Funds Managed by:

AKD Investment Management Ltd.

1st Quarter Report
September 30, 2012
(Un-audited)

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

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)

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) formerly AKD Income Fund, AKD Cash Fund (AKDCF), AKD Opportunity Fund (AKDOF)** and **AKD Index Tracker Fund (AKDITF)** is pleased to present its Quarterly Report along with the Funds' accounts for the first quarter ended September 30, 2012.

Macro Perspective

Despite volatile economic and political conditions, our current account marked a surplus of US$432 million for the quarter ended September 30, 2012, as compared to a deficit of US$1,339 million witnessed during the corresponding period last year. The surplus was mainly on the back of strong remittances recorded at US$3.6 billion and a receipt of US$ 1.12 billion on account of the Coalition Support Fund subsequent to the revamping of ties with the US following an apology by the US on the Salala incident. The Trade Deficit also declined by 9.97% in the first quarter both due to rise in exports by 4.26% YoY to stand at US$ 6.19 billion as well as a decline in imports by 2.4% YoY to US$ 10.85 billion. The foreign exchange reserves of the country stood at US$ 14.9 billion at the end of September 2012, a decline of 2.37% on a year to date basis. However, had there been no payment under the Coalition Support Fund, the situation would have been grave due to the ongoing repayments to the International Monetary Fund. CPI inflation during July-September FY 2012-13 averaged 9.1% as compared to 11.5% during July-September FY 2011-12. With the decline in CPI Inflation, the State Bank of Pakistan decided to decrease the discount rate further by 200 basis points to stand at 10.00%.

Equity Market

The market continued to remain bullish on the back of healthy foreign inflows and significant cut in the discount rate. The market seems to have moved through three distinct phases, 1) sharp increase in July, 2) stable in August and 3) range bound during September with low volumes. The Index increased sharply by 1,643 points or 11.91%, making Pakistan the best performing market among its regional peers on a YTD basis. Bullish sentiment was on account of single digit CPI inflation numbers which allowed the State Bank to reduce the discount rate. Net foreign investment for the quarter stood at US$93 million. Average daily volumes for the quarter stood at 140 million shares. While inflation continues to ease there are further expectations of a reduction in the discount rate as the market run-up remains on track. On the other hand, investors will exercise caution as the volatile political scenario coupled with key institutions still at an impasse on a numerous issues will keep the market in check.

Money Market Dynamics

The yields on Treasury Bills have declined by 180-200 basis points since June 2012 following the discount rate cut. Cut off rates on the T-Bills and PIB declined by 150 bps and 141 bps respectively to close at 10.43% and 11.27% in the first quarter FY-13. The significant decline in yields is because of low inflation numbers primarily on account of declining oil and gas prices. 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. Moving forward we believe that market interest rates will continue to follow the discount rate path, while we expect a further cut of 50 bps in the upcoming monetary policy announcement due in December 2012.

Future Outlook

Declining momentum in the CPI inflation during July-September FY13 averaged 9.1% as compared to 11.5% for the corresponding yearly position, the SBP citing it as an opportunity decreased the discount rate to 10.00% enhancing its effort to promote private sector credit off-take. Further aggressive rate cuts may be witnessed which seem unsustainable in the long run due to weakening of fiscal accounts. With no measures to increase the country's revenue (taxes) and increasing expenditures on account of upcoming elections the economy will remain in the woods for some time.

As general elections are around the corner we expect that the present Government will continue to announce a series of populist measures which will focus on boosting economic activity in the short-term which will bode well for the stock market.

Comparing to regional markets the KSE-100 is trading at a PE of 7.39 x as compared to its regional peers of 12.33x 2013. Furthermore the equity markets offer an attractive 2013 average dividend yield of 6.5% compared to the regional average of only 3.1% giving room for further upside. However impediments to this upside would be declining foreign exchange reserves due to repayments to the IMF and other donor agencies, weakening current and fiscal accounts and political volatility due to elections.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: October 31, 2012

AKD Cash Fund
Financial Statements - First Quarter FY13

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AKD Cash Fund

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

INTERNAL AUDITORS
Rafaqat Mansha Mohsin Dossani
Masoom & Co.
Chartered Accountants
Suite 113, 3rd floor, Hafeez Centre
KCHS, Block 7&8 Shahra-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
Faysal Bank Limited
Habib Metropolitan 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)

DISTRIBUTOR
AKD Investment Management Limited

RATING
AKD CASH FUND
JCR-VIS: AA+(F) [Double A Plus (F)]

FUND MANAGER'S REPORT

The AKD Cash Fund "The Fund" reported an annualized return of 10.87% versus the benchmark return of 8.93% thus outperforming the benchmark by 1.94%.

Investment Strategy

AKD Cash Fund aims to provide optimal returns consistent with minimal risk from portfolio constituted of high quality short term securities / instruments, which provide liquidity to investors. A product of low risk and consistent flow of income, the AKD Cash Fund is suited for conservative investors with little tolerance for price volatility while ensuring liquidity, along with regular return in line with ongoing interest rates of AA and Government rated securities / instruments.

Economy

The first quarter of the new fiscal year started with a positive note as relations between Pakistan and US stabilized which resulted in the release of the long outstanding US$1.12 billion under the Coalition Support Fund coupled with US$280 million on account of Kerry Luger Bill. This resulted in the current account posting a surplus of US$ 356 million. Head line CPI also continued to ease which supported the State Bank of Pakistan's (SBP) efforts of inducing private sector credit off-take and subsequently the SBP reduced the discount rate by a hefty 150 basis points in the first quarter and another 50 basis points in the month of October. The country continues to retire its foreign currency debt, making payments of US$399 million and US$105 million in October 2012 to the International Monetary Fund (IMF).

The Pakistani Rupee remained stable on the back of foreign inflows against the Coalition Support Fund and Kerry Luger Bill, offsetting the urgency to service scheduled debt re-payments to IMF and other donor agencies.

Money Market Review

The Money market continues to remain illiquid with overnight rates averaging 11.7% up to the August Monetary Policy Statement (MPS) and 9.86% post MPS , in order to stabilize the money market the State Bank of Pakistan continued to conduct weekly Open Market Operations (OMO). During the quarter SBP conducted seven T-Bills auctions and two PIB auctions. The SBP mopped up Rs.1,435 billion and Rs.89 billion in the T-Bills and PIB auction respectively.

During the quarter State Bank of Pakistan reduced discount rate in order to kick start the ailing economic activity by inducing the private sector credit off-take and investment growth.

Performance Review and Outlook

During the quarter ended September 30, 2012 the Fund scored an annualized return of 10.87% against a benchmark of 8.93% to close at Rs. 50.3503. The Fund reported a profit of Rs. 3.224 million. The Management Company in its efforts to encourage Fund sales had waived off Management fee from 1.25% to 0% with prior approval of SECP till 31st December 2012.

We believe that the Fund is well positioned to provide better returns as compared to bank deposits along with tax benefit. We strongly recommend investors to maintain their short and medium-term liquidity in the AKD Cash Fund in order to avail decent returns at low risk. It is once again informed that the Management Company has extended the waiver of the Management Fee till December 31, 2012.

Interim Distribution

The Chief Executive Officer on behalf of Board of Directors of AKD Investment Management Limited (AKDIML) approved and declared following interim dividend payouts between 1st July 2012 to 30th September 2012.

From Date	To Date	Dividend per unit (Rupee)	Date of Announcement
01-July-2012	27-July-2012	0.33811	31-July-2012
28-July-2012	31-August-2012	0.67043	04-September-2012

Subsequent to September 30, 2012 fund also announced following interim dividend payouts up to October 31, 2012.

From Date	To Date	Dividend per unit (Rupee)	Date of Announcement
01-September-2012	28-September -2012	0.32475	02-October-2012
29-September-2012	25-October-2012	0.41178	31-October-2012

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2012

	Note	Un-audited September 30 2012	Audited June 30 2012
		(Rupees in '000)	
ASSETS			
Bank balances	4	**3,367**	8,437
Investments	5	**149,281**	94,364
Profit and other receivables	8	**968**	83
Prepayments		**59**	72
Preliminary expenses and floatation costs	6	**969**	1,025
Total assets		**154,644**	103,981
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	7	**1,125**	1,125
Payable to Central Depository Company of Pakistan Limited - Trustee		**18**	15
Payable to Securities and Exchange Commission of Pakistan		**21**	32
Accrued expenses and other liabilities	9	**492**	342
Total liabilities		**1,656**	1,514
NET ASSETS		**152,988**	102,467
UNIT HOLDERS' FUND (as per statement attached)		**152,988**	102,467
CONTINGENCIES AND COMMITMENTS	10		
		(Number of units)	
Number of units in issue		**3,038,470**	2,029,335
		(Rupees)	
Net asset value per unit		**50.3503**	50.4929
Face value per unit		**50**	50

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

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

	Note	Quarter ended September 30 2012 (Rupees in '000)
INCOME		
Income / profit on :		
- government securities		2,882
- bank deposits		236
Capital gain on sale of investment		11
		3,129
Unrealized appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		30
Total income		3,159
EXPENSES		
Remuneration of Central Depository Company of Pakistan Limited - Trustee		46
Annual fee - Securities and Exchange Commission of Pakistan		21
Auditors' remuneration		53
Settlement and bank charges		5
Amortization of preliminary expenses and floatation costs		56
Fees and subscription		8
Legal and professional		35
Printing and related costs		38
Workers' Welfare Fund		66
Total expenses		328
Net income from operating activities		2,831
Element of income and capital gains included in prices of units issued less those in units redeemed		393
Net income for the period before taxation		3,224
Taxation	11	-
Net income for the period after taxation		3,224
Other comprehensive income for the period		-
Total comprehensive income for the period		3,224
Earnings per unit - basic and diluted	12	

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

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

	Quarter ended September 30 2012 (Rupees in '000)
Undistributed income brought forward	
- Realised Income	1,011
- Unrealised loss	(11)
	1,000
Final distribution for the year ended June 30, 2012:	
- Re. 0.49 per unit on July 09, 2012	
- Cash distribution	-
- Issue of 20,001 bonus units @ Rs. 50 per unit	(1,000)
Interim distribution:	
- Re. 0.34 per unit on July 31, 2012	
- Cash distribution	-
- Issue of 13,574 bonus units @ Rs. 50 per unit	(679)
Interim distribution:	
- Re. 0.67 per unit on September 4, 2012	
- Cash distribution	(1)
- Issue of 29,625 bonus units @ Rs. 50 per unit	(1,481)
Net income for the period after taxation	3,224
Undistributed profits carried forward	1,063
Realized income	1,033
Unrealized income	30
	1,063

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

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

	Note	Quarter ended September 30 2012 (Rupees in '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation		3,224
Adjustments for non-cash and other items		
Unrealized appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(30)
Capital gain on sale of investments		(11)
Element of income and capital gains included in prices of units issued less those in units redeemed		(393)
Amortization of preliminary expenses and floatation costs		56
Remuneration of Central Depository Company of Pakistan Limited - Trustee		46
		2,892
(Increase) / decrease in assets		
Investments		(12,513)
Profit and other receivables		(885)
Prepayments		13
		(13,385)
Increase / (decrease) in liabilities		
Payable to Securities and Exchange Commission of Pakistan		(11)
Accrued expenses and other liabilities		150
		139
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee		(43)
Net cash used in operating activities		(10,397)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts against issuance / redemptions of units - net		47,691
Dividend paid		(1)
Net cash generated from financing activities		47,690
Net increase in cash and cash equivalents during the period		37,293
Cash and cash equivalents at beginning of the year		102,801
Cash and cash equivalents at end of the period	4.1	140,094

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

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 FIRST QUARTER ENDED SEPTEMBER 30, 2012

	Quarter ended September 30 2012 (Rupees in '000)
Net assets at beginning of the period	102,467
Issue of 1,640,500 units	82,557
Redemption of 694,565 units	(34,866)
	47,691
Issue of 63,200 bonus units	3,160
Element of income and capital gains included in prices of units issued less those in units redeemed	
- amount representing income and capital gains - transferred to Income Statement	(393)
Other net income for the period	3,183
Capital gain on sale of investments	11
Unrealized appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	30
Final distribution for the year ended June 30, 2012:	
- Re. 0.49 per unit on July 09, 2012	
- Cash distribution	-
- Issue of 20,001 bonus units @ Rs. 50 per unit	(1,000)
Interim distribution:	
- Re. 0.34 per unit on July 31, 2012	
- Cash distribution	-
- Issue of 13,574 bonus units @ Rs. 50 per unit	(679)
Interim distribution:	
- Re. 0.67 per unit on September 4, 2012	
- Cash distribution	(1)
- Issue of 29,625 bonus units @ Rs. 50 per unit	(1,481)
	63
Net assets at end of the period	152,988

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

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Cash 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 August 15, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012 and the Fund commenced operations from January 21, 2012.

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 Fund has been categorized as a Money Market Fund as per criteria laid down by SECP for categorization of Collective Investment Scheme (CIS). The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, deposits, certificate of deposits (COD), certificate of musharika (COM), commercial paper and reverse repo transactions. Title of the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of 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 AA+ to the Fund dated March 29, 2012 and April 11, 2012 respectively.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim 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 the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail. The disclosure made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34; 'Interim Financial Reporting'.

2.2 These condensed interim financial statements are unaudited.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published financial statements of the Fund for the period from January 19, 2012 to June 30, 2012.

	Note	Unaudited September 30 2012	Audited June 30 2012
		(Rupees in '000)	
4. BANK BALANCES			
In savings accounts		**3,357**	8,427
In current accounts		**10**	10
		3,367	8,437
4.1 CASH AND CASH EQUIVALENTS			
Bank balances	4	**3,367**	8,437
Market Treasury Bills having maturity of three months	5	**136,727**	94,364
		140,094	102,801
5. INVESTMENTS			
Financial assets at fair value through profit or loss - held for trading			
- Government securities	5.1	**149,281**	94,364

5.1 Government securities

Market Treasury Bills

Issue date	Tenor	Face Value				Balance at Sep. 30, 2012			Market value as a percentage of net assets	Market value as a percentage of investments
		Balance as at July 1, 2012	Purchase during the period	Sales / matured during the period	As at Sep. 30, 2012	Cost	Market value	Appreciation / (Diminution)		
		---------- Rupees in '000 ----------								
September 8, 2011	12 Months	75,000	-	75,000	-	-	-	-	-	-
January 26, 2012	6 Months	8,200	-	8,200	-	-	-	-	-	-
May 17, 2012	3 Months	13,000	-	13,000	-	-	-	-	-	-
October 6, 2011	12 Months	-	5,000	-	5,000	4,995	4,998	3	3.27	3.35
July 26, 2012	3 Months	-	8,200	-	8,200	8,156	8,161	5	5.33	5.47
June 4, 2012	3 Months	-	75,000	75,000	-	-	-	-	-	-
August 9, 2012	6 Months	-	13,000	-	13,000	12,501	12,554	53	8.21	8.41
August 23, 2012	3 Months	-	25,000	-	25,000	24,688	24,685	(3)	16.14	16.54
December 1, 2011	12 Months	-	93,000	-	93,000	91,505	91,477	(28)	59.79	61.28
May 17, 2012	6 Months	-	7,500	-	7,500	7,406	7,406	-	4.84	4.96
Total - Sep. 30, 2012					151,700	149,251	149,281	30	97.58	100.00
Total - June 30, 2012					96,200	94,375	94,364	(11)		

	Note	Unaudited September 30 2012	Audited June 30 2012
		(Rupees in '000)	
6. PRELIMINARY EXPENSES AND FLOATATION COSTS			
Preliminary expenses and floatation costs opening / incurred	6.1	**1,025**	1,125
Less: amortized during the period		**(56)**	(100)
		969	1,025

6.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortized over a period of five years commencing from January 21, 2012.

7. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMANT COMPANY

	Note	Unaudited September 30 2012	Audited June 30 2012
		(Rupees in '000)	
Management fee	7.1	**-**	-
Preliminary expenses and floatation cost		**1,125**	1,125
		1,125	1,125

7.1 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. However, the Management Company with the prior approval of the Securities and Exchange Commission of Pakistan (SECP) vide letter No. SCD/AMCW/AKDCF/237/2012 reduced management fee from 1.25% (defined in offering document) to 0% (Zero) for the period from July 01, 2012 till September 30, 2012.

8. PROFIT AND OTHER RECEIVABLES

	Note	Unaudited September 30 2012	Audited June 30 2012
		(Rupees in '000)	
Profit receivable on bank deposits		**24**	83
Receivable from AKD Aggressive Income Fund against conversion of units		**944**	-
		968	83

9. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	Unaudited September 30 2012	Audited June 30 2012
Auditors' remuneration		**223**	170
Brokerage		**-**	5
Provision for workers' welfare fund	9.1	**156**	90
Other		**113**	77
		492	342

9.1 Provision for Worker's Welfare Fund

The Scheme has maintained provisions against Workers' Welfare Fund liability to the tune of Rs 0.16 million, if the same were not made, the NAV per unit / return would have been higher by Re 0.05 per unit (0.10%).

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2012 and June 30, 2012.

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 realized or unrealized, is distributed amongst the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11 of part IV of the second schedule to the Income Tax Ordinance, 2001.

12. EARNINGS PER UNIT

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, 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 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:

13.1 Transactions during the period

	Un-audited Quarter ended September 30 2012 (Rupees in '000)
AKD Investment Management Limited - Management Company	
Purchase of 37,499 units	1,883
Redemption of 37,499 units	1,887
Central Depository Company of Pakistan Limited - Trustee	
Trustee fee	46
AKD Investment Management Limited - Staff Provident Fund	
Purchase of 13,343 units	670
Issue of bonus 1,319 units	66
Redemption of 88,298 units	4,419

13.2 Amounts outstanding as at period end	Unaudited September 30 2012	Audited June 30 2012
	(Rupees in '000)	
AKD Investment Management Limited - Management Company		
Preliminary expenses and floatation costs	**1,125**	1,125
AKD Investment Management Limited - Staff Provident Fund		
Units held (September 30, 2012 : Nil ; June 30, 2012 : 73,636)	**-**	3,718
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**18**	15
AKD Aggressive Income Fund		
Receivable from AKD Aggressive Income Fund against conversion of units	**944**	-

14. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 31, 2012 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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