Funds Managed by:

AKD Investment Management Ltd.

Half Yearly Report
December 31, 2012
(Un-audited)

Half Yearly report

AKD AGGRESSIVE INCOME FUND

AKD CASH FUND

AKD OPPORTUNITY FUND

AKD INDEX TRACKER FUND

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

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CORPORATE INFORMATION

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Farrukh Shaukat Ansari

Chief Executive Officer
Mr. Imran Motiwala

Directors
Mr. Ali Qadir Gilani*
Mr. M. Ramzan Sheikh
Mr. Aurangzeb Ali Naqvi
Mr. Muhammad Amin Hussain
Mr. Nadeem Saulat Siddiqui

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

AUDIT COMMITTEE

Mr. M. Ramzan Sheikh (Chairman)
Mr. Aurangzeb Ali Naqvi (Member)
Mr. Muhammad Amin Hussain (Member)
Mr. Ali Qadir Gilani (Member)*
Mr. Muhammad Yaqoob (Secretary)

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR & R)

Mr. Farrukh Shaukat Ansari (Chairman)
Mr. Imran Motiwala (Member)
Mr. Ali Qadir Gilani (Member)*

INTERNAL AUDITORS
Rafaqat Mansha Mohsin
Dossani Massom & Co.
Chartered Accountants
Suite 113, 3rd Floor,
Hafeez Centre, KCHS,
Block 7 & 8, Shahrah-e-Faisal,
Karachi-75350

RATING
AKD Investment Management Ltd. (AMC)
JCR-VIS: AM3- (AM Three Minus)

*Subsequent to the period end, he has resigned from the Board, Audit Committee and HR & R Committee

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the management company of AKD Aggressive Income Fund (AKDAIF), AKD Cash Fund (AKDCF), AKD Opportunity Fund (AKDOF) and AKD Index Tracker Fund (AKDITF), is pleased to present its Half Yearly Report along with the Fund's accounts for the First Half Year ended December 31, 2012.

Macro Perspective

During 1HFY13, improved US - PAK ties led to much awaited disbursement of funds through Coalition Support Fund (CSF); Pakistan received $1.118 billion in Aug-12. This payment was received after a gap of 18 months; Pakistan had last received $633 million payment in Dec-10. Another payment of $688 million was received on December 28, 2012, which provided much needed respite to the depleting forex reserves.

Besides these adhoc payments, home remittances continued supporting the reserves at an appropriate level. However, foreign aid and donations stood at stalemate. During 1HFY13 remittances depicted a growth of 12.5% increasing to $7.116 billion as opposed to $6.325 billion received in the previous corresponding period. Foreign exchange reserves held by the State Bank of Pakistan (SBP) demonstrated a hefty fall of $1.7 billion to slate down to $9.009 billion during the first half of the current fiscal year primarily due to mounting debt re-payments. However, reserves held by banks registered some improvement as they surged by $364.4 million to $4.799 billion in Dec-12 against $4.434 billion in June-12.

Overall, a fall of $1.428 billion was witnessed in total liquid foreign reserves despite SBP's efforts to reduce foreign currency payments. It has already entered into two currency swap agreements with Turkey and China worth billion-dollar equivalent in each respective currency.

On the positive side CPI inflation averaged at 8.32% for the first half of the current fiscal year. It continued to show a downward trend till Nov-12 where the CPI stood at 6.9% (the lowest in the last five and a half years) however CPI picked up for the second successive month in Jan-13 clocking in at 8.1, while seven months average CPI stood at 8.3% YoY. We expect full-year FY13 CPI to average at around 8.6%YoY for the fiscal year 2013 assuming 1.2% MoM incremental increase. Risks to inflationary pressure remains in view of 1) increasing pressure on PkR/US$ parity, 2) loose fiscal policy (fiscal deficit of 2.8% in 1HFY13) 3) further possible slippages ahead of general elections and 4) an uptrend in Core (NFNE and trimmed mean) inflation.

SBP remained committed in playing its role on reviving our ailing economy capitalized on the declining inflation numbers and reduced the interest rates by 250 basis points in the first half of FY13 to stand at 9.5%. The basic purpose of the reduction of the discount rate was to boost private sector credit off-take in order to rejuvenate economic activity.

Equity Market

Declining interest rates, single digit CPI inflation numbers, higher global commodities, rising local cement prices and textile exports triggered KSE-100 to breach the all time high psychological barrier of 17,000 points in Dec-12. The index increased by 3,103.92 points during the period to close at 16,905.33 points witnessing a surge of 22.49% for the 1HFY2013. The index's average daily volumes for the period stood at 147.74 million shares a day. KSE was declared the 3rd exceptional performing market amongst its regional peers and held 9th position amid the global equity market for the calendar year 2012 where it posted an increase of 48%.

We feel proud to inform our valued unit holders that the AKD Opportunity Fund had been ranked 2nd in Asia out of nearly 7,300 funds only second after the Golden Arrow Selected

Stocks Fund Limited and had been ranked 6th in the world out of 27,153 funds by Thomson Reuters Lipper.

We congratulate all our stakeholders for the global recognition that AKD Opportunity Fund has achieved. This performance of AKD Opportunity Fund has only been possible because of the trust the unit holders have had in the Board of Directors, the Management Company, the commitment of our employees and true support from our Regulator and all other stakeholders.

Money Market Dynamics

SBP encouraged by pertinent improvement in inflation outlook reduced discount rate by cumulative 250 basis point during 1HFY13 bringing it down to 9.5 percent. SBP hoped that the reduction in discount rate would act as stimulant for private investment growth and credit off-take.

SBP auctioned T-bills, PIB and Sukuk bonds of various maturities worth Rs1.215 trillion in the 2QFY13, whereas, it mopped up Rs. 1,435 billion and Rs. 89 billion in the T-Bills and PIB auction in the 1QFY13 respectively. During the quarter the State Bank continued to inject liquidity into the banking system through open market operations in order to stabilize the money market.

Plummet rupee against greenback was witnessed due to deteriorating reserves on account of principal repayments to IMF, falling interest rate and declining inflows in financial and capital account. Increasing external account had its toll on local currency as it weakened by 3.3% in 1HFY13.

Future Outlook

We do not expect a further reduction in the discount rate in the coming months. CPI inflation is expected to increase from current level although it would remain below 9.5%, hikes in utility tariffs, depreciating local currency, increasing pressures on the external and fiscal account as well as Pakistan's potential re-entry into the IMF program.

Based on historical performance, we expect the stock market to perform well as there is a strong positive co-relation between index performance and General Elections. The Government is likely to announce a series of populist measures which will focus on boosting economic activity in the short-term which will continue to bode well for the stock market.

Compared to regional markets the KSE-100 is trading at a PE of 7.95x P/E versus 14.69x P/E of the regional peers of based on forward earnings. Furthermore, the equity markets offer an attractive 2013 average dividend yield of 6.92% compared to the regional average of only 2.62% giving room for further upside potential. We advice investors to remain invested in the stock market.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: February 22, 2013

AKD Aggressive Income Fund
Financial Statements - First Half FY13

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AKD Aggressive Income Fund

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

INTERNAL AUDITORS
Rafaqat Mansha Mohsin
Dossani Massom & Co.
Chartered Accountants
Suite 113, 3rd Floor,
Hafeez Centre, KCHS,
Block 7 & 8, Shahrah-e-Faisal,
Karachi-75350

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
Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
KASB Bank Limited
MCB Bank Limited
NIB Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

AUDITORS
M. Yousuf Adil Saleem & Co.
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea 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
AKD Securities Limited
BMA Capital Management Limited
IGI Investment Bank Limited
KASB Securities Limited
The Bank of Punjab
Accesss Financial Services (Private) Limited
Al-Falah Securities (Private) Limited
Reliance Financial Products (Private) Limited
Bulls & Bulls (Private) Limited

RATING
AKD Aggressive Income Fund (Fund)
(formerly AKD Income Fund)
JCR-VIS: BBB(F) [Triple B (F)]

FUND MANAGER'S REPORT

During the half year ended December 31, 2012 the Fund posted an annualized return of 3.68% against a benchmark return of 10.68% underperforming the benchmark by 7.0%. The NAV of the Fund stood at Rs. 48.1008 at December 31, 2012. The Fund reported a profit of Rs. 8.575 million as compared to profit of Rs. 18.318 million in the same period last year. Lower yield versus the benchmark is attributable to unrealized mark to market losses of Corporate Debt paper where future potential reversal would lead to capitalized gains. The Investment Committee of the AKD Aggressive Income Fund continues to invest in high yielding investment avenues coupled with deploying excess liquidity in Margin Trading System (MTS) which has in built risk mitigation features.

Investment strategy

AKD Aggressive Income Fund is a dedicated Fund that focuses primarily on fixed income securities and instruments. The strategy of AKDAIF is to offer investors a convenient and liquid vehicle to invest in a diversifying portfolio of fixed income securities / instruments that provide consistent returns while striving for preservation of capital.

Investing activities

The fund continued to reduce its exposure towards legacy distress and non performing investments and re-deploy the generated liquidity in government treasury securities and Margin Trading System in order to generate better returns with minimum risk exposure.

Portfolio of AKDAIF as of December 31, 2012 comprises of 8.67% in cash and cash equivalent versus 17.02% as of June 30, 2012, 0% in T-Bills exceeding 90 days maturity versus 4.48% as of June 30, 2012, 4.10% placement with NBFC's versus 4.68% as of June 30, 2012, 2.48% Preference Shares versus 2.66% as of June 30, 2012, 56.32% in MTS versus 29.95% as of June 30, 2012 and 30.62% in TFCs and SUKUK versus 38.75% as of June 30, 2012 and -2.19% in other assets (net of liabilities) versus 2.46% as of June 30, 2012.

Summary of non-compliant investments

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	As a % of Net Assets	As a % of Gross Assets	Remarks
		----------------Rupees in '000'----------------					
Security Leasing Corporation Limited	Preference shares	11,352	-	11,352	2.48%	2.37%	Preference shares do not fall within the purview of prescribed securities of Aggressive Fixed Income Scheme.

Economy

For the period under review, Pakistan received foreign inflows of USD 1.12bn in Aug-12 and USD688mn in Dec-12 under the Coalition Support Fund, plus with higher exports and record remittances; provided much needed respite to Pakistan's current account position. It is imperative to note however that despite these inflows, pressures on the external account continued and are expected to persist as major bilateral principal repayments of $1.6bn are due during the period of Feb-Jun 2013. Furthermore, due to persistent current account pressures the local currency continued to face headwinds. Depleting foreign currency reserves on account of principal repayments to IMF, falling interest rates and scanty inflows in financial and capital accounts had all contributed towards Pak Rupee devaluation against greenback of 3.5% in the 1HFY13.

On the inflation front, CPI stood at 7.93% in Dec-12, after gradually receding to a low of 6.93% in Nov-12 since rebasing of the Inflation Index. Improved inflation outlook coupled with a determination to promote private investment pushed SBP to further reduce the policy rate to single digit. The State

Bank of Pakistan cut the discount rate by a hefty 150 bps in the first quarter and another 100bps during the second quarter; a cumulative reduction of 250bps for the first half of the fiscal year.

Money Market Review

SBP auctioned T-bills, PIB and Sukuk bonds of various maturities worth Rs1.215 trillion in the 2QFY13. Whereas, SBP mopped up Rs. 1,435 billion and Rs. 89 billion in the T-Bills and PIB auction respectively during 1QFY13. The government also raised Rs90 billion through the sale of three-, five-, and 10-year PIBs in the 2QFY13. There were seven auctions of the treasury bills in October-December quarter.

During 1HFY13 State Bank of Pakistan reduced discount rate by 250 basis points to give boost to the crippling economy and prompt private sector credit off-take and investment growth.

Fund Strategy

Given the above risk, the Investment Committee will closely monitor the macroeconomic and political environment in order to make any significant portfolio changes if and when deemed necessary. We would continue to invest excess liquidity in Government treasury bills, good credit quality corporate debt and Marginal Trading System in order to enhance the yield alongwith the concern for the preservation of capital.

Future Outlook

Going forward, easing of oil prices in the international market, better export figures post ATP announced by the EU and higher sugar exports is expected to bode well for the external account position. However, this would partly be offset by stronger furnace oil imports as the Government gears up for lower load shedding in the coming days preceding the elections. Furthermore, we expect CPI inflation to remain under pressure as a consequence of higher food prices, upward revision in utility tariffs, upward revision of wheat support price and expected increase in CNG prices. Hence, maintaining interest rates at current levels could prove to be a very challenging task for the SBP.

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) 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 six months period ended December 31, 2012 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, February 27, 2013

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AKD AGGRESSIVE INCOME FUND** as at December 31, 2012, and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information') for the half year ended December 31, 2012. Management Company (AKD Investment Management Limited) is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the quarters ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

M. Yousuf Adil Saleem & Co.
Chartered Accountants
Engagement Partner: Mushtaq Ali Hirani

Karachi: February 22, 2013

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2012

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
		---- (Rupees in '000) -----	
ASSETS			
Bank balances	4	**39,653**	23,956
Investments	5	**120,136**	213,466
Receivable against Margin Trading System		**257,425**	127,885
Loans and receivables	6	**49,944**	51,181
Profit and other receivables	7	**8,685**	24,214
Deposits and prepayments		**3,016**	3,027
Total assets		**478,859**	443,729
LIABILITIES			
Payable to Management Company	8	**17,907**	12,996
Payable to Trustee		**89**	73
Payable to Securities and Exchange Commission of Pakistan		**163**	323
Payable on redemption of units		**-**	15
Accrued expenses and other liabilities	9	**3,606**	3,372
Total liabilities		**21,765**	16,779
NET ASSETS		**457,094**	426,950
UNIT HOLDERS' FUND (as per statement attached)		**457,094**	426,950
CONTINGENCIES AND COMMITMENTS	10		
		---- (Number of units) ----	
Number of units in issue		**9,502,829**	8,254,286
		--------- (Rupees)---------	
Net asset value per unit		**48.1008**	51.7246

The annexed notes from 1 to 15 form an integral part of these condensed interim financial informatic

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Note	Half year ended December 31, 2012	Half year ended December 31, 2011	Quarter ended December 31, 2012	Quarter ended December 31, 2011
		(Rupees in '000)			
INCOME					
Income from term finance certificates and sukuk bonds		**6,862**	11,600	**976**	6,431
Income from government securities		**3,176**	5,530	**621**	1,512
Income from Margin Trading System		**10,185**	7,470	**5,895**	5,314
Profit on bank deposits		**1,782**	1,149	**1,086**	630
Income / (suspension) from certificates of musharika and certificates of investment		**-**	85	**-**	(398)
Capital gain on sale of investments		**384**	105	**355**	28
		22,389	25,939	**8,933**	13,517
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	**(6,337)**	(731)	**(6,170)**	(2,425)
Total income		**16,052**	25,208	**2,763**	11,092
EXPENSES					
Remuneration of Management Company		**3,262**	3,202	**1,626**	1,616
Remuneration of Trustee		**370**	363	**185**	183
Annual fee - Securities and Exchange Commission of Pakistan		**163**	160	**81**	81
Security transaction cost		**11**	6	**5**	1
Impairment loss/(reversal of impairment loss) on investments	5.4	**1,076**	1,125	**(375)**	1,125
Auditors' remuneration		**186**	171	**105**	95
Settlement and bank charges		**91**	77	**54**	41
Amortisation of preliminary expenses and floatation costs		**-**	252	**-**	126
Fees and subscription		**1,042**	741	**599**	466
Legal and professional charges		**97**	93	**48**	49
Printing and related cost		**76**	134	**38**	77
Sales tax - Provincial on management fee		**522**	512	**260**	258
Workers' Welfare Fund		**175**	374	**14**	146
Total expenses		**7,071**	7,210	**2,640**	4,264
Net income from operating activities		**8,981**	17,998	**123**	6,828
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		**(406)**	320	**552**	303
Net income for the period before taxation		**8,575**	18,318	**675**	7,131
Taxation	11	**-**	-	**-**	-
Net income for the period after taxation		**8,575**	18,318	**675**	7,131
Other comprehensive income / (loss) for the period					
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale' - net		**(238)**	1,746	**(794)**	1,071
Reclassification adjustment for net gain realised against sale of investments classified as available-for-sale investments		**-**	27	**-**	-
	5.3	**(238)**	1,773	**(794)**	1,071
Total comprehensive income for the period		**8,337**	**20,091**	**(119)**	**8,202**
Earnings per unit - basic and diluted	12				

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
	---------------(Rupees	in '000)---------------		
Accumulated profit / (losses) brought forward				
Realised income / (loss)	**15,882**	28,226	**(13,032)**	7,300
Unrealised loss	**(627)**	(20,636)	**(963)**	(18,870)
	15,255	7,590	**(13,995)**	(11,570)
Final distribution for the year ended June 30, 2012: @ Rs 4.50 per unit (June 2011: Rs 3.7 per unit)				
- Cash distribution	**(7,078)**	(7,659)	**-**	-
- Issue of bonus units	**(30,067)**	(22,635)	**-**	-
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing (losses) / income that form part of the unit holders' fund	**(10)**	(109)	**(5)**	(56)
Net income for the period	**8,575**	18,318	**675**	7,131
Accumulated losses carried forward	**(13,325)**	(4,495)	**(13,325)**	(4,495)
Accumulated losses comprising of:				
Realised (loss) / income	**(6,198)**	16,803	**(6,198)**	16,803
Unrealised loss	**(7,127)**	(21,298)	**(7,127)**	(21,298)
	(13,325)	(4,495)	**(13,325)**	(4,495)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

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

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
	-----------------(Rupees	in '000)-----------------		
Net assets at beginning of the period	**426,950**	413,691	**408,651**	423,880
Issue of units 1,995,904 (2011: 860,692 units for the half ended December 31, 2011)	**94,829**	41,283	**50,000**	18,111
Redemption of units 1,384,030 (2011: 620,604 units for the half year ended December 31, 2011)	**(66,350)**	(29,829)	**(886)**	(12,633)
	28,479	11,454	**49,114**	5,478
Issue of 636,669 bonus units (2011: 483,366 bonus units for half year ended December 31, 2011)	**30,067**	22,635	**-**	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing (income) / losses and capital (gains) / losses - transferred to Income Statement	**406**	(320)	**(552)**	(303)
- amount representing losses that form part of the Unit holder's fund - transferred to Distribution Statement	**10**	109	**5**	56
	416	(211)	**(547)**	(247)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as ' available for sale'	**(238)**	1,746	**(794)**	1,071
Capital gain realised against sale of investments classified as ' available for sale '	**-**	27	**-**	-
	(238)	1,773	**(794)**	1,071
Other net income for the period	**14,528**	18,944	**6,490**	9,528
Capital gain on sale of investments	**384**	105	**355**	28
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss - net	**(6,337)**	(731)	**(6,170)**	(2,425)
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing (losses) / income that form part of unit holders' fund	**(10)**	(109)	**(5)**	(56)
Final distribution for the year ended June 30, 2012: @ Rs. 4.50 per unit (2011: Rs 3.70 per unit)				
- Cash distribution	**(7,078)**	(7,659)	**-**	-
- Issue of bonus units	**(30,067)**	(22,635)	**-**	-
	(28,580)	(12,085)	**670**	7,075
Net assets at end of the period	**457,094**	437,257	**457,094**	437,257

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Note	Half year ended December 31, 2012	Half year ended December 31, 2011	Quarter ended December 31, 2012	Quarter ended December 31, 2011
		---------------(Rupees	in '000)---------------		
CASH FLOW FROM OPERATING ACTIVITIES					
Net income for the period before taxation		**8,575**	18,318	**675**	7,131
Adjustments for non-cash and other items					
Unrealised diminution in fair value of investments classified as 'financial assets at fair value through profit or loss' - net		**6,337**	731	**6,170**	2,425
Capital (gain)/loss on sale of investments		**(384)**	105	**(355)**	28
Impairment loss on investment / (reversal of impairment loss)		**1,076**	1,125	**(375)**	1,125
Element of loss/(income) and capital losses/(gains) included in prices of units issued less those in units redeemed		**406**	(320)	**(552)**	(303)
Amortisation of preliminary expenses and floatation costs		**-**	252	**-**	126
Remuneration of Management Company		**3,262**	3,202	**1,626**	1,616
Remuneration of Trustee		**370**	363	**185**	183
		19,642	23,776	**7,374**	12,331
(Increase) / decrease in assets					
Investments - net		**37,350**	72,074	**45,722**	16,671
Receivable against Margin Trading System		**(129,540)**	(95,611)	**(108,333)**	27,657
Loans and receivables		**1,237**	(14,635)	**1,237**	(16,735)
Profit and other receivables		**15,529**	2,629	**7,096**	5,592
Deposits and prepayments		**11**	15	**122**	(48)
		(75,413)	(35,528)	**(54,156)**	33,137
Increase / (decrease) in liabilities					
Payable to Management Company		**4,846**	3,900	**3,872**	3,820
Payable to Trustee		**9**	9	**5**	(3)
Payable to Securities and Exchange Commission of Pakistan		**(160)**	(174)	**81**	81
Payable on redemption of units		**(15)**	(7,174)	**(944)**	-
Accrued expenses and other liabilities		**234**	1,028	**(43)**	586
		4,914	(2,411)	**2,971**	4,484
Remuneration paid to Management Company		**(3,197)**	(3,149)	**(1,584)**	(1,579)
Remuneration paid to Trustee		**(363)**	(357)	**(180)**	(179)
Net cash (used in) / generated from operating activities		**(54,417)**	(17,669)	**(45,575)**	48,194
CASH FLOW FROM FINANCING ACTIVITIES					
Net receipts against issuance / redemptions of units		**28,479**	11,454	**49,114**	5,478
Dividend paid		**(7,078)**	(7,659)	**-**	-
Net cash used in financing activities		**21,401**	3,795	**49,114**	5,478
Net (decrease) / increase in cash and cash equivalents during the period		**(33,016)**	(13,874)	**3,539**	53,672
Cash and cash equivalents at beginning of the period		**72,669**	123,755	**36,114**	56,209
Cash and cash equivalents at end of the period	4.2	**39,653**	109,881	**39,653**	109,881

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala	**Aurangzeb Ali Naqvi**
Chief Executive Officer	Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Aggressive Income Fund (formerly AKD 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 with the authorisation of the Securities and Exchange Commission of Pakistan (SECP) Trust Deed 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.

JCR-VIS Credit Rating Company Limited has assigned a management quality rating of 'AM3-' to the Management Company and fund stability rating of "BBB(f)" to the Fund dated March 29, 2012 and March 27, 2012, respectively.

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

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

Last year SECP required the Management Company to categorize Fund as per the available categories in circular No. 07 of 2009. Pursuant to this, Management Company, with the approval of Board of Directors, has re-categorized the Fund from 'Fixed Income Scheme' to 'Aggressive Fixed Income Scheme'. After obtaining approval from SECP for the said re-categorization, the Management Company vide third supplemental to the Trust deed dated August 15, 2011 changed the name of the Fund from 'AKD Income Fund' to 'AKD Aggressive Income Fund'.

2. STATEMENT OF COMPLIANCE

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

2.2 This condensed interim financial information comprises of condensed interim statement of assets and liabilities, condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof. The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. It does not include all the information and disclosures made in the annual published financial statement and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2012. Comparative information of the condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the half year ended December 31, 2012 and for the quarter ended December 31, 2012 are un-audited and have been included to facilitate comparison.

2.3 This condensed interim financial information is unaudited, however, limited scope review has been performed by the statutory auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and these condensed interim financial information are being circulated to the unit holders as required under the NBFC Regulations.

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

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, estimates, judgments and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the fund for the year ended June 30, 2012 , except for the following;

a) Basis of valuation of debt securities

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 dated January 6, 2009 as amended by Circular No. 33 dated October 24, 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and 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) Impairment of financial assets

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 are recognized in the income statement.

Provision for non-performing debt securities and other exposures is made in accordance with the criteria specified in Circular No. 1 dated January 6, 2009 as amended by Circular No. 13 dated May 4, 2009 and Circular No. 33 dated October 24, 2012 issued by SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
		-----(Rupees in '000)------	
4. BANK BALANCES			
In savings accounts	4.1	**39,638**	23,942
In current accounts		**15**	14
		39,653	23,956

4.1 These carry markup at the rates ranging from 6% to 10.5% (June 30, 2012 : 5% to 11.5%) per annum.

4.2 Cash and cash equivalents

Bank balances		**39,653**	23,956
Market treasury bills having maturity of three months		**-**	48,713
		39,653	72,669

5. INVESTMENTS

Financial assets at fair value through profit or loss - held for trading			
- Debt securities	5.1	**84,886**	174,894
Available-for-sale			
- Debt securities	5.2	**35,250**	38,572
		120,136	213,466

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
		(Rupees in '000)	
5.1 Debt Securities			
Term finance / sukuk certificates	5.1.1	**84,886**	107,038
Government securities	5.1.2	**-**	67,856
		84,886	174,894

5.1.1 Term finance / sukuk certificates

Name of the Investee Company	----- Number of certificates-----				Profit / markup rate	Carrying value	Market value	Appreciation / (diminution)	Market value as a percentage of Net Assets	Market value as a percentage of total investments
	As at July 1, 2012	Purchases during the period	Sales / redeemed during the period	As at December 31,2012						
						-------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%	124	121	(3)	0.03	0.10
Worldcall Telecom Limited (07-10-08)	20,000	-	-	20,000	6 months KIBOR + 1.60%	32,124	26,080	(6,044)	5.71	21.71
Pace Pakistan Limited (15-02-08)	115	-	-	115	6 months KIBOR + 2.00%	284	60	(224)	0.01	0.05
Summit Bank Limited (27-10-11) - (note 5.1.1.2)	5,000	-	-	5,000	6 months KIBOR + 3.25%	24,551	23,859	(692)	5.22	19.86
						57,083	50,120	(6,963)		
Term finance / sukuk certificates - unlisted										
Al-Abbas Sugar Mills Limited (21-11-2007)	11,000	-	-	11,000	6 months KIBOR + 1.75%	10,975	11,038	63	2.41	9.19
JDW Sugar Mills Limited (23-06-08)	10,246	-	-	10,246	3 months KIBOR + 1.25%	16,906	17,117	211	3.74	14.25
Orix Leasing Pakistan Limited (15.01.08) (face value Rs 100,000 each)	190	-	-	190	6 months KIBOR + 1.20%	3,179	3,168	(11)	0.69	2.64
Kohat Cement Company Limited (20-06-2007) - sukuks	4,000	-	-	4,000	3 months KIBOR + 1.50%	3,080	3,443	363	0.75	2.87
						34,140	34,766	626		
Total - December 31, 2012						91,223	84,886	(6,337)		
Total - June 30, 2012						108,263	107,038	(1,225)		

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. As a matter of prudence, the Fund has provided for the amount of the investment by 100 percent in accordance with the provisioning policy approved by the Board of Directors of the Management Company.

5.1.1.2 These TFCs with a market value aggregatring to Rs. 23.859 (June 2012: Rs. 24.557) million have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

5.1.2 Government securities

Issue date	Tenor	Face value				Balance at December 31, 2012			Market value as a percentage of Net Assets	Market value as a percentage of investments
		Balance at July 1, 2012	Purchases during the period	Sales / matured during the period	Balance at December 31, 2012	Cost	Market value	Appreciation / (diminution)		
		Rupees in '000								
Pakistan Investment Bonds										
March 26, 2003	10 Years	-	30,000	30,000	-	-	-	-	-	-
March 26, 2003	10 Years	-	5,000	5,000	-	-	-	-	-	-
July 19, 2012	10 Years	-	25,000	25,000	-	-	-	-	-	-
July 19, 2012	3 Years	-	25,000	25,000	-	-	-	-	-	-
July 19, 2012	5 Years	-	20,000	20,000	-	-	-	-	-	-
July 19, 2012	10 Years	-	25,000	25,000	-	-	-	-	-	-
Market Treasury Bills										
May 17, 2012	6 month	20,000	-	20,000	-	-	-	-	-	-
June 28, 2012	3 month	50,000	-	50,000	-	-	-	-	-	-
October 4, 2012	6 month	-	5,100	5,100	-	-	-	-	-	-
October 4, 2012	3 month	-	4,500	4,500	-	-	-	-	-	-
November 29, 2012	3 month	-	50,000	50,000	-	-	-	-	-	-
Total - Dec 31, 2012					-	-	-	-		
Total - June 30, 2012						67,869	67,856	(13)		

5.2 **Available-for-sale -Debt securities**

Name of the Investee Company	----- Number of certificates / bonds----- As at July 1, 2012	Purchases during the period	Sales / redeemed during the period	As at December 31,2012	Profit / markup rate	Cost	Market value at December 31, 2012	Appreciation / (diminution)	Market value as a percentage of Net Assets	Market value as a percentage of total investments
						---------Rupees in '000'-------				
Certificates / bonds 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%	30,115	29,068	(1,047)	6.36	24.20
Al-Abbas Sugar Mills Limited (21-11-07)	600	-	-	600	6 months KIBOR + 1.75%	599	602	3	0.13	0.50
						30,714	29,670	(1,044)		
Sukuk bonds - unlisted										
New Allied Electronics Industries (Private) Limited (25-07-07) (face value Rs 312.50 each)	96,000	-	-	96,000	3 months KIBOR + 2.60%	30,000	-	(30,000)	-	-
Kohat Cement Company Limited (20-06-07)	2,763	-	-	2,763	3 months KIBOR + 1.50%	3,171	2,378	(793)	0.52	1.98
Maple Leaf Cement Factory Limited (03-12-07)	2,000	-	-	2,000	3 months KIBOR + 1.00%	9,479	3,202	(6,277)	0.70	2.67
Maple Leaf Cement Factory Limited additional (31-03-10)	75	-	-	75	3 months KIBOR + 1.00%	167	-	(167)	-	-
						42,817	5,580	(37,237)		
						73,531	**35,250**	**(38,281)**		
Less: Impairment loss recognised in the income statement in current and prior periods (note 5.4)						37,236	-	37,236		
Total - December 31, 2012						**36,295**	**35,250**	**(1,045)**		
Total - June 30, 2012						39,379	38,572	(807)		

		Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
			-------(Rupees in '000)------	
5.3	**Net unrealized appreciation on remeasurement of investments classified as 'available-for-sale' - net**			
	Market value of investments	5.2	**35,250**	38,572
	Less:			
	Cost of investments	5.2	**73,531**	75,540
	Impairment loss recognized	5.2	**(37,236)**	(36,161)
	Cost of investments - net		**36,295**	39,379
			(1,045)	(807)
	Less: Net unrealized diminution in fair value of investments classified as available-for-sale at beginning of the year		**(807)**	(3,272)
	Realized on disposal of investments		**-**	27
			(807)	(3,245)
			(238)	2,438
5.4	**Movement in impairment loss**			
	Opening		**136,161**	147,506
	Add: charge for the period / year		**1,535**	2,620
	Less: reversal due to redemption of securities		**(459)**	(2,294)
			1,076	326
	Written off due to reclassification of investment - (note 6.1)		**-**	(11,671)
	Closing		**137,237**	136,161
5.4.1	***The break up of impairment loss is as follows:***			
	Financial assets at fair value through profit or loss - held for trading	5.1.1.1	**100,000**	100,000
	Available-for-sale	5.2	**37,237**	36,161
			137,237	136,161
5.5	**Net unrealised diminution on re-measurement of investments classified as 'fair value through profit or loss'**			
	Market value of securities	5.1 & 5.2	**84,886**	174,894
	Less: carrying value of securities	5.1 & 5.2	**91,223**	176,132
			(6,337)	(1,238)

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
6. LOAN AND RECEIVABLES			
Saudi Pak Leasing Company Limited	6.1	**18,763**	20,000
First Dawood Investment Bank Limited	6.2	**19,829**	19,829
Security Leasing Corporation Limited	6.3	**11,352**	11,352
		49,944	51,181

6.1 The Fund had invested in the certificate of investments of Saudi Pak Leasing Company Limited amounting to Rs. 100 million which matured in February 2010. Due to financial conditions faced by the Saudi Pak Leasing Company Limited, the settlement could not be made and a roll over was requested by the borrower. However after having continuous negotiations between both parties, Rs. 80 million were received by the Fund uptill June 30, 2012. During the period, the Saudi Pak Leasing Company Limited had agreed to settle the obligation by upfront payment of Rs. 1.24 million and payment of Rs. 16 million in 12 equal monthly installment commencing from January 31, 2013 alongwith 425,000 shares of Pace Baraka Limited at an agreed value of R. 2.76 million. Subsequent to the period, the Fund accepted the proposal subject to fulfillment of all conditions.

6.2 The Fund had an investment in TFCs of First Dawood Investment Bank Limited amounting to Rs. 31.5 million. These TFCs were settled in 2011. However the Fund is negotiating with the issuer and it is decided that in case the Fund is unable to recover the carrying amount till June 30, 2013, the Management Company of the Fund will make good the loss upto an amount of carrying value i.e. Rs. 19.829 million, therfore the remaining amount of Rs. 11.67 million was written off by the Fund in June 2012. Further, in order to secure the interest of unit holders, Management Company, vide its resolution of the Board of Directors, has transferred the securities of Kohat Cement Company Limited (Sukuk certificates: 4,237) and Golden Arrow Selected Stocks Fund Limited (Ordinary shares: 2,430,167) having aggregate market value of Rs 18.47 million as of December 31, 2012 in to the CDC account of the Fund as collateral. Until June 30, 2012, the Fund received Rs. 12.37 million on account of redemption proceeds of the Sukuks certificates of Kohat Cement Company Limited. During the period, the Fund further received redemption proceeds and markup amounting Rs. 1.54 and 0.38 million respectively against the said sukuks of Kohat Cement Company Limited and also received dividend amounting to Rs. 2.92 million against the ordinary shares of Golden Arrow Selected Stocks Fund Limited. The aggregate amount of Rs. 17.21 million received uptill December 31, 2012 (refer note 8).

6.3 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 in view of the adverse financial position of the company. As per the terms of the preference shares, the redemption amount will be the lower of par value and breakup value as per the latest audited financial statements available at the time of redemption. The break up values per share of Security Leasing Corporation Limited as per the financial statements for the year ended June 30, 2009 and June 30, 2010 were Rs. 5.44 and Rs. 1.27 respectively, which are lower than the face value. Further, the break up value of the shares as per the financial statements of the company for the nine months ended March 31, 2010 was Rs 1.15. Therefore, the redemption of 1,722,625 shares due on November 30, 2009 has been valued at Rs 5.44 per share and the remaining shares have been valued at Rs 1.15 per share on prudence basis. These preference shares have been delisted from the Karachi Stock Exchange (Guarantee) Limited on August 19, 2011 and accordingly the Management Company reclassified the said investment into loans and receivables.

6.4 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 December 31, 2012, the Fund is compliant with all the requirements of the said circular except for investment in preference shares of Security Leasing Corporation Limited (refer note-6.3) which were made before the said circular became effective.

Details of non-compliant investment are as follows:

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	As a % of Net Assets	As a % of Gross Assets	Remarks
		----------------Rupees in '000'----------------					
Security Leasing Corporation Limited	Preference shares	11,352	-	11,352	2.48%	2.37%	Preference shares do not fall within the purview of securities as prescribed in Para 10 of SECP Circular No 07 of 2009.

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
7. PROFIT AND OTHER RECEIVABLES			
Income accrued on term finance certificates and sukuk bonds		**6,763**	13,527
Income accrued on margin trading system		**1,677**	863
Profit receivable on bank deposits		**245**	687
Receivable against the redemption of TFC		**-**	9,137
		8,685	24,214
8. PAYABLE TO MANAGEMANT COMPANY			
Management fee		**581**	516
Preliminary expenses and flotation cost		**25**	25
Sales tax		**93**	83
Proceeds from redemption and profits of Sukuks of Kohat Cement Company Limited and dividend for Golden Arrow Selected Stock Funds held as collateral	6.2	**17,208**	12,372
		17,907	12,996

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
National Clearing Company charges		**146**	76
Withholding tax		**1**	-
Auditors' remuneration		**161**	235
Provision for workers' welfare fund	9.1	**2,407**	2,232
Other		**891**	829
		3,606	3,372

9.1 PROVISION FOR WORKERS' WELFARE FUND

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

Subsequently , a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on December 14 , 2010, the Ministry filed its response against the Constitutional petition requesting the court to dismiss the petition. Accordingly to the legal counsel who is handling the case , there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

Last year, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the Honorable High Court of Sindh on this matter and as a matter of abundant caution continues to provide for WWF in these financial statements. The Scheme has maintained provisions against Workers' Welfare Fund liability to the tune of Rs 2.4 million, if the some were not made, the NAV per unit / return would have been higher by Rs. 0.25 per unit (0.53%) and net income for the period would have been higher by Rs. 0.18 million.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There were no contingencies as at December 31, 2012 and June 30, 2012.

	(Unaudited) December 31, 2012	(Audited) June 30, 2012
	----(Rupees in '000)----	
10.2 Commitments		
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the purchase transactions not settled as at period / year end	**10,311**	-
Margin Trading System (MTS) transactions entered into by the Fund in respect of which the sale transactions not settled as at period / year end	**32,446**	8,833

11. 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 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded a tax liability in respect of income relating to the current period as the Management Company intends to distribute more than 90 percent of the Fund's accounting income for the period as reduced by capital gains (whether realised or unrealised) to its unit holders.

12. 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.

13. TRANSACTIONS WITH CONNECTED PERSONS

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

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

	(Unaudited) Half year ended December 31, 2012	Half year ended December 31, 2011	Quarter ended December 31, 2012	Quarter ended December 31, 2011
	(Rupees in '000)			
13.1 Transactions during the period				
AKD Investment Management Limited - Management Company				
Purchase of units (2012: 84,204 ; 2011: 50,249)	**4,000**	2,451	**-**	2,451
Sale of units (2012: 84,204; 2011 : nil)	**4,033**	-	**-**	-
Management fee	**3,262**	3,202	**1,626**	1,616
Sales tax - Provincial on management fee	**522**	512	**260**	258
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee	**370**	363	**185**	183
AKD Investment Management Limited - Staff Provident Fund				
Purchase of units (2012: 146,379; 2011: 41,365)	**6,864**	2,017	**-**	2,017
Issue of Bonus units (2012: 2,211 ; 2011: nil)	**104**	-	**-**	-
Sale of units (2012: 171,788; 2011 : nil)	**8,207**	-	**-**	-
Saudi Pak Leasing Company Limited				
Principal received	**1,237**	3,000	**1,237**	2,000
Mark-up received	**-**	142	**-**	-

	(Unaudited) December 31, 2012	(Audited) June 30, 2012
13.2 Amounts outstanding as at the period / year end	(Rupees in '000)	
AKD Investment Management Limited - Management Company		
Remuneration payable	**581**	516
Sales tax - Provincial on management fee	**93**	83
Preliminary expenses and floatation costs	**25**	25
Proceeds payable from redemption and profits of Sukuks of Kohat Cement Company Limited and dividend of Golden Arrow Selected Stock Funds held as collateral	**17,208**	12,372
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**66**	59
CDS charges payable	**23**	14
Security deposit	**100**	100
AKD Investment Management Limited Staff Provident Fund		
Units held : Nil (June 2012 : 23,198)	**-**	1,200
Saudi Pak Leasing Company Limited		
Loans and receivables	**18,763**	20,000

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 22, 2013 by the Board of Directors of the Management Company.

15. GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala	**Aurangzeb Ali Naqvi**
Chief Executive Officer	Director

AKD Investment Management Ltd.

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