Funds Managed by:

AKD Investment Management Ltd.

2015



annual 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

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

Ali Wahab Siddiqui
Director

Hasan Ahmed
Director

Ahmed Abdul Sattar
Director

Saad Iqbal
Director

Nadeem Saulat Siddiqui
Director

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. Ahmed Abdul Sattar
Mr. Saad Iqbal*
Mr. Nadeem Saulat Siddiqui

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT 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. Ahmed Abdul Sattar (Member)
Mr. Hasan Ahmed (Member)
Ms. Noureen Nadir Ali (Secretary)

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR & R)

Mr. Abdul Karim Memon (Chairman)
Mr. Imran Motiwala (Member)
Mr. Ahmed Abdul Sattar (Member)

RATING

AKD Investment Management Ltd. (AMC)
AM3 (AM Three) issued by PACRA
AM3 (AM Three) issued by JCR-VIS

*Appointed in place of Mr. M. Ramzan Sheikh who resigned on August 11, 2015.

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 Funds 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*

Key Management Profile

Imran Motiwala- Chief Executive Officer

Mr. Motiwala became the CEO of AKD Investment Management Limited in April 26, 2011 and has also been serving as the CEO of Golden Arrow Selected Stocks Fund Limited since April 26, 2011. Mr. Motiwala had been designated as the Chief Operating Officer when he joined AKD Investment Management Limited in 2006 besides serving on the board of the Company from 2007. While at AKD Investment Management Limited he has undertaken several executive roles instrumental in building the Company's business besides serving as an Investment Committee Member for the funds under management of the Company. Mr. Motiwala has almost 21 years experience of the capital markets from securities broking to asset management. Mr. Motiwala has had the honor of working with several leading reputable companies from his career beginnings with Ali Hussain Rajabali to serving institutional clients at JPMorgan based in Karachi, Pakistan. Mr. Motiwala then moved over to the buy-side and joined ABAMCO Limited (JS Investments Limited) in 2002 as a fund manager and was assigned the launching and managing of a fixed income fund. He later then joined Crosby Asset Management (Pakistan) Limited in 2003 as Head of Fund Management undertaking the entire asset management business. Mr. Motiwala graduated with Marketing major from the Southeastern University (Karachi Campus) in 1994.

Nadeem Saulat Siddiqui - Executive Director

Mr. Nadeem Saulat Siddiqui is currently serving as an Executive Director on the board of AKD Investment Management Limited. He joined the company back in October 2009 as General Manager Marketing and Sales, a position that required him to be actively involved in the boosting up the company's sales along with focusing on its marketing strategies. Prior to joining AKD Investment Management Limited, Mr. Siddiqui led Shaukat Khanum Memorial Cancer Hospital & Research Centre's fund collection drive as he held the position of In charge South - Manager Marketing & Resource Development there. Mr. Siddiqui holds an MBA in Marketing from College of Business Administration Lahore.

Anum Dhedhi - Chief Investment Officer

Ms. Anum Dhedhi is currently working as a Chief Investment Officer at AKD Investment Limited. She has previously worked as an Economist at AKD Securities and worked under various capacities of research. At a very young age she has attained significant accomplishments in her career. She is also serving as a Director on the Board of Golden Arrow Selected Stocks Fund. She holds a BSc in Financial Economics Degree from the City University Of London, United Kingdom.

Muhammad Yaqoob - Chief Operating Officer & Company Secretary

Mr. Muhammad Yaqoob is currently working as the Chief Operating Officer and Company Secretary at AKD Investment Management Limited. He joined AKD Investment in the year 2005 and has worked in various capacities including Research, Product Development, Business Development and Fund Management. He participated in the launch of AKD Index Tracker Fund, AKD Opportunity Fund and AKD Aggressive Income Fund (formerly AKD Income Fund). He also participated in the conversion of AKD Index Tracker Fund from a closed-end scheme to an open-end scheme. He holds a Masters in Business Administration majors in Finance and CFA Level II. He is also serving as a Director on the Board of BIAFO Industries Limited. He is also serving as Chairman Audit Committee at BIAFO Industries Limited.

Muhammad Munir Abdullah - Chief Financial Officer

Mr. Muhammad Munir Abdullah joined AKD Investment Management Limited in 2005 as Manager Accounts. He has vast experience of over Sixteen years of working with reputable organizations in the area of accounting & finance. Currently he is working under capacity of Chief Financial Officer at AKD Investment Management Limited.

Noureen Nadir Ali - Head of Internal Audit

Ms. Noureen Nadir Ali has more than six years work experience in the auditing services. She is a Chartered Accountant (ACA) from ICAP, and holds Master's degree in Economics from the University of Karachi. Prior to joining AKDIML, she has served in USAID as Compliance and Finance Manager, Deloitte Pakistan and Deloitte Middle East. Currently she is reporting to Audit Committee and Chief Executive Officer for developing a flexible risk based annual internal audit plan using risk based models & methodologies to ensure its full implementation and carry out independent evaluations and appraisals of the effectiveness of the internal controls, policies, rules and procedures. She has strong analytical and evaluation skills and in-depth knowledge of International Financial Reporting Standards, International Standards on Auditing and other regulations.

Rashid Ahmed - Head of Compliance

Mr. Rashid Ahmed has more than 19 years of working experience in the financial sector. He has been associated with AKD Investment Management Limited since September 2004. Prior to taking over as the Head of Compliance, Mr. Ahmed was working in the Finance Department in the capacity of Senior Manager Accounts. His current duties include looking after pre and post compliance of all applicable rules and regulations, dealing with matters regarding taxation and application of new and existing laws to the Company. Mr. Rashid is a Commerce Graduate from the University of Karachi.

Carrow Michael - Head of Risk Management

Mr. Carrow Michael started his career with AKD Investment Management Limited in 2006 as an Operations Officer and since then he has served in different positions in Operations Department within the Company. He is currently serving as Head of Risk Management and is also a member of Investment Committee. Mr. Michael holds a Masters Degree in Business Administration in Finance from Khadim Ali Shah Bukhari Institute of Technology, Karachi. His areas of expertise include system development, customer support and information technology.

The Board of Directors of AKD Investment Management Limited, 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 the Annual Report along with the Funds' audited financial statements for the year ended June 30, 2015.

FUNDS' FINANCIAL PERFORMANCE AND ANNOUNCEMENTS

AKD OPPORTUNITY FUND (AKDOF)

For the FY15, the return of AKD Opportunity Fund stood at 33.36% compared to the benchmark KSE-100 Index's return of 16.01%, thus outperforming the benchmark by 17.35%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs 1.25 per unit to the Unit Holders during the year ended June 30, 2015.

AKD INDEX TRACKER FUND (AKDITF)

For the FY15, the return of AKD Index Tracker Fund stood at 13.20% compared to the benchmark KSE-100 Index's return of 16.01%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Re 0.75 per unit to the Unit Holders during the year ended June 30, 2015.

AKD CASH FUND (AKDCF)

For the FY15, the return of AKD Cash Fund stood at 8.59% compared to benchmark return of 7.86%, thus outperforming the benchmark by 0.73%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs 4.25 per unit to the Unit Holders during the year ended June 30, 2015.

AKD AGGRESSIVE INCOME FUND (AKDAIF)

For the FY15, the return of AKD Aggressive Income Fund stood at 15.51% compared to the benchmark return of 9.25%, thus outperforming the benchmark by 6.26%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs 4.50 per unit to the Unit Holders during the year ended June 30, 2015.

MACRO PERSPECTIVE

The economy of Pakistan entered into a transitional phase with the start of the fiscal year 2015. The CPI inflation declined throughout the fiscal year due to a sharp drop in international and domestic oil and commodity prices. The average CPI inflation for FY15 settled at 4.53%, significantly lower than average CPI of 8.62% during FY14. In addition to this, narrowing of the fiscal deficit, improvements in the external account and successful continuation of Extended Fund Facility (EFF) helped improve market sentiments. The stability in macroeconomic indicators led the State Bank of Pakistan (SBP) to continue with its accommodative monetary policy stance and resultantly slashed the policy rate by a cumulative 300 bps in FY15. These developments also led to an upgrade of Pakistan's sovereign ratings by two international rating agencies in the preceding period. Thus, this solidity of macroeconomic indicators should reflect a positive impact on the real economic activity.

While GDP growth rate of 4.2% in FY15 was slightly higher than that of 4.14% in FY14, it remained lower than the target set by the Government of Pakistan. In particular, industrial sector missed the target due to lower growth in Large-Scale Manufacturing (LSM) and electricity generation; however, the activities in construction and mining and quarrying remained buoyant. Noticeable increase in growth, as in the previous few years, came in the services sector. Despite sound improvements in the overall economy, Net Foreign Direct Investment (FDI) declined to 0.3% of GDP in FY15, which suggest that more work needs to be done in the coming years to attract investments, while particularly addressing law & order situation. In FY15, the construction and real estate sectors showed promising prospects as indicated by their continued credit uptake and number of development projects. Despite that, the overall private sector credit off-take remained lackluster as it increased by Rs. 208.7 billion during FY15 as compared to Rs. 371.4 billion. On the other hand, exports also contracted by 3.7% in FY15 due to structural bottlenecks, sluggish global demand, and lower commodity prices. However, the impact of monetary easing is likely to positively affect the credit growth in the upcoming credit cycle in the first half of FY16 and beyond.

The balance of payments position continued to improve in the second half of FY15. Reduction in external current account deficit due to decline in import bill and steady growth in workers' remittances were the key factors behind the improved external position. Successful completion of reviews under EFF program, issuance of international Sukuk and disbursement of program related funding continue to support reserves building besides instilling stability in the foreign exchange market. That being said, the liquid foreign exchange reserves rose from $14.414 billion to $18.706 billion during FY15. Going forward, the foreign exchange reserves would further strengthen due to the issuance of Eurobond, inflows from international financial institutions and privatization program. Therefore, net SBP reserves are projected to increase slightly above 4 months of imports by end-June 2016.

Going forward, the expected higher consumption in low interest-rate environment, planned increase in development spending, and budgetary incentives for construction sector could provide some thrust to growth. Moreover, implementation of infrastructure projects planned under the China-Pakistan Economic Corridor (CPEC) and addressing structural issues especially related to energy and security would create favorable investment environment which is necessary to sustain economic growth over the medium to long term.

EQUITY MARKET

After posting a hefty average return of 46.5% during the previous two fiscal years, the bullish momentum of Karachi stock market slowed down during FY 15 with KSE-100 Index posting a return of 16.01% and USD adjusted return of 14.98%, Index finally closing at 34,398.9 points level. During the FY15, market touched a peak of 35,055.94 points in February 2015 led by a surprise 100 basis points cut in the discount rate in January 2015. On the contrary, the KSE-100 Index touched a low of 27,774.4 points in August 2014 as political turmoil hammered the investors' confidence. Average trading volume and value stood at 215.9 million shares and US$107.6 million, respectively, highest over the past six years.

The slowdown of KSE-100 Index can be attributed to 44% decline in the international oil prices which consequently hampered the return of heavy weights oil and gas sector which is down by 8.4%. Likewise, the regulatory overhand and one-time super tax were negative factors for the banking sector. Some sectors with impressive returns include software and computer services with 38% return, support services sector gaining 30.8%, Multi-utilities sector moved up 26% and electronics and electrical goods showing an increase of 20.1% during FY15. While the bullish momentum prevailed, the government of Pakistan successfully offloaded its stake in Pakistan Petroleum Limited, Allied Bank Limited and Habib Bank Limited to generate massive cash. However, Government suspended the secondary offering of Oil & Gas Development Company Limited due to depressed international oil prices.

A total of six IPOs took place during FY15, all of which witnessed major general public participation and were significantly oversubscribed. Companies making a fortune as a result of the IPO fever included Engro Powergen Qadirpur Ltd., Saif Power Ltd., Systems Ltd., Synthetic Products Enterprises Ltd., Mughal Iron & Steel Industries Ltd. and Dolmen City REIT.

SECTORS

BANKS: During FY15, spreads averaged 5.81%, down 35bps compared to 6.16% in FY14; the squeeze is due to the monetary easing carried out by SBP. The spreads though did not suffer as much because of the decline in deposit rates by banks as well as the linking of MDR on saving accounts to interest rate corridor by SBP which immediately reduces rate offered on fixed accounts. The banks continued to have cleaner books with low infection ratio as they continued to rely on PIBs for lending mostly while slightly increasing consumer and commercial lending to earn better spreads.

OIL AND GAS: Although the sector had a forgettable year with WTI Crude price tumbling from a stable $106.6 per barrel to $59.48 per barrel a 44% decline with outlook being still very negative. The price decline is mainly associated with Saudi Arabia waging price war against Shale explorers to save its market share. The OPEC giant is continuously giving hints of a further decline in prices and stabilizing at a range of $25-$30 per barrel. However, this did not have as bad an impact on the earnings of Pakistani oil and gas companies as they are aggressively adding to their fields by exploration activities as well as majority of the revenues are hedged as a lot of gas wellhead prices are capped.

CEMENT: The cement industry in FY15 remained in the spotlight on the back of high PSDP allocation in the FY15 budget amidst moves towards expansions. Major positivity for the cement space in recent times included: 1) weakening coal prices on the back of bleak demand and alternative fuel getting cheaper, 2) robust local dispatches overshadowing the fall witnessed in exporting dispatches, 3) local and export cement prices remaining stable, and 4) continuous DR cuts that further skimmed the borrowing costs of the sector. In coming days, we believe the sector is expected to remain in limelight backed by the positive outlook. Capacity expansion announcement by Cherat Cement Company Limited, D.G. Khan Cement Company Limited and Attock Cement Pakistan Limited is not expected to initiate any price war because players are more interested in maintaining margins rather than undercutting each other.

TEXTILES: With the global yarn prices at record low levels after China continued it's dumping of stock in the market, the textile sector underperformed by dropping 6% during FY15. The textile manufacturers, relying mostly on foreign buyers for its product, faced reduced demand while the situation was exacerbated by the gas and electricity load shedding for the industry.

ELECTRICITY: The sector witnessed a change in fortune as the oil slide past all supports providing added benefit to the less efficient power producers. Moreover, the PKR to USD parity was also stable leading the power producers to end the year with an outstanding return of 63%. The healthy dividend yield also played a major role in making the sector more attractive to the investors who demanded defensive stocks in times of volatility and uncertainty.

FERTILIZER: The fertilizer sector also outperformed the market posting a tremendous return of 41%. This was based on Engro's gas allocation of $0.7/mmbtu to its new plant as well as better urea off-take figures for all the urea manufacturers. The overall profitability of the companies also jumped as the manufacturers enjoyed good margins and decreasing financial charges leading to magnified bottom-line.

MONEY MARKET

During FY15, the Government conducted 26 Market Treasury Bill (T-Bills) auctions. The government managed to realize a total amount of Rs. 3,537 billion with cut-off yields averaging to 8.82%, 8.76% and 8.63% for 3-month, 6-month and 12-month tenure, respectively. Furthermore, the government carried out a total of 13 Pakistan Investment Bonds (PIB) auctions during the year and managed to raise Rs. 1,006 billion. The 3-year, 5-year and 10-year cut-off yields averaged at 9.92%, 10.44% and 11.09%, respectively. On the policy front, the discount rate was reduced by 300 basis points during the fiscal year. Despite an environment of low yields in the money market along with low inflation, the market exhibited considerable interest in the auctions.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

(a) The financial statements, prepared by the Management Company of the Funds, present fairly the state of affairs of the Fund, the result of its operations, cash flows and movement in unit holders' funds.

(b) Proper books of account of the Funds have been maintained.

(c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments.

(d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;

(e) The system of internal control is sound in design and has effectively implemented and monitored.

(f) There are no significant doubts upon the Fund's ability to continue as a going concern.

(g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

(h) Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.

(i) The statement showing the attendance of Directors in BOD meetings and the Audit Committee meetings is as under:

Name of Directors	Meeting attended	27-Sep 2014	29-Oct 2014	23-Dec 2014	24-Feb 2015	29-April 2015
Mr. Abdul Karim Memon	4	x	✓	✓	✓	✓
Mr. Imran Motiwala	5	✓	✓	✓	✓	✓
Mr. Nadeem Saulat Siddiqui	3	x	✓	X	✓	✓
Mr. Ali Wahab Siddiqui	5	✓	✓	✓	✓	✓
Mr. M. Ramzan Sheikh	0	x	x	X	X	X
Mr. Ahmed Abdul Sattar	5	✓	✓	✓	✓	✓
Mr. Hasan Ahmed	4	✓	x	✓	✓	✓
		4	**5**	**5**	**6**	**6**

Name of Members	Meeting attended	27-Sep 2014	28-Oct 2014	23-Dec 2014	23-Feb 2015	29-April 2015
Mr. Ali Wahab Siddiqui	5	✓	✓	✓	✓	✓
Mr. Hasan Ahmed	5	✓	✓	✓	✓	✓
Mr. M. Ramzan Sheih	0	x	x	x	x	x
		2	**2**	**2**	**2**	**2**

(J) There have been no trades in the units of the Funds carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children of the Management Company other than as disclosed below and in the note to the financial statements:

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
AKD Opportunity Fund				
1.	Ms. Sehr Imran Motiwala	Spouse- CEO	146,896	-

RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Ltd. (PACRA) has assigned asset manager rating of 'AM3' (AM Three) to AKD Investment Management Limited (AKDIML) on June 16, 2015.

RATING OF THE FUNDS

AKD OPPORTUNITY FUND

The Pakistan Credit Rating Agency Ltd. (PACRA) has assigned 5-STAR ranking in long term and 4-STAR ranking in short term star ranking to AKD Opportunity Fund (AKDOF) based on performance review for the period ended June 30, 2015 (trailing 12 months for 1 Year ranking, trailing 36 month for 3 Years ranking and trailing 60 months for 5 Years ranking) on August 13, 2015.

AKD CASH FUND

JCR-VIS Credit Rating Company Limited has reaffirmed the Fund Stability Rating (FSR) of AKD Cash Fund (AKDCF) at 'AA+(f)' (Double A Plus(f)) on September 26, 2014.

AKD AGGRESSIVE INCOME FUND

JCR-VIS Credit Rating Company Limited has reaffirmed the Fund Stability Rating (FSR) of AKD Aggressive Income Fund (AKDAIF) at 'BBB (f)' (Triple B(f)) on September 26, 2014.

PATTERN OF UNIT HOLDING

The detailed pattern of unit holding as required by the Companies Ordinance, 1984 and the Code of Corporate Governance is enclosed.

APPOINTMENT OF AUDITORS

The present auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants are retiring and have completed their five years as auditor of AKD Index Tracker Fund and AKD Opportunity Fund. As per the requirements of the Code of Corporate Governance the auditors have to be changed this year. The Board has proposed the appointment of M/s Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants for the year 2015-2016 on the recommendation of audit committee.

The Board re-appointed M/s Deloitte Yousuf Adil , Chartered Accountants as the statutory auditor for AKD Aggressive Income Fund (AKDAIF) and AKD Cash Fund (AKDCF) for the year 2015-2016 as recommended by the audit committee.

The Board re-appointed M/s Grant Thornton Anjum Rahman, Chartered Accountants as statutory auditors of AKD Investment Management Limited for the year 2015-2016 as recommended by the audit committee.

FUTURE OUTLOOK

The economic outlook of Pakistan has improved significantly in the recent past. The CPI inflation has declined to a historical low of 4.5% and cumulative discount rate cut of 300bps has further enhanced the economic activity. The total liquid foreign exchange reserves now stand at USD 18,714.6 million as compared to USD 14,141.1 million for FY14. Resultantly, Moody's and Standard & Poor's, two formidable credit rating agencies, have upgraded the credit rating of Pakistan. Moreover, MSCI's decision to potentially review Pakistan for reclassification into Emerging Markets is another reflection of strengthening economic dynamics. Going forward, the availability of cheap credit coupled with low inflation would further boost economic activity. Being a net importer, the significantly low oil and commodity prices would help reduction in current account deficit, which will support GDP growth. The China-Pakistan Economic Corridor is also expected to accelerate significant growth by boosting investment in transportation, infrastructure and addressing the energy crisis.

The capital market of Pakistan is fueled for another stellar performance during FY16 where we expect KSE-100 Index to witness a strong positive return trajectory primarily due to further improvement in macroeconomic indicators, continued strengthening of external payments position, sustained progress in structural and energy reforms, low inflation, cheap credit and growing corporate profitability with attractive equity market valuations.

ACKNOWLEDGEMENTS

The Directors would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan, the Ministry of Finance, the State Bank of Pakistan and the Management of the Stock Exchange for their support to the Mutual Fund Industry as a whole and our Trustee Central Depository Company of Pakistan Limited for their cooperation. The Board also appreciates the devoted performance of the staff and officers of the AKD Investment Management Limited. The Board will also like to thank unit holders for their confidence in the Funds and their continued support and guidance.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: September 21, 2015

Contents

AKD Aggressive Income Fund

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
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
NIB Bank Limited
Soneri Bank Limited
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

AUDITORS
Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharhrah-e-Faisal,
Karachi-75350

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
BMA Capital Management Limited
First Street Capital (Pvt.) Limited
IGI Investment Bank Limited
KASB Securities Limited

RATING
AKD Aggressive Income Fund
JCR-VIS: BBB(f) [Triple B (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 FY15, the return of AKD Aggressive Income Fund stood at 15.51% compared to the benchmark return of 9.25%, thus significantly outperforming the benchmark by 6.26%.

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 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15
AKDAIF	3.11%	-2.37%	2.83%	56.70%	24.56%	28.65%	37.69%	11.08%	21.44%	16.66%	2.47%	-25.95%
Benchmark	10.45%	10.48%	10.50%	10.50%	10.14%	9.95%	9.38%	8.76%	8.39%	8.12%	7.29%	7.26%

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 and Corporate debt 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)	30-June-2015	31-Mar-2015
Cash and Cash Equivalents	37.10%	49.58%
T-bills exceeding 90 days maturity	8.92%	-
Placement with NBFCs	0.51%	0.48%
Preference Shares	0.93%	1.97%
MTS	2.84%	0.28%
Pakistan Investment Bonds	40.92%	39.92%
TFCs / SUKUK	5.23%	5.04%
Other assets including receivables	3.55%	2.73%

viii) Non-compliant Investment

Name of Non Compliant Investment	Type of Investment	Value of Investment before Provision	Provision made during the year	Value of Investment after Provision	Percentage of Net Assets	Percentage of Gross Assets
		Rupees in "000"				
Security Leasing Corporation Limited	Preference Shares	11,352	6,253	5,099	0.95%	0.93%

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

FY15 Return	15.51%
Benchmark	9.25%

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

Net Asset Value			NAV per Unit	
30-June-2015	31-Mar-2015	Change in Net Assets	30-June-2015	31-Mar-2015
(Rupees in '000)			(Rupees)	
536,274	565,753	-5.21%	50.2841	55.1921

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 outgoing fiscal year brought considerable improvements in several macroeconomic indicators of Pakistan. The average CPI inflation for FY15 clocked in 4.53% as compared to an average of 8.62% in FY14. With the start of FY15, the sharp decline in international and domestic oil prices triggered a steep fall in commodity prices, and inflation followed the trend throughout the year.

During FY15, the State Bank of Pakistan (SBP) triggered monetary easing by slashing the discount rate by a cumulative of 300 basis points. Despite low interest rate environment, the private sector credit off-take increased by just Rs. 208.7 billion during FY15 as compared to Rs. 371.4 billion in FY14. The major hurdles in the private sector credit off-take were the structural bottlenecks and low commodity prices. At the start of FY15, the political turmoil hammered the foreign investors' confidence. Resultantly, Net Foreign Direct Investment (FDI) declined to 0.3% of GDP in FY15 against 0.6% in FY14, alluding to the importance of initiatives to establish higher investor confidence. On the other hand, the exports contracted by 4.88% in FY15 due to intense competition in international markets, sluggish global demand, and low international commodity prices.

Despite missing the target, the improved tax revenue collection coupled with healthy foreign remittance helped narrow down the fiscal deficit. In addition to that, the privatization proceeds and multi-billion foreign inflows from international financial institutions pushed the foreign exchange reserves to USD 18.706 billion by FY15.

While incorporating several macroeconomic improvements including fiscal consolidation, historical low inflation level, significant monetary easing and healthy economic outlook, two international credit rating agencies upgraded the sovereign rating of Pakistan. Moody's International upgraded ratings from 'Caa1' to one notch higher 'B3' in May 2015. On the international front, the demand and supply correlation suggests that the weak outlook of oil and commodity prices is likely to prevail in the near to mid-term. Pakistan, being a net importer, will witness further economic improvements and fiscal consolidation during FY16 along with providing impetus to GDP growth.

Money Market

During FY15, the Government conducted 26 Market Treasury Bill (T-Bills) auctions. The government managed to realize a total amount of Rs. 3,537 billion with cut-off yields averaging to 8.82%, 8.76% and 8.63% for 3-month, 6-month and 12-month tenure, respectively. Furthermore, the government carried out a total of 13 Pakistan Investment Bonds (PIB) auctions during the year and managed to raise Rs. 1,006 billion. The 3-year, 5-year and 10-year cut-off yields averaged at 9.92%, 10.44% and 11.09%, respectively. On the policy front, the discount rate was reduced by 300 basis points during the fiscal year. Despite an environment of low yields in the money market along with low inflation, the market exhibited considerable interest in the auctions.

Future Outlook

We expect the monetary easing to continue in the near future mainly because; inflation is expected to remain subdued (SBP target 6% for FY16 unlikely to be achieved) on account of low international oil prices, which have been on the decline since last year. Secondly, we do not expect oil prices to go back to their previous levels in the near future on account of limited demand from China and emerging economies and excess supply created by OPEC countries and US. However, the increase in gas tariff by government might limit the full impact of low commodity prices globally. The money supply is expected to remain tight and public sector borrowing is expected to continue with the same pace in the upcoming quarters. The Government of Pakistan has targeted six T-bill auctions to raise approximately PKR 1,150,000 million in the next quarter and three Pakistan Investment Bond (PIB) auctions with the approximate target of PKR 150,000 million. However, SBP is expected to continue with its policy of injecting more than PKR 1 trillion monthly in the system through open market operations (OMO) in order to provide some liquidity to the market.

xii) Disclosure on Distribution:

- Particulars of the Income distribution or other forms of distribution made and proposed during the period
- Statement of effects on the NAV before and after distribution is made.

Interim Distribution

The Chief Executive under the authority granted by the Board of Directors of AKD Investment Management Limited (AKDIML) approved the following interim dividend payout during the year ended June 30, 2015:

Distribution		
Dividend	**Cum NAV**	**Ex NAV**
Rs.4.50 per unit	54.8011	50.3011

xiii) 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 change in the state of affairs during the period and up till the date of the Fund Manager's report under review.

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

There were no unit splits during the period

xv) Breakup of unit holding by size:

Range (Units)	No. of Investors
0.1 - 9,999	28
10,000 - 49,999	11
50,000 - 99,999	4
100,000 - 499,999	4
500,000 and above	3
	50

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

Investments are subject to credit and market risk.

xvii) 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.

DETAILS OF PATTERN OF HOLDING (UNITS)

As At June 30, 2015

	Units Holders	Units Held	% of Total
Associated Companies*	1	3,835	0.04%
Directors and CEO	-	-	-
Individuals	28	520,227	4.87%
Insurance Companies	-	-	-
Banks and DFIs	1	11,284	0.11%
NBFCs	-	-	-
Retirement Funds	18	10,126,231	94.95%
Public Limited Companies	1	1	0.00%
Others	1	3,314	0.03
Total	**50**	**10,664,892**	**100.00%**

*Management Company

TRUSTEE REPORT TO THE UNIT HOLDERS

AKD AGGRESSIVE INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Aggressive Income Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: October 15, 2015

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (The Code) contained in the Rule Book of the Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

AKD Investment Management Limited (Management Company) which manages the affairs of the Fund has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors (the Board). At present the Board includes:

Category	**Names**
Independent Directors	1. Mr. Saad Iqbal* 2. Mr. Hasan Ahmed 3. Mr. Ali Wahab Siddiqui
Executive Directors	1. Mr. Imran Motiwala- Chief Executive Officer 2. Mr. Nadeem Saulat Siddiqui
Non Executive Directors	1. Mr. Abdul Karim Memon - Chairman 2. Mr. Ahmed Abdul Sattar

* Appointed in place of Mr. Ramzan Sheikh who resigned on August 11, 2015.
** Approval from SECP received in respect of all directors in the month of August 2015.

The independent Directors meet the criteria of independence under clause 5.19.1 (b) of the Code.

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies, where applicable)

3. All the resident Directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the Board of the Management Company.

5. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.

6. The Board has developed vision / mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and

conditions of employment of the Chief Executive Officer, other executive and non-executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. During the year three directors obtained certification under director's training program.

10. No new appointment of CFO and Company Secretary has been made during the year. However, the vacant position subsequent to the resignation of the Head of Internal Audit was filled in June 2015. The remuneration and terms and conditions of employment were approved by the Board.

11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Fund were duly endorsed by Chief Executive Officer and Chief Financial Officer of the Management Company before approval of the Board.

13. The Directors, Chief Executive Officer and executives do not hold any interest in the units of the Fund other than that disclosed in the pattern of unit holding.

14. The Management Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee for the Management Company. It comprises of three members, all of whom are independent directors.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of the interim and final results and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the chairman.

18. The Board has set up an effective internal audit function managed by qualified and experienced professionals who are conversant with the policies and procedures of the company and industry best practices. They are involved in the Internal Audit function on a full time basis. The Head of Internal Audit department functionally reports to the Audit Committee.

19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are also in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the unit price of the Fund, was determined and intimated to directors, employees and the stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through the stock exchange.

23. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: September 21, 2015

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **AKD Investment Management Limited**, the Management Company (the Company) of **AKD Aggressive Income Fund (the Fund)** for the year ended June 30, 2015 to comply with the respective listing regulation of the Karachi Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

Deloitte Yousuf Adil
Chartered Accountants

Karachi: September 21, 2015

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **AKD Aggressive Income Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2015, and the related income statement, distribution statement, statement of movements in unit holders' fund, cash flow statement and a summary of significant accounting policies together with other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company (AKD Investment Management Limited) of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with international standards on auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's financial position as at June 30, 2015 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIRMENTS

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Deloitte Yousuf Adil
Chartered Accountants
Engagement Partner: Mushtaq Ali Hirani

Karachi: September 21, 2015

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2015

	Note	2015	2014
		------- (Rupees in '000) --------	
ASSETS			
Bank balances	4	**28,938**	970
Investments	5	**474,727**	287,721
Receivable against Margin Trading System		**15,530**	152,288
Loans and receivables	6	**7,862**	14,115
Profit and other receivables	7	**16,368**	22,087
Deposits and prepayments	8	**3,027**	3,027
Total assets		**546,452**	480,208
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	**3,388**	1,881
Payable to Central Depository Company of Pakistan Limited - Trustee	10	**80**	84
Payable to Securities and exchange commission of Pakistan	11	**380**	355
Payable on redemption of units		**-**	19
Dividend payable		**-**	2,727
Accrued expenses and other liabilities	12	**6,330**	4,510
Total liabilities		**10,178**	9,576
NET ASSETS		**536,274**	470,632
UNIT HOLDERS' FUND (as per statement attached)		**536,274**	470,632
Contingencies and Commitments	13		
		------- (Number of units) -------	
NUMBER OF UNITS IN ISSUE		**10,664,892**	9,923,415
		------------ (Rupees)------------	
NET ASSET VALUE PER UNIT		**50.2841**	47.4264
FACE VALUE PER UNIT		**50**	50

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		---------(Rupees in '000)------	
INCOME			
Profit / income on:			
- term finance and sukuk certificates		**9,625**	16,711
- Margin Trading System		**10,372**	19,559
- government securities		**35,972**	18,061
- bank deposits		**2,593**	3,185
Capital gain on sale of investments		**4**	643
		58,566	58,159
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	**32,588**	(23,436)
Total income		**91,154**	34,723
EXPENSES			
Remuneration of AKD Investment Management Limited - Management Company		**7,586**	7,110
Sales tax & Federal Excise Duty on management fee		**2,534**	2,458
Remuneration of Central Depository Company of Pakistan Limited - Trustee		**860**	806
Annual fee - Securities and Exchange Commission of Pakistan		**380**	355
Reversal of impairment on investments	5.4	**(1,108)**	(4,676)
Charge of Impairmaint on loans and receivables	6.3	**6,253**	-
Auditors' remuneration	14	**342**	346
Settlement and bank charges		**179**	298
Security transaction cost		**2**	4
Fees and subscription		**1,315**	2,139
Legal and professional		**198**	198
Printing and related cost		**170**	181
Provision for Workers' Welfare Fund	15	**1,533**	497
Total expenses		**20,244**	9,716
Net income from operating activities		**70,910**	25,007
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		**4,193**	(630)
Net income for the year before taxation		**75,103**	24,377
Taxation	16	**-**	-
Net income for the year after taxation		**75,103**	24,377
Other comprehensive income for the year			
Items that may be reclassified subsequently to income statement			
Unrealized diminution on re-measurement of investments classified as 'available-for-sale' - net	5.3	**(367)**	(78)
Total comprehensive income for the year		**74,736**	**24,299**
Earnings per unit - basic and diluted	3.11	**-**	-

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	-------(Rupees in '000)-------	
Undistributed profit / (loss) brought forward		
Realized income	**16,779**	16,656
Unrealized loss	**(37,884)**	(9,879)
	(21,105)	6,777
Final distribution for the year ended June 30, 2014 @ Nil per unit: (For the year ended June 30, 2013 @ Rs. 2.9 per unit)		
- Cash distribution	**-**	(3,694)
- Issue of bonus units	**-**	(24,407)
	-	(28,101)
Interim distribution @ Rs. 4.5 per unit on June 26, 2015: (2014: Rs. 2.55 per unit on June 27, 2014)		
- Cash distribution	**(44,258)**	(2,731)
- Issue of bonus units	**-**	(21,423)
	(44,258)	(24,154)
Element of loss and capital losses included in prices of units issued less those in units redeemed - amount representing losses that form part of the unit holders' fund	**(2)**	(4)
Net income for the year after taxation	**75,103**	24,377
Undistributed income / (loss) carried forward	**9,738**	(21,105)
Undistributed income / (loss) comprising of:		
Realized income	**15,022**	16,779
Unrealized loss	**(5,284)**	(37,884)
	9,738	(21,105)

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		-------(Rupees in '000)-------	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**75,103**	24,377
Adjustments for non-cash and other items			
Unrealized (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		**(32,588)**	23,436
Capital gain on sale of investments		**(4)**	(643)
Reversal of impairment on investments		**(1,108)**	(4,676)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		**(4,193)**	630
Remuneration of AKD Investment Management Limited - Management Company		**7,586**	7,110
Remuneration of Central Depository Company of Pakistan Limited - Trustee		**860**	806
		45,656	51,040
(Increase) / decrease in assets			
Investments - net		**(8,796)**	(189,094)
Receivable against Margin Trading System		**136,758**	11,487
Loans and receivables		**6,253**	7,999
Profit and other receivables		**5,719**	13,066
		139,934	(156,542)
Increase / (decrease) in liabilities			
Payable to AKD Investment Management Limited - Management Company		**1,419**	1,145
Payable to Central Depository Company of Pakistan Limited - Trustee		**(14)**	(1)
Payable to Securities and exchange commission of Pakistan		**25**	19
Payable on redemption of units		**(19)**	(5)
Accrued expenses and other liabilities		**1,820**	498
		3,231	1,656
Remuneration paid to AKD Investment Management Limited - Management Company		**(7,498)**	(7,108)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee		**(850)**	(806)
		(8,348)	(7,914)
Net cash generated from / (used in) operating activities		**180,473**	(111,760)
B. CASH FLOW FROM FINANCING ACTIVITIES			
Net receipts / (payments) against issuance / (redemptions) of units		**39,357**	(35,389)
Dividend paid		**(46,985)**	(3,698)
Net cash used in financing activities		**(7,628)**	(39,087)
Net increase / (decrease) in cash and cash equivalents (A+B)		**172,845**	(150,847)
Cash and cash equivalents at beginning of the year		**29,902**	180,749
Cash and cash equivalents at end of the year	4.2	**202,747**	29,902

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	--------(Rupees in '000)--------	
Net assets at beginning of the year	**470,632**	487,517
Issue of 3,311,735 units (2014: 77 units)	**174,997**	4
* It includes 829,687 units (2014: Nil units) reinvested by the unitholders against their cash dividend entitlement amounting to Rs. 41.734 million (net of tax)		
Redemption of 2,570,258 units (2014: 733,196 units)	**(135,640)**	(35,393)
	39,357	(35,389)
Final issue of Nil bonus units (2014: 514,782 units)	**-**	24,407
Issue of Nil interim bonus units (2014: 451,903 units)	**-**	21,423
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing (gains) / losses and capital (gains) / losses - transferred to Income Statement	**(4,193)**	630
- amount representing losses that form part of the Unit holder's fund - transferred to Distribution Statement	**2**	4
	(4,191)	634
Net unrealized diminution on re-measurement of investments classified as ' available-for-sale'	**(367)**	(78)
Other net income for the year	**42,511**	47,170
Capital gain on sale of investments	**4**	643
Unrealized appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	**32,588**	(23,436)
Net element of loss and capital losses included in prices of units issued less those in units redeemed - amount representing losses that form part of unit holders' fund	**(2)**	(4)
Final distribution for the year ended June 30, 2014 @ Nil per unit: (For the year ended June 30, 2013 @ Rs. 2.9 per unit)		
- Cash distribution	**-**	(3,694)
- Issue of bonus units	**-**	(24,407)
Interim distribution @ Rs. 4.5 per unit on June 26, 2015: (2014: Rs. 2.55 per unit on June 27, 2014)		
- Cash distribution	**(44,258)**	(2,731)
- Issue of bonus units	**-**	(21,423)
	30,843	(27,882)
Net assets at end of the year	**536,274**	470,632

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorized 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 Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund.

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 musharika (COM), term depository receipts (TDRs), commercial paper, reverse repo, term finance certificates (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) and JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned Asset Manager / Management Quality rating of "AM3" to the Management Company dated June 16, 2015 and April 10, 2015 respectively. JCR-VIS Credit Rating Company Limited (JCR-VIS) has also assigned fund stability rating of "BBB(f)" to the Fund dated September 26, 2014.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) 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 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 SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.2 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2015

The following standards, amendments and interpretations are effective for the year ended June 30, 2015. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Standards / amendments / interpretations	***Effective date (accounting periods beginning on or after)***
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	January 01, 2014
IAS 39 Financial Instruments: Recognition and measurement - Novation of derivatives and continuation of hedge accounting	January 01, 2014
IFRIC 21 - Levies	January 01, 2014

2.3 New accounting standards and IFRS interpretations that are not yet effective

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

Standards / amendments / interpretations	***Effective for annual periods beginning on or after***
IAS 27 (Revised 2011) – Separate Financial Statements	January 01, 2015
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	January 01, 2016
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan(SECP):

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers

The Fund expect that the adoption of the above standards and interpretation will not have any material impact on its financial statements in the period of initial application except for increase in disclosure requirement.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (note 3.2 and note 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain financial assets have been carried at fair value.

2.6 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term investments having original maturities of less than three months.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets are acquired. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'financial assets at fair value through profit or loss' category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

3.2.2 Regular way contracts

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

3.2.3 Initial recognition and measurement

Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the Income Statement.

3.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available-for-sale are valued as follows:

a) Basis of valuation of term finance certificates and sukuk certificates

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 1 of 2009 dated January 6, 2009 as ammended by Circular No.33 and 35 dated October 24, 2012 and November 26, 2012 respectively. In the determination of the rates MUFAP takes in to account the holding pattern of these securities and categorises them as traded, thinly traded and on non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non performing debt securities.

b) Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Market Association.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that the financial asset or a group of financial assets as impaired.The carrying value of the fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists ,the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses is recognised in the income statement in case of held for trading financial assets. If any such evidence exists for available for sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value,less any impairment loss on that financial asset previously recognized in the income statement is reclassified from the statement of comprehensive income to the income statement.

For financial assets classified as 'loans and receivable',a provision for impairment is established when there is objective evidence that the Fund will not be able to collect amounts due according to original terms.The amount of the provision is the difference between the asset's carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

Provision for non-performing debt securities is made in accordance with the criteria for provision of non-performing debt securities specified in circular No.1 dated January 06,2009 and circular no.13 dated May 4, 2009, Circular No. 33 and 35 dated October 24, 2012 and November 26, 2012 respectively issued by the SECP.The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

3.2.6 Derecognition

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

3.2.7 Offsetting of financial assets and liabilities

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

3.3 Financial liabilities

All financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument.

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

3.4 Derivatives

Derivative instruments are initially recognized at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognized in the Income Statement.

3.5 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include expenses in connection with authorization of the Scheme and its application fee payable to SECP, execution and registration of the Constitutive Documents, legal costs, printing, circulation and publication of the Offering Document, announcements describing the Fund, marketing of the Fund to Unit Holders and inviting investment therein and all expenses incurred during the period leading up to the Initial Offering Period .These costs are amortised over a period of five years starting from the commencement of operations of the Fund.

3.6 Provisions

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

3.7 Securities under Margin Trading System (MTS)

Securities purchased under margin financing are included as 'receivable against Margin Trading System (MTS)' at the fair value of consideration given. All MTS transactions are accounted for on the settlement date. Income on MTS is calculated on outstanding balance at agreed rates and recorded in the Income Statement. Transaction costs are expensed in the Income Statement.

3.8 Spread transactions (Ready-Future Transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in ready market is classified as 'Investment at fair value through profit or loss' and carried on the Statement of Assets and Liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the income statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the income statement in accordance with the requirements of International Accounting Standard (IAS) 39 'Financial Instruments: Recognition and Measurement.'

3.9 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 capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management Company has distributed the required percentage of the Fund's accounting income for the year ended June 30, 2015 to its unit holders. Accordingly, there is no tax liability in the current year.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilized tax losses to the extent that it is probable that the related tax benefit will be realized. However, the Fund has not recognized any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders every year.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalization account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created in order to prevent the dilution of income per unit and distribution of income already paid out on redemption.

Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed to the extent that it is represented by income earned during the year is recognized in the Income Statement to the extent that it is represented by unrealized appreciation/(diminution) arising during the year on available-for-sale securities is included in Distribution Statement.

3.11 Earnings per unit - basic and diluted

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

3.12 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and provision for duties and charges, if applicable. The sales load is payable to the Management Company, investment facilitators or distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.13 Net asset value per unit

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

3.14 Proposed distributions and transfer between reserves

Distributions declared and transfers between reserves made subsequent to the date of Statement of Assets and Liabilities are considered as non-adjusting events and are recognized in the financial statements in the year in which such distributions are declared / transfers are made.

3.15 Revenue recognition

- Profit on investments is recognized on an accrual basis. (In case of financial assets classified as non-performing, income is recognized on receipt basis).

- Profit on bank deposits is recognized on an accrual basis.

- Realized capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.

- Income on MTS transactions is recognized on an accrual basis.

- Unrealized capital gains / (losses) arising on marking to market of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the year in which they arise.

	Note	2015	2014
		------ (Rupees in '000) ------	
4. BANK BALANCES			
In savings accounts	4.1	**28,920**	956
In current accounts		**18**	14
		28,938	970

4.1 These carry mark up at the rates ranging from 4.5% to 6% (2014 : 7% to 8.5%)

4.2 CASH AND CASH EQUIVALENTS			
Bank balances	4	**28,938**	970
Market Treasury Bills having maturity of upto three months		**173,809**	28,932
		202,747	29,902

5. INVESTMENTS			
Financial assets at fair value through profit or loss - held for trading			
- Debt securities	5.1	**471,121**	271,348
Available-for-sale			
- Debt securities	5.2	**3,606**	16,373
		474,727	287,721

5.1 Debts Securities			
Term finance certificates	5.1.1	**24,960**	27,135
Government securities	5.1.2	**446,161**	244,213
		471,121	271,348

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

Name of the Investee Company	Number of certificates: As at July 1, 2014	Purchases during the year	Sales / fully redeemed during the year	As at June 30, 2015	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 %
						-------------------Rupees in '000'----------------				
Certificates of Rs 5,000 each unless otherwise stated										
Term finance certificates - listed										
Dewan Cement Limited - **(note 5.1.1.1)**	20,000	-	-	20,000	6 months KIBOR + 2.00%	-	-	-	-	-
Engro Fertilizer Limited (30-11-07)	25	-	25	-	6 months KIBOR + 1.55%	-	-	-	-	-
Worldcall Telecom Limited (07-10-08)	20,000	-	-	20,000	6 months KIBOR + 1.60%	8,340	-	(8,340)	-	-
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%	16,054	24,960	8,906	4.65	5.26
Total - June 30, 2015						**24,394**	**24,960**	**566**		
Total - June 30, 2014						50,201	27,135	(23,066)		

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 (refer note 5.4.1).

5.1.2 Government securities

Issue date	Tenor	Face value: As at July 1, 2014	Purchase during the year	Sales / matured during the year	As at June 30, 2015	Balance at June 30, 2015: Cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets %	Market value as a percentage of investments %
		-- Rupees in '000				--				
Pakistan Investment Bonds										
July 19, 2012	10 years	25,000	-	-	25,000	23,937	27,949	4,012	5.21	5.89
July 19, 2012	10 years	75,000	-	-	75,000	71,803	83,848	12,045	15.64	17.66
July 19, 2012	10 years	50,000	-	-	50,000	47,871	55,899	8,028	10.42	11.77
July 19, 2012	10 years	50,000	-	-	50,000	47,874	55,899	8,025	10.42	11.77
		200,000	-	-	200,000	191,485	223,595	32,110		
Market treasury bills										
March 20, 2014	6 months	25,000	-	25,000	-	-	-	-	-	-
April 17, 2014	3 months	15,000	-	15,000	-	-	-	-	-	-
April 17, 2014	3 months	14,000	-	14,000	-	-	-	-	-	-
July 10, 2014	3 months	-	30,000	30,000	-	-	-	-	-	-
September 18, 2014	3 months	-	50,000	50,000	-	-	-	-	-	-
October 2, 2014	3 months	-	50,000	50,000	-	-	-	-	-	-
September 4, 2014	3 months	-	45,000	45,000	-	-	-	-	-	-
October 16, 2014	3 months	-	20,000	20,000	-	-	-	-	-	-
November 27, 2014	3 months		45,000	45,000	-	-	-	-	-	-
April 17, 2014	12 months	-	25,000	25,000	-	-	-	-	-	-
February 19, 2015	3 months	-	50,000	50,000	-	-	-	-	-	-
March 5, 2015	3 months	-	100,000	100,000	-	-	-	-	-	-
May 2, 2014	12 months	-	40,000	40,000	-	-	-	-	-	-
November 13, 2014	6 months	-	50,000	50,000	-	-	-	-	-	-
April 16, 2015	3 months	-	25,000	-	25,000	24,958	24,962	4	4.65	5.26
April 30, 2015	3 months	-	50,000	-	50,000	49,782	49,791	9	9.28	10.49
May 14, 2015 **(note 5.1.2.1)**	6 months	-	50,000	-	50,000	48,807	48,757	(50)	9.09	10.27
May 28, 2015	3 months	-	100,000	-	100,000	99,107	99,056	(51)	18.47	20.87
		54,000	730,000	559,000	225,000	222,654	222,566	(88)		
Total - June 30, 2015						**414,139**	**446,161**	**32,022**		
Total - June 30, 2014						244,583	244,213	(370)		

5.1.2.1 On May 20, 2015, the Fund transferred treasury bills amounting to Rs. 25 million (face value) into National Clearing Company of Pakistan Exposure Margin account maintained with Bank Alfalah Limited in respect of Exposure Margin and Mark-to-Market losses in Margin Trading System.

5.2 Available-for-sale -debt securities

Name of the Investee Company	Number of certificates / bonds				Profit / markup rate	Cost	Market value as at June 30, 2015	Appreciation / (diminution)	Market value as a percentage of net assets %	Market value as a percentage of total investments %
	As at July 1, 2014	Purchases during the year	Sales / fully redeemed during the year	As at June 30, 2015						
						-----------------Rupees in '000'-----------------				
Certificates of Rs 5,000 each unless otherwise stated										
Term finance certificates - unlisted										
Avari Hotels Limited (01-11-07)	7,093	-	7,093	-	1 year KIBOR+2.5%	-	-	-	-	-
						-	-	-		
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)	-	-
Maple Leaf Cement Factory Limited (03-12-07)	2,000	-	-	2,000	3 months KIBOR + 1.70%	4,292	3,606	(686)	0.67	0.76
						34,292	3,606	(30,686)		
						34,292	3,606	(30,686)		
Less: Impairment recognised in the income statement in current and prior periods (note 5.4.1)						30,686	-	30,686		
Total - June 30, 2015						**3,606**	**3,606**	**-**		
Total - June 30, 2014						16,006	16,373	367		

5.3 Net unrealized appreciation / (diminution) on remeasurement of investments classified as 'available-for-sale' - net

	Note	2015	2014
		-------- (Rupees in '000) --------	
Market value of investments	5.2	**3,606**	16,373
Less:			
Cost of investments	5.2	**34,292**	47,800
Impairment loss recognized	5.2	**(30,686)**	(31,794)
Cost of investments - net		**3,606**	16,006
		-	367
Less: Net unrealized appreciation in fair value of investments classified as available-for-sale at beginning of the year		**367**	445
		(367)	(78)

5.4	Movement in impairment loss	Note	2015	2014
			-------- (Rupees in '000) --------	
	Opening		**131,794**	136,470
	Less: reversal due to redemption of securities		**(1,108)**	(4,676)
	Closing		**130,686**	131,794

5.5 Unrealized appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

	Note	2015	2014
Market value of securities	5.1.1 & 5.1.2	**471,121**	271,348
Less: carrying value of securities	5.1.1 & 5.1.2	**(438,533)**	(294,784)
		32,588	(23,436)

6. LOANS AND RECEIVABLES

	Note	2015	2014
Certificates of investments			
- Saudi Pak Leasing Company Limited	6.1	**2,763**	2,763
Preference Shares			
- Security Leasing Corporation Limited	6.2	**11,352**	11,352
Less: impairment recognized during the year		**(6,253)**	-
		5,099	11,352
		7,862	14,115

6.1 All monthly installments and upfront payment has been received in full as per the agreed terms. The balance receivable will be recovered against of 425,000 shares of Pace Baraka Limited at an agreed value of Rs. 2.76 million.

6.2 In view of the adverse financial position, the 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.

The breakup value as per the financial statements of the company for the nine months ended March 31, 2015 was Rs. 1.48 per share. Therefore, during the current year, the management has made provision of Rs. 6.25 million against this amount.

6.2.1 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 June 30, 2015, the Fund is compliant with all the requirements of the said circular except for investment in preference shares of Security Leasing Corporation Limited.

	Note	2015	2014
		-------- (Rupees in '000) --------	
7. PROFIT AND OTHER RECEIVABLES			
Profit / income receivable on			
- Term Finance and Sukuk Certificates		**5,425**	10,094
- Margin Trading System		**117**	841
- Bank deposits		**108**	434
-Pakistan Investment Bonds		**10,718**	10,718
		16,368	22,087

	Note	2015	2014
8. DEPOSITS AND PREPAYMENTS			
Security deposits with			
- National Clearing Company of Pakistan Limited (NCCPL)		**2,750**	2,750
- Central Depository Company of Pakistan Limited		**100**	100
Prepayment - NCCPL Annual fee (MTS)		**177**	177
		3,027	3,027

	Note	2015	2014
9. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED – MANAGEMENT COMPANY			
Management fee	9.1	**668**	580
Sales tax		**116**	108
Federal Excise Duty on Management Remuneration	9.2	**2,406**	1,193
Sales load		**198**	-
		3,388	1,881

9.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. In the current year, the Management Company has charged remuneration at the rate of 1.50 percent per annum, of the average annual net assets of the Fund.

9.2 The Finance Act 2013 introduced an amendment to Federal Excise Act 2005 whereby, with effect from June 13, 2013, Federal Excise Duty (FED) has been imposed at the rate of 16% of the services rendered by assets management companies. The Management Company is of the view that since the remuneration is already subject to provincial sales tax at the rate of 15%, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honourable Sindh High Court (SHC), challenging the levy of Federal Excise Duty on Asset Management Company services after the eighteenth amendment in the Constitution of Pakistan. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending. The management, as a matter of abundant caution, has decided to retain and continue with the provision of FED and related additional taxes in the books of account aggregating to Rs. 2.41 million as at June 30, 2015 which includes charge for the year amounting to Rs. 1.21 million. Had the said provision of FED were not been recorded in the books of account of the Fund, the NAV of the Fund would have been higher by Re. 0.2256 per unit as at June 30, 2015.

	Note	2015	2014
		-------- (Rupees in '000) --------	
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	10.1	**76**	66
CDS charges		**4**	18
		80	84

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 daily Net Assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund from July 1, 2014 to June 30, 2015 is as follows:

Amount of Funds Under Management (Average NAV)	Tariff per annum
Upto Rs. 1,000 million	0.17% p.a. of Net Asset Value
Rs 1,000 million upto Rs. 5,000 million	Rs 1.7 million plus 0.085% p.a. of NAV exceeding Rs 1,000 million
Rs. 5,000 million above	Rs 5.1 million plus 0.07% p.a. of NAV exceeding Rs 5,000 million

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

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Fund is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

	Note	2015	2014
		-------- (Rupees in '000) --------	
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for workers' welfare fund	15	**4,847**	3,315
Auditors' remuneration	14	**271**	269
National Clearing Company of Pakistan Limited		**29**	85
Withholding tax		**292**	-
Others		**891**	841
		6,330	4,510

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There were no contingencies as at June 30, 2015 and June 30, 2014

13.2 Commitments	2015	2014
	-------- (Rupees in '000) --------	
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the sale transactions have not been settled as at June 30, 2015	**3,486**	33,589
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the purchase transactions have not been settled as at June 30, 2015	**-**	22,401

14. AUDITORS' REMUNERATION

Annual statutory audit fee	**200**	200
Half yearly review fee	**60**	60
Fee for review of statement of compliance with the Code of Corporate Governance	**25**	25
Out of pocket expenses and other taxes	**57**	61
	342	346

15. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), whereby the definition of 'Industrial Establishment' had been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, all Collective Investment Schemes (CISs) / mutual funds whose income exceeds Rs.0.5 million in a tax year had 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 Collective Investment Schemes (CISs) through their trustees in the Honorable Sindh High Court (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In 2011, a single judge of the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts, 2006 and 2008 have been declared unconstitutional and therefore struck down. However in 2013, the Larger Bench of SHC issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity. In 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution.

The Finance Act 2015 makes amendment in WWF Ordinance by excluding Collective Investment Schemes (CIS) from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 01, 2015. Owing to the fact that the decision of SHC on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to make and retain provision of WWF in its books of account and financial statements till June 30, 2015 which aggregates to Rs. 4.847 million including charge for the year of Rs. 1.533 million. Had the said provision of WWF not been recorded in the books of account of the Fund, the NAV of the Fund would have been higher by Re. 0.45 per unit. However, with effect from July 01, 2015, the Fund stopped making further provision of WWF in pursuance to the said amendment of the Finance Act 2015.

16. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders. (Refer note 3.9)

17. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons as at June 30, 2015 include AKD Investment Management Limited, being the Management Company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited, Central Depository Company of Pakistan Limited being the Trustee, 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 more than 10% of the units outstanding and entities having common directorship with the Management Company. The transactions with connected persons are in the normal course of business.

Remuneration payable to the Management Company and 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:

	2015	2014
	-------- (Rupees in '000)	--------
17.1 Transactions during the year		
AKD Investment Management Limited - Management Company		
Purchase of units 3,835 (2014 : Nil)	**212**	-
Redemption of units Nil (2014 : 501,884)	**-**	24,006
Issue of Bonus units Nil (2014 : 28,929)	**-**	1,372
Dividend @ Rs. 4.5 per unit (2014: Nil)	**16**	-
Management fee	**7,586**	7,110
Sales load	**198**	-
Sales Tax on management fee	**1,320**	1,320
Provision for Federal Excise Duty on management fee	**1,214**	1,138
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	**860**	806
AKD Investment Management Limited - Staff Provident Fund		
Purchase of units 29,132 (2014 : Nil)	**1,632**	-
Redemption of units 21,348 (2014 : Nil)	**1,200**	-
Dividend @ Rs. 4.5 per unit (2014: Nil)	**32**	-
Unit holders holding 10% or more of the units in issue		
Sindh Province Pension Fund		
Purchase of units 94,345 (2014 : Nil)	**4,746**	-
Issue of bonus units Nil (2014 : 111,517)	**-**	5,287
Dividend @ Rs. 4.5 per unit (2014: Nil)	**4,746**	-
National Bank of Pakistan Employees Pension Fund		
Purchase of units 580,467 (2014 : Nil)	**29,198**	-
Issue of bonus units Nil (2014 : 686,115)	**-**	32,528
Dividend @ Rs. 4.5 per unit (2014: Nil)	**29,198**	-

17.2 Amounts outstanding at the year end

	2015	2014
	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Management Company		
Management fee payable	**668**	580
Sales load payable	**198**	-
Sales tax on management fee payable	**116**	108
Federal excise duty on management fee payable	**2,406**	1,193
Units held 3,835 (2014: Nil units)	**193**	-
AKD Investment Management Limited - Staff Provident Fund		
Units held 7,784 (2014: Nil units)	**391**	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**76**	66
CDS charges payable	**4**	18
Security deposit	**100**	100
Unit holders holding 10% or more of the units in issue		
Sindh Province Pension Fund		
Units held 1,148,941 (2014: 1,054,596 units)	**57,773**	50,016
National Bank of Pakistan Employees Pension Fund		
Units held 7,068,946 (2014: 6,488,479 units)	**355,456**	307,725

18. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

18.1 Details of members of the investment committee of the Fund are as follows:

		Designation	Qualification	Experience in years
1	Mr. Imran Motiwala	Chief Executive Officer	BBA	21
2	Ms. Anum Dhedhi	Chief Investment Officer	BSc	4
3	Mr. Muhammad Yaqoob	Chief Operating Officer, Company Secretary and Fund Manager of Golden Arrow Selected Stocks Fund Limited, AKD Opportunity Fund and AKD Aggressive Income Fund	MBA	11
4	Mr. Nadeem Saulat Siddiqui	Head of Public Relationship	MBA	22
5	Mr. Carrow Michael	Head of Risk Management	MBA	9
6	Ms. Laraib Mohib	Fund Manager - AKD Cash Fund and AKD Index Tracker Fund	BBA	1
7	Mr. Muhammad Mahd	Fund Manager	BBA	3

19. BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

		2015 %	2014 %
1	Arif Habib Limited	100	-
2	Invest Capital Markets Limited	-	100

20. PATTERN OF UNIT HOLDINGS

	As at June 30, 2015		
	Number of unit holders	Investment amount	Percentage of investment
		(Rupees in '000)	
Individuals	**28**	**26,159**	**4.88**
Bank and DFIs	**1**	**567**	**0.11**
Public limited companies	**1**	**-**	**-**
Retirement funds	**18**	**509,188**	**94.94**
NBFCs	**1**	**193**	**0.04**
Others	**1**	**167**	**0.03**
	50	**536,274**	**100.00**

	As at June 30, 2014		
	Number of unit holders	Investment amount	Percentage of investment
		(Rupees in '000)	
Individuals	27	6,654	1.41
Bank and DFIs	2	50,720	10.78
Public limited companies	2	5,505	1.17
Retirement funds	7	407,606	86.61
Others	1	147	0.03
	39	470,632	100.00

21. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

During the year 59th, 60th, 61st, 62nd and 63rd. Board meetings were held on September 27, 2014, October 29, 2014, December 23, 2014, February 24, 2015 and April 29, 2015 respectively. Information in respect of attendance by Directors in these meetings is given below:

Name of Director	Number of meetings held	Attended	Leave granted	Meetings not attended
Mr. Abdul Karim Memon	5	4	1	59th
Mr. Imran Motiwala	5	5	-	-
Mr. Ali Wahab Siddiqui	5	5	-	-
Mr. M. Ramzan Sheikh	5	-	5	All
Mr. Ahmed Abdul Sattar	5	5	-	-
Mr. Hasan Ahmed	5	4	1	60th
Mr. Nadeem Saulat Siddiqui	5	3	2	59th and 61st

22. FINANCIAL RISK MANAGEMENT

The Fund primarily invests in a portfolio of investments such as government securities, cash in bank account, money market placements, deposit, certificate of deposits (COD), certificate of Musharika (COM), TDRs, commercial paper, reverse repo, TFC/Sukuks, MTS and spread transactions. These activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Management Company is responsible for the management of these risks as enumerated below.

22.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

22.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

22.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

- **Sensitivity analysis for variable rate instruments**

Presently, the Fund holds KIBOR based interest bearing Term Finance Certificates (TFCs) and Sukuk Bonds / Certificates exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR, with all other variables held constant, the net assets of the Fund and net income for the year would have been higher / lower by Rs 0.2496 million (2014: Rs. 0.2714 million) in case of TFCs and Sukuk Bonds / Certificates classified as financial assets at fair value through profit or loss. In case of TFCs and Sukuk Bonds / Certificates classified as available-for-sale 100 basis points increase / decrease in KIBOR with all other variables held constant, the net assets of the Fund would have been higher / lower by Rs 0.0429 million (2014: 0.1637 million).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by the Financial Market Association is expected to change over time. Further, in case of variable rate instruments, the sensitivity analysis has been done from the last repricing date. Accordingly, the sensitivity analysis prepared as of June 30, 2015 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

- **Sensitivity analysis for fixed rate instruments**

As at June 30, 2015, Market treasury bills and Pakistan Investment Bonds (PIBs) are held by the Fund, classified as at fair value through profit or loss exposing the Fund to fair value interest rate risk. In case of Treasury bills and PIBs, an increase/(decrease) of 100 basis points increase/(decrease) in rates announced by Financial Market Association on June 30, 2015, with all other variables held constant, the net income for the year and net assets would be lower/higher by Rs 10.83 million (2014: Rs 9.26 million).

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2015 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's Market rate of return Sensitivity related to financial assets and financial liabilities as at June 30, 2015 can be determined from the following:

As at June 30, 2015

	Effective rate of mark-up / return	----- Exposed to yield / Interest risk ----- Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
	%	---------------------------------(Rupees in '000)---------------------------------				
On-balance sheet financial instruments						
Financial Assets						
Bank balances	4.5 - 6	28,920	-	-	18	28,938
Investments	6.62 - 11.03	173,809	48,769	252,149	-	474,727
Receivables against Margin Trading System	9.49 - 14.94	15,530	-	-	-	15,530
Loans and receivables		-	-	-	7,862	7,862
Profit and other receivables		-	-	-	16,368	16,368
Deposits		-	-	-	2,850	2,850
		218,259	48,769	252,149	27,098	546,275
Financial Liabilities						
Payable to AKD Investment Management Limited - Management Company		-	-	-	866	866
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	80	80
Payable on redemption of units		-	-	-	-	-
Dividend payable		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	1,191	1,191
		-	-	-	2,137	2,137
On-balance sheet gap		218,259	48,769	252,149	24,961	544,138
Off-balance sheet financial instruments		-	-	-	-	-
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the sale transactions have not been settled		3,486	-	-	-	3,486
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the Purchase transactions have not been settled		-	-	-	-	-
Off-balance sheet gap		3,486	-	-	-	3,486
		221,745	48,769	252,149	24,961	547,624

As at June 30, 2014

	Effective rate of mark-up / return	----- Exposed to yield / Interest risk ----- Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
	%	---------------------------------(Rupees in '000)---------------------------------				
On-balance sheet financial instruments						
Financial Assets						
Bank balances	7.0- 8.5	956	-	-	14	970
Investments	9.85-12.91	53,600	18,136	215,985	-	287,721
Receivable against Margin Trading System	11.5-18.33	152,288	-	-	-	152,288
Loans and receivables		-	-	-	14,115	14,115
Profit and other receivables		-	-	-	22,087	22,087
Deposi		-	-	-	2,850	2,850
		206,844	18,136	215,985	39,066	480,031
Financial Liabilities						
Payable to AKD Investment Management Limited - Management Company		-	-	-	580	580
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	84	84
Payable on redemption of units		-	-	-	19	19
Dividend payable		-	-	-	2,727	2,727
Accrued expenses and other liabilities		-	-	-	1,195	1,195
		-	-	-	4,605	4,605
On-balance sheet gap		206,844	18,136	215,985	34,461	475,426
Off-balance sheet financial instruments		-	-	-	-	-
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the sale transactions have not been settled		33,589	-	-	-	33,589
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the Purchase transactions have not been settled		(22,401)	-	-	-	(22,401)
Off-balance sheet gap		11,188	-	-	-	11,188
		218,032	18,136	215,985	34,461	486,614

22.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Presently, the Fund is not exposed to equity securities price risk as the Fund does not hold any equity securities as at June 30, 2015.

22.2 Credit risk

22.2.1 Credit risk management

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in term finance certificates, sukuk bonds / certificates, loans and receivables, profit and other receivables and balances with banks. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings, moreover, the Fund has placed its investment in treasury bills of the government of Pakistan as well.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2015 and June 30, 2014 is the carrying amounts of following financial assets.

	June 30, 2015	June 30, 2014
	(Rupees in '000)	
Bank balances	**28,938**	970
Investments	**28,566**	43,508
Receivable against Margin Trading System	**15,530**	152,288
Loans and receivables	**7,862**	14,115
Profit and other receivables	**16,368**	22,087
Deposits	**2,850**	2,850
	100,114	235,818

The analysis below summarizes the credit quality of the Fund's investments in bank balances as at June 30, 2015 and June 30, 2014:

Bank balances by rating category	Rating Agency	June 30, 2015	June 30, 2014
		(Rupees in '000)	
A1+	PACRA	**28,879**	900
A1	JCR-VIS	**59**	26
A3	JCR-VIS	**-**	44

The Fund invest in debts securities that has good credit ratings. As at the year end, these investments were rated as A and A- by the credit rating agencies. The transactions in the Margin Trading System (MTS) are carried out through secured terminals of National Clearing Company of Pakistan Limited (NCCPL) and are secured by way of deposits. Profit and other receivables represents income from bank balances, MTS and investments. Loans and receivable are considered good by the management of the Fund after making adequate provision against doubtful amounts. Business deposits are paid to CDC and NCCPL.

22.2.2 An analysis of the financial assets that are individually impaired as per the requirements of Circular No. 1 dated January 6, 2009, Circular No. 13 dated May 4, 2009 and Circular No.33 dated October 24, 2012 issued by the Securities and Exchange Commission of Pakistan are as under:

Term Finance Certificates	Cost 2015	Cost 2014
	(Rupees in '000)	
Days		
15 to 89	**-**	-
90 to 179	**-**	-
180 to 270	**-**	24,971
270 to 365	**-**	-
over 365	**170,800**	173,405

22.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund’s total credit exposure. The Fund’s portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

22.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realizable.

The Fund has the ability to borrow in the short term to ensure settlement. The Fund did not avail borrowing. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Funds. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

22.3.1 The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at June 30, 2015			
	Total	Upto three months	More than three months and upto one year	More than one year
Liabilities	----------------------(Rupees in '000)----------------------			
Payable to AKD Investment Management Limited - Management Company	**866**	**866**	**-**	**-**
Payable to Central Depository Company of Pakistan Limited - Trustee	**80**	**80**	**-**	**-**
Accrued expenses and other liabilities	**1,191**	**1,191**	**-**	**-**
	2,137	**2,137**	**-**	**-**

	As at June 30, 2014			
	Total	Upto three months	More than three months and upto one year	More than one year
Liabilities	----------------------(Rupees in '000)----------------------			
Payable to AKD Investment Management Limited - Management Company	580	580	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	84	84	-	-
Payable on redemption of units	19	19	-	-
Dividend payable	2,727	2,727		
Accrued expenses and other liabilities	1,195	1,195	-	-
	4,605	4,605	-	-

22.3.2 Financial instruments by category

	As at June 30, 2015			
	Loans and receivables	Financial assets at fair value through profit and loss	Assets classififed as avaialable-for-sale	Total
Assets	----------------------(Rupees in '000)----------------------			
Bank balances	**28,938**	**-**	**-**	**28,938**
Investments	**-**	**471,121**	**3,606**	**474,727**
Receivable against Margin Trading System	**15,530**	**-**	**-**	**15,530**
Loans and receivables	**7,862**	**-**	**-**	**7,862**
Profit and other receivables	**16,368**	**-**	**-**	**16,368**
Deposits	**2,850**	**-**	**-**	**2,850**
	71,548	**471,121**	**3,606**	**546,275**

	As at June 30, 2015		
	Other financial liabilities	Liabilities at fair value through profit and loss	Total
Liabilities	--------------(Rupees in '000)--------------		
Payable to AKD Investment Management Limited - Management Company	**866**	**-**	**866**
Payable to Central Depository Company of Pakistan Limited - Trustee	**80**	**-**	**80**
Accrued expenses and other liabilities	**1,191**	**-**	**1,191**
	2,137	**-**	**2,137**

	As at June 30, 2014			
	Loans and receivables	Financial assets at fair value through profit and loss	Assets classififed as avaialable-for-sale	Total
Assets	(Rupees in '000)			
Bank balances	970	-	-	970
Investments	-	271,348	16,373	287,721
Receivable against Margin Trading System	152,288	-	-	152,288
Loans and receivables	14,115	-	-	14,115
Profit and other receivables	22,087	-	-	22,087
Deposits	2,850	-	-	2,850
	192,310	271,348	16,373	480,031

	As at June 30, 2014		
	Other financial liabilities	Liabilities at fair value through profit and loss	Total
Liabilities	(Rupees in '000)		
Payable to AKD Investment Management Limited - Management Company	580	-	580
Payable to Central Depository Company of Pakistan Limited - Trustee	84	-	84
Payable on redemption of units	19	-	19
Dividend payable	2,727	-	2,727
Accrued expenses and other liabilities	1,195	-	1,195
	4,605	-	4,605

22.4 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing at the close of trading on the year end date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically repriced.

IFRS 7 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

	As at June 30, 2015			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
ASSETS				
Investment in securities - at fair value through profit or loss	-	471,121	-	471,121
Investment in securities - available-for-sale	-	3,606	-	3,606

	As at June 30, 2014			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
ASSETS				
Investment in securities - at fair value through profit or loss	-	271,348	-	271,348
Investment in securities - available-for-sale	-	16,373	-	16,373

23. UNIT HOLDER'S FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units. They are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' funds.

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for unit holders and to maintain a strong capital base to meet unexpected losses or opportunities. In accordance with the NBFC Regulations the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

In accordance with the risk management policies stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments or short-term borrowings where necessary.

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 21, 2015 by the Board of Directors of the Management Company.

25. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

PERFORMANCE TABLE

	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total net assets value (Rs '000)*	536,274	470,632	483,823	419,872	406,032	471,641	588,900	3,862,671	2,450,766
Net assets value per unit - (Rs)*	50.2841	47.4264	47.4121	47.2246	46.8272	45.2784	44.6562	50.4220	50.1770
Selling price as at June 30 (Rs)	50.7870	47.9007	50.8153	52.2419	51.0326	49.1653	45.1028	51.9363	52.2885
Repurchase price as at June 30 (Rs)*	50.2841	47.4264	47.4121	47.2246	46.8272	45.2784	44.6562	50.4220	50.1770
Highest selling price (Rs)	56.7720	50.4638	50.8153	52.2419	51.0326	49.1936	52.3009	54.5448	52.3129
Lowest selling price (Rs)	47.8956	47.8910	47.0096	47.4844	45.7544	45.0428	43.4063	50.8675	50.8000
HIghest repurchase price (Rs)	56.2098	49.9641	50.3121	51.7245	50.5272	48.7064	51.7830	54.0047	51.7949
Lowest repurchase price (Rs)	47.4213	47.4167	46.5441	47.0142	45.3013	44.5967	42.9764	50.3638	50.2500
Return of the Fund									
- capital growth (Rs '000)	65,642	(16,885)	60,567	13,259	(66,415)	(108,794)	(3,287,517)	1,425,651	83,826
- income distribution (Rs '000)*	44,258	24,154	28,101	37,145	30,294	33,534	32,928	478,712	75,443
Distribution per unit									
Interim									
- Gross (2015: announced on June 26, 2015)									
- Gross (2014: announced on June 26, 2014)									
(2009: announced on October 17, 2008, 2008: announced on April 7, 2008) (Rs)	4.50	2.55	-	-	-	-	0.75	3.50	-
Final									
- Gross (2013: announced on July 8, 2013, 2012: announced on July 9, 2012)									
(2011: announced on July 8, 2011, 2010: announced on July 8, 2010)									
(2008: announced on July 7, 2008, 2007: announced on July 11, 2007) (Rs)	-	-	2.90	4.50	3.70	3.40	-	1.00	1.59
	----------	----------	----------	----------	Percentage	----------	----------	----------	----------
Average Annual Return									
- Last one year	15.51	5.41	6.54	10.46	11.59	9.01	-9.95	9.46	12.90 **
- Last two years	9.16	5.95	8.27	11.01	10.22	-0.92	-0.72	-	-
- Last three years	8.19	7.18	9.25	10.30	3.08	2.42	-	-	-
- Last four years	8.70	8.09	9.19	4.88	4.64	-	-	-	-
- Last five years	9.22	8.27	5.21	5.78	-	-	-	-	-
	----------	----------	----------	----------	No. of days	----------	----------	----------	----------
Weighted Average Portfolio Duration	1,132	1,192	176	62	76	87	77	79	22

* Final distributions for the year made subsequent to the year end have been adjusted against the closing NAVs.

** Annualized Return for the first year operation commencing from 23rd March 2007.

Note: The portfolio composition of the fund has been disclosed in note 5 & 6 to the financial statements.

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


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