رئیل اسٹیٹ سیکٹر سے ایکوٹی مارکیٹ کی طرف مبذول ہوئے۔

۱۰) ایس ای سی پی کا ان ہاؤس قرضوں کی سرگرمیوں پر کاری ضرب۔

۱۱) پانامہ کیس پر سپریم کورٹ کی کاروائی اور غیر منکشف فیصلہ۔

منی مارکیٹ کا جائیزہ(Money Market Review):

9MFY17 کے دوران اسٹیٹ بینک پاکستان نے 20 ٹی بلز(T-Bills) کی نیلامی کی جسکے نتیجے میں حکومت 5.674 ٹریلین روپے اکٹھا کرپائی۔ اس دورانیہ میں 3، 6 اور 12 ماہ کے ٹی بلز(T-BILLS) میں اوسطاً ویٹیڈ(Weighted) منافع بالترتیب 5.90%، 5.93% اور 5.93% رہی جو کہ گذشتہ سال کے اسی دورانیہ کیلئے بالترتیب منافع 6.45%، 6.47%، 6.48% سے کم تھی۔ اسٹیٹ بینک پاکستان نے PIB کی بھی 6 نیلامیوں کا انعقاد کیا جس سے HYF17 کے دوران 646 بلین روپے حاصل ہوئے۔ ان 3، 5 اور 10 سالوں کی پی آئی بی شرح منافع پچھلے سال کے منافع کی بالترتیب شرح 7.34%، 8.29% اور 9.24% سے کم ہو کر 6.17%، 6.67% اور 7.76% ہوگئی۔ حکومت نے مالی پالیسی کے متعلق بیان 25 مارچ 2017 کو جاری کیا۔ جسمیں پالیسی کی شرح 5.75% پر برقرار رکھنے کا فیصلہ کیا۔ اسٹیٹ بینک پاکستان نے مختلف میچورٹیز کے 62 اوپن مارکیٹ آپریشن جاری کئے اور اوسطاً کم از کم منافع 5.81% (Cut Off) کے ساتھ فی OMO 662 ملین روپے کے سرمائے کا اجراء کیا۔

مستقبل کی شکل:

سپلائی کی مشکلات کے باعث معیشت کافی عرصے تک بری کارکردگی کا مظاہرہ کرنے کے بعد پاکستان کی ایکوٹی مارکیٹ طول المدتی فنڈامینٹل سرمایہ کاروں کیلئے روشن مواقع رکھتی ہے۔ سی پیک(CPEC) کیوجہ سے حوصلہ افزاء سرمایہ کاری، تیل کی کم قیمت، برآمدات کی ترغیبات، بڑھتے ہوئے کاروباری اعتماد اور جمہوری استحکام کیوجہ سے معیشت ٹیک آف کیلئے پوری طرح سے تیار ہے۔

گذشتہ سیاسی حکومت کے دور میں جی ڈی پی(GDP) کی نمو اوسطاً 3% کے نیچے تھی، حالیہ حکومت نے گذشتہ 3 سالوں میں اوسطاً نمو 4.3% دی ہے۔ مالی سال 2016 میں حاصل ہونے والی 4.7% شرح نمو، FY07 کے بعد بلند ترین تھی، ہم پیش گوئی کر سکتے ہیں کہ سپلائی کی مشکلات کے حل اور سی پیک(CPEC) پر عمل درآمدگی کے باعث FY19 میں حکومت کی 7% شرح نمو کے ہدف کو حاصل کر لینا عین ممکن ہے۔

KSE-100 انڈیکس نے MSCI ایمر جنگ اور فرنٹیئر مارکیٹس کو مسلسل 5 سالوں میں کافی پیچھے چھوڑ دیا ہے (دونوں MSCI ایمر جنگ مارکیٹ اور فرنٹیئر مارکیٹس انڈیکس کے مقابلے میں KSE-100 انڈیکس نے 31% اضافی منافع دیا)

مزید برآں، ستمبر میں پاکستان ٹیکس کے معاملات میں میوچل ایڈمنسٹریٹو اسسٹنس کے ملٹی لیٹرل کنونشن کا دستخط کنندہ ہو گیا، اس فریم ورک کو OECD نے تخلیق کیا ہے۔ یہ کنونشن بین الاقوامی سطح پر ٹیکس کے معاملات پر تعاون کا طاقتور ترین نظام ہے۔ یہ ٹیکس کے معاملات میں تمام اشکال کی انتظامی مدد کی درخواست پر معلومات کا تبادلہ، موقع پر تبادلہ، خود کار تبادلہ، بیرون ملک ٹیکس کی ایگزامینیشن، بیک وقت ٹیکس ایگزامینیشن اور ٹیکس کے حصول میں مدد شامل ہیں۔ یہ ٹیکس دہندہ کے حقوق کی مکمل تحفظ کی ضمانت دیتا ہے۔

دستخط کنندہ ہونے کے باعث پاکستان نے آف شور ٹیکس کی چوری اور پہلو تہی کو روکنے کے حوالے سے اپنی نیت کے بارے میں کافی مظبوط ارادوں کا اظہار کیا ہے۔ اس قدم کے دو پہلو فوائد ہونگے، اول یہ کہ ٹیکس نیٹ میں اضافہ اور دوسرا یہ کہ اس سے مقامی ایکوٹی مارکیٹ میں لیکوڈیٹی کی دوسری لہر آسکتی ہے۔

پورٹ فولیو انوسٹمنٹ کے ساتھ ساتھ ہمیں یقین ہے کہ کئی اسٹریٹیجک انوسٹمنٹ (CPEC) سے متعلق سرمایہ کاری کے علاوہ، جیسا کہ اینگرو فوڈ کو ہالینڈ کی آر ایف سی (RFC) کا حاصل کر لینا، شنگھائی الیکٹرک کا کے الیکٹرک (K-Electric) کو لے لینا شامل ہیں، آنے والے سالوں میں ترقی کیلئے اہم وجہ ہوگی۔

برائے ومنجانب بورڈ

عمران موتی والا
چیف ایگزیکیٹو آفیسر

کراچی 27 اپریل 2017

AKD Aggressive Income Fund
Financial Information - Third Quarter FY17

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AKD Aggressive Income Fund

MANAGEMENT COMPANY
AKD Investment Management Limited
216-217, Continental Trade Centre, Block-8,
Clifton, Karachi-74000

TRUSTEE
Central Depository Company
of Pakistan Limited
CDC House 99-B, Block-B
S.M.C.H.S.,
Main Shahra-e-Faisal,
Karachi.

BANKERS
Apna Microfinance Bank Limited
Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Moblink Microfinance Bank Limited
NRSP Microfinance Bank Limited
Summit Bank Limited
Tameer Microfinance Bank Limited
U Microfinance Bank Limited

AUDITORS
A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road, P.O. Box 4716
Karachi-74000

LEGAL ADVISER
Sattar & Sattar Attorneys -at -law
3rd Floor, UBL Building,
I.I. Chundrigar Road, Karachi

REGISTRAR
AKD Investment Management Limited.
216 - 217, Continental Trade Centre,
Block-8, Clifton Karachi-74000
UAN: 111-253-465 (111-AKDIML)

DISTRIBUTORS
AKD Investment Management Limited
AKD Securities Limited
BIPL Securities Limited
BMA Capital Management Limited
Finox (Pvt.) Limited
First Street Capital (Pvt.) Limited
IGI Investment Bank Limited
Savings Lounge (Pvt.) Limited
4 Sight Investments

RATING
AKD Aggressive Income Fund
PACRA: BBB+(f) [Triple B Plus (f)]

FUND MANAGER'S REPORT

i) Description of the Collective Investment Scheme Category and type:

Open - end Aggressive Fixed Income Scheme

ii) Statement of Collective Investment Scheme's investment objective:

AKDAIF is a dedicated fund that focuses primarily on fixed income securities and instruments. The objective of AKDAIF is to offer investors a convenient vehicle to invest in a diversified portfolio of fixed income securities / instruments that provide consistent returns with concern for preservation of capital over the longer term.

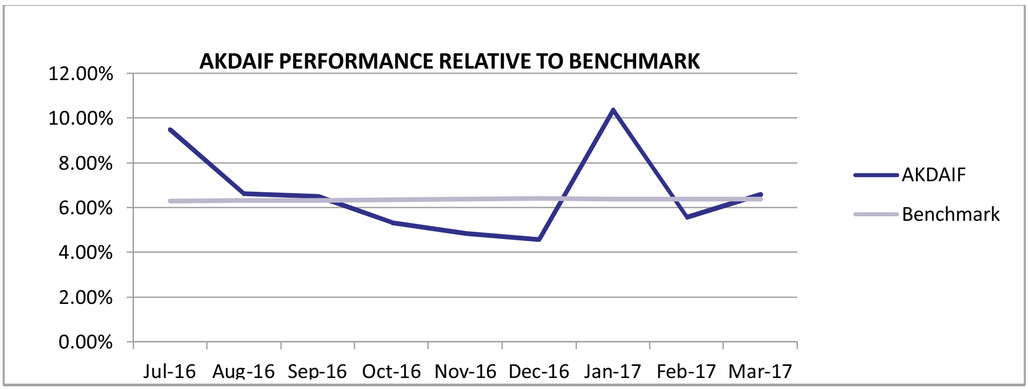
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 9MFY17, the annualized return of AKD Aggressive Income Fund stood at 6.83% compared to the benchmark return of 6.38%.

iv) Statement of benchmark (s) relevant to the Collective Investment Scheme:

1 Year KIBOR

v) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmark:



Monthly yield (annualized)	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
AKDAIF	9.49%	6.62%	6.52%	5.34%	4.84%	4.58%	10.37%	5.58%	6.59%
Benchmark	6.31%	6.33%	6.35%	6.37%	6.40%	6.43%	6.41%	6.41%	6.41%

vi) Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance:

AKD Aggressive Income Fund is an open-end aggressive fixed income schemes, the return of the funds are generated through investment in T-bills, Margin Trading System, Spread transaction and corporatedebt instruments. AKDAIF is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

vii) Disclosure of Collective Investment Scheme's asset allocation as the date of the report and particulars of significant changes in asset allocation since the last report (if applicable):

Asset Allocation (% of Total Asset)	31-March-2017	31-December-2016
Cash and Cash Equivalents	34.76%	3.43%
Placement with Banks	15.55%	32.24%
Preference Shares	0.40%	0.44%
TFCs / SUKUK	17.37%	21.40%
Spread Transaction (Cost)	8.17%	15.61%
Other assets including receivables	23.75%	26.88%

viii) Non-Compliant Investment

Name of Non Compliant Investment	Type of Investment	Value of Investment before Provision	Provision made during the period	Value of Investment after Provision	Percentage of Net Assets	Percentage of Gross Assets
		Rupees in 000				
Security Leasing Corporation Limited	Preference Shares	5,099	-	5,099	0.44%	0.40%

ix) Analysis of the Collective Investment Scheme's performance:

9MFY17Return (annualized)	6.83%
Benchmark (annualized)	6.38%

x) Changes in total NAV and NAV per unit since the last reviewed period:

Net Asset Value			NAV per Unit	
31-Mar-2017	31-Dec-2016	Change	31-Mar-2017	31-Dec-2016
(Rupees in '000)			(Rupees)	
1,149,730	941,239	22.15%	54.3004	53.3018

xi) Disclosure on the markets that the Collective Investment Scheme has invested in including- reviews of the market (s) invested in and return during the period:

Economy

The major macroeconomic indicators continued their positive trend in 9MFY17, on the back of strong growth led by China Pakistan Economic Corridor (CPEC), stable exchange rate and adequate foreign reserves. Moreover, foreign direct investment (FDI) from CPEC and up gradation of Pakistan's capital market from MSCI frontier Markets (FM) index to MSCI Emerging Market (EM) index is expected to further improve the stance of Pakistan stock market exchange in the global market.

CPI inflation during 9MFY17 clocked in 4.00%YoY as compared to 2.65%YoY during the corresponding period last year. Throughout 9MFY17, inflation remained within the SBP target range of 4.5%-5.5% and as a result the State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75 percent.

During the period under review, international oil prices recovered and traded in the range of USD 45-55 per barrel, positively impacted by OPEC's production cuts. The next OPEC meeting will take place in May 2017 where key decisions of supply cuts will have a significant impact on the oil prices going forward.

On the other hand, we believe that there will be an upward inflationary trend in 4Q FY17, driven by seasonal impact (Ramzan/EidUlfitr) and pass-through impact of oil prices. We believe the Consumer Price Index (CPI) will remain within the SBP's target range of 4.5-5.5% for FY17. A reversal in the monetary policy seems less probable in FY17 due to SBP focus on investment growth and improved private sector lending. (+13.6%YoY as of Feb'17)

According to SBP the current account deficit (CAD) clocked in at USD 6.13 billion (2.6% of GDP) in 9MFY17 against USD 2.35 billion (1.1% of GDP) in corresponding period last year. This is due to the tepid remittances in 9MFY17 (-2.3% YoY) and the trade balance deficit of USD 22.94 billion, up 26.8%.

Imports have increased by 12% YoY, on the back of rising machinery and equipment demand for CPEC related projects. While at the same time exports have suffered a decline of 2%, mainly owing to strong PKR relative to regional currencies, hurting the competitiveness of our export oriented industry. In this regard the Government has offered an incentive package for the Textile Industry to support its ailing exports. The Government has also imposed restriction to maintain 100% cash balance on the import of certain items to curb imports.

The total liquid foreign exchange reserves of Pakistan reached USD 21.55 billion (5-6 month import cover) by the end of 9MFY17, from its all-time high level of USD 24.02 billion in October 2016. Going forward, we expect some pressure on the reserves as external repayments (cumulative USD 1.5 bn- 1.75 bn) under Eurobond, Paris Club and China SAFE debt retirement to begin in June FY'17, while IMF re-payments will start in FY18. Despite these expected outflows we expect foreign inflows (Eurobond issue, multilateral and CPEC Loans) to compensate the same.

On the fiscal front, FBR has collected total tax revenue of PKR 2,258bn in 9MFY17, reflecting shortfall of 7% (PKR 168bn) against target PKR 2,426bn for the period. The Government has set the target of tax collection to PKR 3.62tn for FY17, which is ambitious in our view.

FDI has posted an increase of 12% YoY during the 9MFY17 as reported by SBP. Pakistan attracted FDI of USD 1.602 billion compared to USD 1.425 billion in the same period last year. Net foreign investment in Pakistan, comprising FDI, portfolio investment and foreign public investment increased by 116.4 percent to USD 2.232 billion in July-March of FY17 compared to USD 1.032 billion in the same period of last fiscal year. The increase is mainly due to foreign acquisitions of local companies as well as other funds from bilateral and multilateral sources. This is going to be a positive sign in future as China and other countries are expressing interest in investing in Pakistan to provide support to the external account.

In this regard The National Assembly in December, approved a mega tax amnesty scheme for real estate sector that would approve whitening of black money invested in the sector by paying only three per cent tax on the difference between the property prices notified in FBR valuation tables and the rates recorded by the property registration authority in transfer documents. As per the news flows, an amount of PKR 1.1 billion tax revenue has so far been collected by FBR under the amnesty scheme, implying total asset declaration of PKR 37 billion. The government is also considering introducing another amnesty scheme to bring back assets of Pakistan in overseas accounts.

Money Market

During 9MFY17, The State Bank of Pakistan (SBP) carried out 20 T-bills auctions where the government managed to raise PKR 5.674 trillion. During this period, weighted average yield on 3, 6, and 12 months T-bills were at 5.90%, 5.93% and 5.93% respectively down from 6.45%, 6.47% and 6.48% during the corresponding period last year.SBP also conducted 6 auctions of PIB's and managed to raise PKR 646 billion during HYFY17. The PIB auctions followed suit where weighted average maturities yield on 3, 5 and 10 years PIB declined to 6.17%, 6.67% and 7.76% respectively from 7.34%, 8.29% and 9.24% in the corresponding period last year. The Government announced Monetary Policy Statement on March 25,2017 ,where the committee decided to keep the policy rate unchanged at 5.75%. State Bank of Pakistan conducted 62 open market operations (OMOs) of different maturities and injected average amount of PKR 662 billion per OMOs at an average cut off yield of 5.81%.

Future Outlook

Pakistani equity market offer great opportunities for long term fundamental investors, after a long period of under-performance of the economy due to supply side bottlenecks, the economy is finally taking-off, spurred by capital investments under CPEC, low oil prices, export incentivization, increasing business confidence and democratic stability.

Annual GDP growth averaged at 3% under the previous political regime, the current government has delivered average growth of 4.3% in the last three years; while Fiscal year 2016's GDP growth of 4.7% is the highest since FY07. We foresee that the government's target GDP growth rate of 7% by FY'19 is well within the reach mainly owing to resolution of supply side bottlenecks and materialization of CPEC.

The KSE100 index has out-performed both MSCI Emerging and Frontier Markets, consistently in the past 5 years (posting an average annual surplus return of 31% above the MSCI EM&FM index).

Furthermore, in September Pakistan became signatory of "Multilateral Convention on Mutual Administrative Assistance in Tax Matters", a framework created by OECD. The Convention is the most powerful instrument for international tax cooperation. It provides for all forms of administrative assistance in tax matters: exchange of information on request, spontaneous exchange, automatic exchange, tax examinations abroad, simultaneous tax examinations and assistance in tax collection. It guarantees extensive safeguards for the protection of taxpayers' rights.

By becoming a signatory of the convention, Pakistan has sent a strong signal of its intention to curb offshore tax evasion and avoidance. The benefit of such a step will be two folds, first it will help increase the tax net and secondly, it might trigger another wave of liquidity in local equity markets.

In addition to foreign portfolio investments we believe many strategic investments (apart from CPEC related investments), similar to RFC of Netherlands acquiring Engro Foods and Shanghai Electric's management takeover of K-Electric, are going to be the prime drivers of growth in the coming years.

xii) Description and explanation of any significant changes in the state of the affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements:

There were no significant changes in the state of affairs during the period under review.

xiii) Disclosure on unit split (if any), comprising:

There were no unit splits during the period.

xiv) Breakup of unit holding by size:

Range (Units)	No. of Investors
0.1 - 9,999	51
10,000 - 49,999	22
50,000 - 99,999	6
100,000 - 499,999	12
500,000 and above	6
	97

xv) Disclosure of circumstances that materially affect any interest of unit holders:

Investments are subject to credit and market risk.

xvi) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker (s) or dealers by virtue of transaction conducted by the Collective Investment Scheme:

No soft commissions have been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT MARCH 31, 2017

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
ASSETS		----- (Rupees in '000) -----	
Bank balances	4	**382,869**	277,235
Investments	5	**582,433**	474,931
Receivable against Margin Trading System		**-**	64,602
Loans and receivables	6	**5,099**	5,099
Receivable on conversion of units		**10,214**	28,405
Profit and other receivables	7	**255,054**	6,197
Future contract receivable		**483**	1,841
Deposits and prepayments	8	**37,034**	9,528
Total assets		**1,273,186**	867,838
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	**6,584**	5,518
Payable to Central Depository Company of Pakistan Limited - Trustee	10	**182**	204
Payable to Securities and Exchange Commission of Pakistan	11	**573**	542
Accrued and other liabilities	12	**113,729**	20,254
Payable on redemption of units		**2,388**	
Total liabilities		**123,456**	26,518
NET ASSETS		**1,149,730**	841,320
UNIT HOLDERS' FUND (as per statement attached)		**1,149,730**	841,320
Contingencies and commitments	13		
		------ (Number of units) ------	
Number of units in issue		**21,173,515**	16,288,015
		----------- (Rupees)-----------	
Net asset value per unit		**54.3004**	51.6527
Face value per unit		**50**	50

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Note	Nine Months Period Ended March 31		Quarter Ended March 31,	
INCOME		2017	2016	2017	2016
		---------- (Rupees	in '000) ----------		
Capital gain on sale of investments - net		**144**	12,594	**182**	12,493
Profit on Bank Deposits		**6,453**	1,785	**1,317**	407
Income from spread transactions		**10,619**	-	**7,135**	-
Income from Government Securities		**7,675**	31,995	**2,668**	7,771
Income from Term Finance and Sukuk Certificates		**11,315**	3,185	**4,928**	1,684
Income from Term Deposit Receipts		**18,353**	1,207	**4,766**	1,154
Income from Margin Trading System		**1,504**	3,288	**-**	1,343
		56,063	54,054	**20,996**	24,852
Dividend income		**5,702**	600	**-**	600
Unrealised appreciation on re-measurement of invesment classified as 'financial assets at fair value through profit or loss' - net	5.6	**3,787**	14,663	**2,819**	7,099
Unrealised diminution in the fair value of future contracts		**483**	(1,854)	**(1,744)**	(1,035)
Total Income		**66,035**	67,463	**22,071**	31,516
EXPENSES					
Remuneration of AKDIML- Management Company		**11,456**	7,873	**3,731**	2,512
Sales tax on management fee		**1,489**	1,279	**485**	408
Federal excise duty on management fee		**-**	1,259	**-**	402
Expense ratio capping @ 2%		**(1,388)**	-	**(527)**	-
Remuneration of CDC - Trustee		**1,268**	893	**420**	285
Sales tax on Trustee and Transaction fee		**193**	125	**83**	40
Annual fee of Securities and Exchange Commission of Pakistan		**573**	394	**187**	126
Securities transaction cost		**1,910**	438	**751**	346
Reversal of impairment loss on investments	5.5	**-**	(686)	**-**	(16)
Auditors' remuneration		**274**	260	**94**	85
Settlement and bank charges		**266**	156	**63**	96
Fees and subscription		**729**	815	**178**	333
Legal and professional		**279**	230	**101**	52
Printing and related cost		**130**	132	**43**	44
Provision for Sindh' welfare fund		**2,390**	-	**2,390**	-
Reversal of provision of workers welfare fund		**(4,847)**	-	**(4,847)**	-
Allocated expenses from Management Company		**764**	131	**249**	131
Total Expenses		**15,486**	13,299	**3,401**	4,844
Net income from operating activities		**50,549**	54,164	**18,670**	26,672
Element of income/(loss) and capital gain/(losses) included in prices of units issued less those in units redeemed		**5,511**	(958)	**8,268**	1,303
Net income for the period before taxation		**56,060**	53,206	**26,938**	27,975
Taxation	14	**-**	-	**-**	-
Net income for the period after taxation		**56,060**	53,206	**26,938**	27,975
Other comprehensive income / (loss) for the period					
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale' - net		**-**	8	**-**	8
Total comprehensive income for the period		**56,060**	**53,214**	**26,938**	**27,983**
Earnings per unit - basic and diluted	15				

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine Months Period ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
	------------------ (Rupees in '000) ------------------			
Undistributed income / (accumulated losses) brought forward				
Realised income	**68,356**	15,022	**95,152**	32,601
Unrealised (loss) / income	**(36,325)**	(5,284)	**(33,999)**	2,368
	32,031	9,738	**61,153**	34,969
Net income for the period after taxation	**56,060**	53,206	**26,938**	27,975
Undistributed income carried forward	**88,091**	62,944	**88,091**	62,944
Undistributed income comprising of				
Realised income	**119,270**	69,329	**119,270**	69,329
Unrealised income / (loss)	**(31,179)**	(6,385)	**(31,179)**	(6,385)
	88,091	62,944	**88,091**	62,944

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine Months Period March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
Net assets at beginning of the period	**841,320**	536,274	**941,239**	650,883
Issue of 28,498,386 units (2016: 12,534,960 units for the nine months period ended March 31, 2016)	**1,510,697**	646,468	**580,213**	164,735
Redemption of 23,612,886 units (2016: 1,426,089units for the nine months period ended March 31, 2016)	**(1,252,836)**	(542,041)	**(390,392)**	(147,425)
	257,861	104,427	**189,821**	17,310
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing losses / (income) and capital losses (gains) - transferred to Income Statement	**(5,511)**	958	**(8,268)**	(1,303)
	(5,511)	958	**(8,268)**	(1,303)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as ' available for sale'	**-**	8	**-**	8
Capital gain on sale of investments	**144**	12,594	**182**	12,493
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	**3,787**	12,809	**2,819**	6,064
Unrealised diminution in the fair value of future contracts	**483**	-	**(1,744)**	-
Other net income for the period	**51,646**	27,803	**25,681**	9,418
	56,060	53,206	**26,938**	27,975
Net assets at end of the period	**1,149,730**	694,873	**1,149,730**	694,873

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Note	Nine Months Period March 31, 2017	Nine Months Period March 31, 2016	Quarter ended March 31, 2017	Quarter ended March 31, 2016
		(Rupees in '000)			
CASH FLOW FROM OPERATING ACTIVITIES					
Net income for the period before taxation		**56,060**	53,206	**26,938**	27,975
Adjustments for non-cash and other items					
Unrealised appreciation in fair value of investments classified as 'financial assets at fair value through profit or loss' - net		**(3,787)**	(14,663)	**(2,819)**	(7,099)
Unrealised diminution on re-measurement of future contracts		**(483)**	1,854	**1,744**	1,035
Capital gain on sale of investments		**(144)**	(12,594)	**(182)**	(12,493)
Reversal of impairment loss		**-**	(686)	**-**	(16)
Element of loss / (income) and capital losses / (gains) included in process of units issued less those in units redeemed		**(5,511)**	958	**(8,268)**	(1,303)
		46,135	28,075	**17,413**	8,099
(Increase) / decrease in assets					
Investments		**114,333**	67,955	**107,886**	89,917
Receivable against Margin Trading System		**64,602**	(71,365)	**-**	9,637
Receivable on conversion of units		**18,191**	-	**(10,214)**	-
Profit and other receivables		**(248,857)**	(117,140)	**(277)**	(118,878)
Future contract receivable		**1,358**	-	**1,744**	-
Deposits and prepayments		**(27,506)**	-	**17,000**	-
		(77,879)	(120,550)	**116,139**	(19,324)
Increase / (decrease) in liabilities					
Payable to Management Company		**1,066**	1,438	**161**	573
Payable to Trustee		**(22)**	57	**(2)**	21
Payable to Securities and Exchange Commission of Pakistan		**31**	14	**187**	126
Payable on redemption of units		**2,388**	-	**1,338**	(1,502)
Accrued expenses and other liabilities		**93,475**	(38)	**(84,541)**	142
Fair value of derivative		**-**	1,854	**-**	1,035
		96,938	3,325	**(82,857)**	395
Net cash (used in)/generated from operating activities		**65,194**	(89,150)	**50,695**	(10,830)
CASH FLOW FROM FINANCING ACTIVITIES					
Receipts against issuance / redemptions of units - Net		**257,861**	104,427	**189,821**	17,310
Dividend paid		**-**	-	**-**	-
Net cash generated from financing activities		**257,861**	104,427	**189,821**	17,310
Net increase in cash and cash equivalents during the period		**323,055**	15,277	**240,516**	6,480
Cash and cash equivalents at beginning of the period		**302,099**	202,747	**384,638**	211,544
Cash and cash equivalents at end of the period	4.3	**625,154**	218,024	**625,154**	218,024

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Aggressive Income Fund (the Fund) was established under a Trust Deed executed between AKD Investment Management Limited (AKDIML - Management Company) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the trust deed on September 11, 2006 and it was executed on October 2, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced operations from March 23, 2007.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block 8, Clifton, Karachi, in the province of Sindh.

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

The Fund is classified as 'Aggressive Fixed Income Scheme'. The principal activity of the Fund is to make investments in government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of mushrakas (COM), TDRs, commercial paper, reverse repo, TFC/Sukuk, spread transactions and transactions under Margin Trading System. Title of the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager rating of "AM3+" to the Management Company dated June 8, 2016. PACRA has also assigned fund stability rating of "BBB+(f)" to the Fund dated December 9, 2016.

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

2. STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2016.

2.3 This condensed interim financial information is unaudited and these condensed interim financial information is being circulated to the unit holders as required under the NBFC Regulations.

2.4 The directors of the Asset Management Company declare that this condensed interim financial information give a true and fair view of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2016.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2016. The developement relating to estimation of provision in respect of Workers' Welfare Fund is given in note 12.1 to this condensed interim financial information.

3.3 There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after July 01, 2016 but are considered not to be relevant or do not have any significant effect on the Fund's financial statements and are, therefore, not disclosed in this condensed interim financial information.

3.4 The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Fund as at and for the year ended June 30, 2016.

4. BANK BALANCES

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
		-----(Rupees	in '000)-----
In savings accounts	4.1	**184,854**	72,219
In current accounts		**15**	16
		184,869	72,235
Term deposit receipts	4.2	**198,000**	205,000
		382,869	277,235

4.1 These accounts carry markup at rates ranging from 3.75% to 7.5% (June 30, 2016 : 3.75% to 5.5%) per annum.

4.2 These carry markup at rates ranging from 6% to 9.55% (June 30, 2016: 6.75% to 10%) per annum and maturities ranging from May 02, 2017 to March 20, 2018 (June 30, 2016: July 18, 2016 to August 18, 2016).

4.3 CASH AND CASH EQUIVALENTS

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
		-----(Rupees	in '000)-----
Bank Balances	4	**382,869**	277,235
Market Treasury Bills having original maturity of upto 3 months	5.1.2	**242,285**	24,864
		625,154	302,099

5. INVESTMENTS

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
Financial assets at fair value through profit or loss - held for trading			
- Debt securities	5.1	**478,860**	286,137
- Listed equity securities	5.2	**103,573**	188,794
		582,433	474,931
Available-for-sale			
- Debt securities	5.3	**-**	-
		582,433	474,931

5.1 Financial assets at fair value through profit or loss - held for trading

- Debt Securities

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
Term finance certificates	5.1.1	**221,141**	141,927
Government securities	5.1.2	**257,719**	144,210
		478,860	286,137

5.1.1 Term finance certificates - Financial assets at fair value through profit or loss - held for trading

Name of the Investee Company	Number of certificates				Profit / markup rate	Carrying value	Market value	Appreciation / (diminution)	Market value as a percentage of Net Assets	Market value as a percentage of total investments
	As at July 1, 2016	Purchased during the period	Sold / fully redeemed during the period	As at March 31, 2017						
						------------Rupees in '000'-------------				
Certificates of Rs 5,000 each unless otherwise stated										
Term finance / sukuk certificates - listed										
Dewan Cement Limited - (note 5.1.1.1)	20,000	-	-	20,000	6 months KIBOR + 2.00%	-	-	-	-	-
Worldcall Telecom Limited (07-10-08)	20,000	-	-	20,000	6 months KIBOR + 1.60%	-	-	-	-	-
Pace Pakistan Limited (15.02.08)	115	-	-	115	6 months KIBOR + 2.00%	-	-	-	-	-
Summit Bank Limited (27.10.11)	5,000	-	-	5,000	6 months KIBOR + 3.25%	25,148	25,060	(87)	2.18	4.30
Term finance certificates - unlisted										
The Bank of Punjab (23.12.16) (Face value Rs.100,000 each)	-	1,000	250	750	6 months KIBOR + 1.00%	75,000	75,853	853	6.60	13.02
Sukuk certificates*										
* applied for listing in Pakistan Stock Exchange										
Hascol Petroleum Limited (07.01.16)	11,000	-	-	11,000	3 months KIBOR + 1.50%	56,774	57,124	350	4.97	9.81
Sukuk certificates - unlisted										
TPL Trakker Limited (13.04.16) (Face value Rs.1,000,000 each)	60	-	-	60	1 Year KIBOR + 3.00%	60,000	63,104	3,104	5.49	10.83
Total - March 31, 2017						**216,922**	**221,141**	**4,219**		
Total - June 30,2016						139,948	141,927	1,979		

5.1.1.1 The Fund had advanced an amount of Rs 100 million in respect of Pre-IPO placement of Dewan Cement Limited (DCL) under an agreement, which required public offering to be completed within 270 days of the date of agreement (which was January 9, 2008). Dewan Cement Limited (DCL) failed to complete the public offering within the said time period and has also defaulted in payment of principal and profit for the said period. As a matter of prudence, the Fund has made provision for the amount of the investment in accordance with the provisioning policy approved by the Board of Directors of the Management Company.

5.1.2 Government Securities - Financial assets at fair value through profit or loss - held for trading

Issue date	Tenor	Face value				Balance at March 31, 2017			Market value as a percentage of net assets	Market value as a percentage of investments
		As at July 1, 2016	Purchased during the period	Sold / matured during the period	As at March 31, 2017	Carrying value	Market value	Appreciation / (diminution)		
		---------------- Rupees in '000 ----------------								
Market Treasury Bills										
August 6, 2015	12 months	120,000	-	120,000	-	-	-	-	-	-
May 12, 2016	3 months	25,000	-	25,000	-	-	-	-	-	-
August 18, 2016	3 months	-	50,000	50,000	-	-	-	-	-	-
July 11, 2016	6 months	-	50,000	50,000	-	-	-	-	-	-
July 11, 2016	6 months	-	25,000	25,000	-	-	-	-	-	-
July 11, 2016	6 months	-	25,000	25,000	-	-	-	-	-	-
November 10, 2016	3 months	-	100,000	100,000	-	-	-	-	-	-
November 10, 2016	3 months	-	70,000	70,000	-	-	-	-	-	-
November 10, 2016	3 months	-	30,000	30,000	-	-	-	-	-	-
July 11, 2016	6 months	-	100,000	100,000	-	-	-	-	-	-
July 11, 2016	6 months	-	50,000	50,000	-	-	-	-	-	-
December 8, 2016	3 months	-	100,000	100,000	-	-	-	-	-	-
May 12, 2016	6 months	-	25,000	25,000	-	-	-	-	-	-
August 4, 2016	3 months	-	25,000	25,000	-	-	-	-	-	-
August 18, 2016	3 months	-	50,000	50,000	-	-	-	-	-	-
March 17, 2016	12 months	-	25,000	25,000	-	-	-	-	-	-
February 2, 2017	3 months	-	60,000	-	60,000	59,479	59,476	(3.00)	-	-
September 1, 2016	6 months	-	20,000	20,000	-	-	-	-	-	-
October 27, 2016	6 months	-	13,000	-	13,000	12,946	12,945	(1.00)	1.13	2.22
October 27, 2016	6 months	-	2,500	-	2,500	2,490	2,489	(1.00)	0.22	0.43
February 2, 2017	3 months	-	100,000	-	100,000	99,583	99,580	(3.00)	8.66	17.10
March 2, 2017 (5.1.2.1)	3 months	-	60,000	-	60,000	59,751	59,748	(3.00)	5.20	10.26
February 2, 2017	3 months	-	23,580	-	23,580	23,482	23,481	(1.00)	2.04	-
December 22, 2016	3 months	-	100,000	100,000	-	-	-	-	-	-
						257,731	257,719	(12)		
Total -March 31, 2017						**257,731**	**257,719**	**(12)**		
Total - June 30, 2016						144,205	144,210	5		

5.1.2.1 On March 09, 2017, the Fund transferred Rs. 25 million (face value) into National Clearing Company Limited (NCCPL) Exposure margin account maintained with Bank Alfalah Limited in respect of Exposure Margin and Mark-to-Market losses in ready market.

5.2 Listed Equity Securities - Financial Assets at fair value through profit or loss - Held for trading

Name of the Investee Company	Number of Shares					Cost	Market value	Appreciation / (diminution)	Market value as a percentage of Net Assets	Market value as a percentage of total investments
	As at July 1, 2016	Purchased during the period	Bonus/ Right Issue	Sold during the period	As at March 31, 2017					
						-------------Rupees in '000'-------------				
Adamjee Insurance Company Limited	-	20,000	-	20,000	-	-	-	-	-	-
Amreli Steels Limited	-	447,500	-	447,500	-	-	-	-	-	-
Askari Bank Limited	-	1,340,000	-	1,340,000	-	-	-	-	-	-
Attock Refinery Limited	-	234,500	-	234,500	-	-	-	-	-	-
Bank Alfalah Limited	-	54,000	-	54,000	-	-	-	-	-	-
Cherat Cement Company Limited	-	5,000	-	5,000	-	-	-	-	-	-
Dewan Cement Limited	-	2,461,500	-	2,461,500	-	-	-	-	-	-
Engro Corporation Limited	251,500	518,000	-	769,500	-	-	-	-	-	-
Engro Fertilizers Limited	50,000	2,087,500	-	2,137,500	-	-	-	-	-	-
Engro Foods Limited	-	133,000	-	133,000	-	-	-	-	-	-
Fauji Cement Company Limited	10,000	-	-	10,000	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	375,500	-	375,500	-	-	-	-	-	-
International Steels Limited	-	350,500	-	350,500	-	-	-	-	-	-
K-Electric Limited	1,858,500	3,459,500	-	5,318,000	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	20,000	-	20,000	-	-	-	-	-	-
National Bank of Pakistan	-	50,000	-	50,000	-	-	-	-	-	-
Nishat Chunian Limited	-	782,500	-	782,500	-	-	-	-	-	-
Nishat Mills Limited	200,000	333,500	-	502,000	31,500	5,346	5,204	(142)	0.45	0.89
Oil & Gas Development Company Limited	-	42,000	-	37,000	5,000	732	742	10	0.06	0.13
Pak Elektron Limited	-	2,435,000	-	2,327,000	108,000	9,884	9,947	63	0.87	1.71
Pakcem Limited	-	22,000	-	22,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	50,000	155,000	-	205,000	-	-	-	-	-	-
Power Cement Limited		588,500	-	209,000	379,500	7,731	7,560	(171)	0.66	1.30
Quice Food Industries Limited	-	1,323,500	-	1,288,500	35,000	327	311	(16)	0.03	0.05
Sui Northern Gas Pipelines Limited	300,000	362,000	-	662,000	-	-	-	-	-	-
Sui Southern Gas Company Limited	151,500	39,500	-	191,000	-	-	-	-	-	-
The Bank of Punjab	-	9,558,000	-	8,838,000	720,000	10,705	10,395	(310)	0.90	1.78
TPL Trakker Limited	368,000	6,204,500	-	5,779,500	793,000	11,152	11,159	7	0.97	1.92
Treet Corporation Limited		401,000	-	39,000	362,000	26,100	26,332	232	2.29	4.52
TRG Pakistan Limited	788,500	14,877,000	-	15,052,500	613,000	32,016	31,923	(93)	2.78	5.48
United Bank Limited		5,500	-	5,500	-	-	-	-	-	-
Total - March 31, 2017						**103,993**	**103,573**	**(420)**		
Total - June 30, 2016						190,157	188,794	(1,363)		

The above equity securities were purchased in the ready market and simultaneously sold in the future market, resulting in spread income due to difference in ready and future stock prices.

5.3 Debt Securities - Available for sale

Name of the Investee Company	Number of certificates / bonds				Profit / markup rate	Cost	Market value as at March 31, 2017	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2016	Purchased during the period	Sold / fully redeemed during the period	As at March 31, 2017						
						-------------Rupees in '000'-------------				
Sukuk certificates - unlisted										
New Allied Electronics industries (Private) Limited face value Rs. 312.50 each (25-07-07)	96,000	-	-	96,000	3 months KIBOR + 2.60%	30,000	-	(30,000)	-	-
						30,000	-	(30,000)		
Less: Impairment recognised in the income statement in current and prior periods (note 5.5)						30,000	-	30,000		
Total - March 31, 2017						-	-	-		
Total - June 30, 2016						-	-	-		

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
		--------(Rupees in '000)--------	
5.4 Net unrealized appreciation / (diminution) on remeasurement of investments classified as 'available-for-sale' - net			
Market value of investments	5.3	**-**	-
Less:			
Cost of Investments	5.3	**30,000**	-
Impairment loss recognized	5.3	**(30,000)**	-
Cost of Investments-net		**-**	-
		-	-
Less: Net unrealized appreciation in fair value of investments classified as available-for-sale at beginning of the period		**-**	-
		-	-
5.5 Movement of impairment loss - Available for sale			
Opening		**130,000**	130,686
Less: reversal due to redemption of securities		**-**	(686)
Closing	5.3	**130,000**	130,000
5.6 Unrealized appreciation/ (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net			
Market value of securities	5.1.1, 5.1.2 & 5.2	**582,433**	474,931
Less: carrying value of securities	5.1.1, 5.1.2 & 5.2	**(578,646)**	(474,310)
		3,787	621
6. LOANS AND RECEIVABLES			
Preference shares			
Security Leasing Corporation Limited	6.1	**5,099**	5,099

6.1 In view of its adverse financial position, Security Leasing Corporation Limited had deferred the payment of 3rd redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2009 and 4th redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2010. Provision amounting to Rs. 6.25 million was made during 2015 on the basis of breakup value per share as per the financial statements of SLCL for the nine months ended March 31, 2015. The management believes that no further provision is required against this amount.

6.1.1 Non-compliance with the investment criteria as specified by the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. AKD Investment Management Limited (Management Company) classified AKD Aggressive Income Fund (the Fund) as 'Aggressive Fixed Income Scheme' in accordance with the said circular. As at March 31, 2017, the Fund is compliant with all the requirements of the said circular except for investment in preference shares of Security Leasing Corporation Limited.

		(Unaudited) March 31, 2017	(Audited) June 30, 2016
		--------(Rupees	in '000)--------
7. PROFIT AND OTHER RECEIVABLES			
Profit / income receivable on:			
- Term Finance and sukuk Certificates		**4,655**	2,715
- Margin Trading System		**-**	435
- Term Deposit Receipts		**1,805**	2,772
- Bank deposits		**799**	275
Receivable against sale of securities		**246,407**	-
Receivable from AKD Investment Management Limited expenses in excess of TER		**1,388**	-
		255,054	6,197
8. DEPOSITS AND PREPAYMENTS			
Advance Tax		**27**	-
Security deposits with			
- National Clearing Company of Pakistan Limited (NCCPL)		**36,858**	9,252
- Central Depository Company of Pakistan Limited		**100**	100
		36,958	9,352
Prepayment - NCCPL Annual fee (MTS)		**-**	176
Prepayment - KSE Annual fee		**14**	-
Prepayment - Credit Rating fee		**35**	-
		37,034	9,528
9. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Federal Excise Duty on Management Remuneration	9.1	**4,141**	4,141
Management fee	9.2	**1,302**	1,057
Sales tax payable	9.3	**169**	172
Sales load		**-**	7
Allocated expenses from the Management Company	9.4	**972**	141
		6,584	5,518

9.1 As per the requirement of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company had been applied effective June 13, 2013. The Management Company was of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law.

On September 4, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustee, challenging the levy of FED.

During the period the SHC has 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) have been set aside. The Deputy Commissioner Inland Revenue, Zone II has filed a petition for leave to appeal against the SHC order with the Supreme Court of Pakistan.

Further 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. In view of the above, the Fund has discontinued making further provision in respect of FED on management fee from July 01, 2016. However, the provision made till June 30, 2016, aggregating to Rs. 4.14 million has not been reversed as the management believes that the Federal Government retains the right to appeal against the said order in the Supreme Court. Had the provision not been made, the Net Asset Value per unit of the Fund as at March 31, 2017 would have been higher by Re 0.1955 (June 30, 2016: Re 0.2542) per unit.

9.2 The Management Company has charged remuneration at the rate of 1.5 % per annum based on the daily net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

9.3 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2016: 14%) on the fee of the Management Company through the Sindh Sales Tax on Services Act, 2011.

9.4 The SECP vide SRO No 1160 (1) / 2015 dated November 25, 2015 introduced amendments in the NBFC regulations. As a result of these amendments, the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to collective investment schemes upto a maximum of 0.1% of the average annual net assets of the scheme or actual whichever is less. Accordingly, the Management Company has charged operating expenses amounting to Rs 0.764 million to the Fund from July 01, 2016 to March 31, 2017.

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
		--------(Rupees in '000)--------	
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	10.1	**146**	120
CDS charges		**15**	59
Sales tax on trustee fee & CDS Charges	10.2	**21**	25
		182	204

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the average annual net assets of the Fund. In the current year the Management Company has charged trustee fee at the rate of 0.17 percent per annum, of the average annual net assets of the Fund.

10.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2016: 14%) on the trustee fee through the Sindh Sales Tax on Services Act, 2011.

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075 percent of the average annual net assets of the Fund.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
		--------(Rupees	in '000)--------
Auditors' remuneration		**196**	274
NCCPL clearing charges		**25**	91
Witholding tax payable		**58**	8,886
Others		**1,040**	6,156
Payable against purchase of securities		**110,022**	-
Provision for Sindh Workers' Welfare Fund	12.1	**2,390**	4,847
		113,731	20,254

12.1 REVERSAL OF WORKERS' WELFARE FUND AND PROVISION FOR SINDH WORKERS' WELFARE FUND

The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from July 1, 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their

CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (Sindh WWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay Sindh WWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from the applicability of Sindh WWF.

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP has recommended the following to all its members on January 12, 2017:

based on a legal opinion, the entire provision against the Federal WWF held by the CISs till June 30, 2015, should be reversed on January 12, 2017; and

as a matter of abundant caution the provision in respect of Sindh WWF should be made with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015) on January 12, 2017.

Accordingly, on January 12, 2017 the provision for Federal WWF was reversed and the provision for Sindh WWF was made for the period from May 21, 2015 to January 12, 2017. Thereafter, the provision for Sindh WWF is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 1, 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (Sindh WWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles

and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay Sindh WWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from the applicability of Sindh WWF.

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The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 1, 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds.

Had the SWWF provision not been made, the NAV of the Fund would have been higher by Re.0.13 per unit.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There were no contingencies as at March 31, 2017 and June 30, 2016.

13.2 Commitments

	(Unaudited) March 31, 2017	(Audited) June 30, 2016
	-----(Rupees in '000)------	
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the purchase transactions not settled as at period / year end	**-**	15,976
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the sale transactions not settled as at period / year end	**-**	8,854
Future contracts - sale	**104,605**	191,931

14. TAXATION

The Fund's income is exempt from Income Tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance) 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 in cash. 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 Ordinance. The management intends to distribute at least 90% of income earned during the current year to the unit holders, therefore no provision for taxation has been made in this condensed interim financial information.

15. EARNINGS PER UNIT - BASIC AND DILUTED

Earnings per unit (EPU) has not been disclosed, as in the opinion of the management, determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

16. TOTAL EXPENSE RATIO

In accordance with regulation 60 (5) of the amended NBFC regulations 2008 the Total Expense Ratio (excluding government levies) of an aggressive fixed income fund is to be capped at 2% of the daily average net assets of the fund during the period. The Total Expense Ratio (annualised) of the Fund for the nine months period ended March 31, 2017 was 2.50 % p.a. which includes 0.50 % p.a. representing government levy and SECP fee. This has been capped at 2.00%. The total expense ratio exceeds the 2% capping by Rs. 1.388 million which has been recorded as a receivable from the management company.

17. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include AKD Investment Management Limited, being the Management Company of the Fund, Central Depository Company of Pakistan Limited being the Trustee, Aqeel Karim Dhedhi Securities (Private) Limited, other collective schemes managed by the Management Company, AKD Investment Management Limited - Staff Provident Fund, directors and officers of the Management Company, unit holder's holding move them 10% of the units outstanding and entities having common directorship with the Management Company. All transactions with connected persons are in the normal course of business and are carried out on agreed terms.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of transactions and balances with connected persons are as follows:

17.1 Transactions during the period	------------(Unaudited)--------- Nine Months Period Ended March 31, 2017	March 31, 2016
	----------Rupees in '000--------	
AKD Investment Management Limited - Management Company		
Purchase of units (2017: 1,247,008 ; 2016: 200,180)	**66,683**	10,176
Redemption of units (2017: 855,114 ; 2016: 204,015)	**45,676**	10,474
Management fee	**11,456**	7,873
Allocated expenses by Management Company	**764**	131
Sales Tax on management fee	**1,489**	1,279
Federal Excise Duty on management fee	**-**	1,259
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Trustee	**1,268**	893
Sales Tax on Trustee fee	**165**	125
AKD Investment Management Limited - Staff Provident Fund		
Purchase of units (2017: 39,583 ; 2016: 251,733)	**2,100**	12,812
Redemption of units (2017: 95,142 ; 2016: 225,006)	**5,146**	11,500
AKD Securities Limited		
Brokerage on purchase of listed equity securities for spread transactions	**282**	-
AKD Cash Fund		
Sale of T-Bills (Face Value : 4M)	**-**	3,984
Director of the Management Company		
Hasan Ahmed		
Purchase of units (2017: 41,181 ; 2016: Nil)	**2,230**	-
Redemption of units (2017: 41,181 ; 2016: Nil)	**2,235**	-
Key Management Personnel and others		
Spouse- Chief Executive Officer		
Purchase of units (2017: 563,947 ; 2016: 633,295)	**29,890**	33,629
Redemption of units (2017: 563,947 ; 2016: 633,295)	**30,030**	33,069
Close Relative of the Sponsor of the Management Company		
Purchase of units (2017: Nil ; 2016: 28,719)	**-**	1,500
Redemption of units (2017: Nil ; 2016: 28,719)	**-**	1,502
Chief Financial Officer		
Purchase of units (2017: 6,953 ; 2016: Nil)	**370**	-
Head of Internal Audit		
Purchase of units (2017: 188 ; 2016: Nil)	**10**	-
Unit holder holding 10% or more of the units in issue		
Askari General Insurance Company Limited		
Purchase of units (2017: 3,834,422 ; 2016: 1,787,947)	**204,065**	90,035
Redemption of units (2017: 283,675 ; 2016: 1,787,947)	**15,000**	92,622

17.2 Amounts outstanding as at the period / year end	(Unaudited) March 31, 2017	(Audited) June 30, 2016
	------(Rupees	in '000)------
AKD Investment Management Limited - Management Company		
Management fee payable	**1,302**	1,057
Sales Load payable	**-**	7
Sales Tax on Management fee payable	**169**	172
Federal Excise Duty on Management fee payable	**4,141**	4,141
Reimbursable Expenses Payable	**972**	141
Units held (March 31, 2017: 405,294 units; June 30, 2016: 13,400 units)	**22,008**	692
AKD Investment Management Limited - Staff Provident Fund		
Units held (March 31, 2017: Nil units; June 30, 2016: 55,558 units)	**-**	2,870
Receivable from other Funds managed by the Management Company		
Receivable from AKDCF against conversion of units	**-**	26,379
Receivable from AKDOF against conversion of units	**10,214**	2,026
Payable to other Funds managed by the Management Company		
Payable to AKD Opportunity Fund	**2,234**	-
AKD Securities Limited		
Brokerage Payable on purchase of listed equity securities for spread transaction	**-**	90
Key Management Personnel and others		
Chief Financial Officer		
Units held 12,283 (June 30, 2016: 5,330)	**667**	275
Head of Internal Audit		
Units held 188 (June 30, 2016: Nil)	**10**	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**146**	120
CDS charges payable	**15**	59
Sales tax on Trustee fee & CDS charges payable	**21**	25
Security Deposit	**100**	100
Unit holder holding 10% or more of the units in issue		
National Bank of Pakistan Employees Pension Fund		
Units held (March 31, 2017: 7,428,558 units ; June 30, 2016: 7,428,558 units)	**403,374**	383,705
Askari General Insurane Company Limited		
Units held (March 31, 2017: 4,901,358 units : June 30, 2016: 1,350,611 units)	**266,146**	69,763

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund's accounting policy on fair value measurements of investments is discussed in note 3 to these financial statements.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded.

Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	March 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
	----------------------(Rupees in '000)------------------			
Investment in securities - at fair value through profit or loss	103,573	478,860		582,433
Available-for-sale investments	-	-		-
	103,573	**478,860**	**-**	**582,433**

	June 30, 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
	----------------------(Rupees in '000)------------------			
Investment in securities - at fair value through profit or loss	188,794	286,137	-	474,931
Available-for-sale investments	-	-	-	-
	188,794	286,137	-	474,931

19. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on 27 April 2017 by the Board of Directors of the Management Company.

20. GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

Printed by : Kodwavi 32214433

AKD Investment Management Ltd.

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