Funds Managed by:

AKD Investment Management Ltd.

Half Yearly Report December 31, 2016 (Un-audited)

half yearly 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.

TABLE OF CONTENTS

CORPORATE INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Abdul Karim Memon

Director & Chief Executive Officer
Mr. Imran Motiwala

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

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT OF THE MANAGEMENT COMPANY

Ms. Noureen Nadir Ali

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

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

RATING

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

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF) and AKD Aggressive Income Fund (AKDAIF) is pleased to present its interim report along with the Funds' accounts for the half year ended December 31, 2016.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 1HFY17, the return of AKD Opportunity Fund stood at 41.70% compared to the benchmark KSE-100 Index return of 26.53%, thus significantly outperforming the benchmark by 15.17%.

AKD Index Tracker Fund (AKDITF)

For the 1HFY17, the return of AKD Index Tracker Fund stood at 24.96% compared to the benchmark KSE-100 Index return of 26.53%.

AKD Cash Fund (AKDCF)

For the 1HFY17, the annualized return of AKD Cash Fund stood at 4.57% compared to benchmark return of 5.16%.

AKD Aggressive Income Fund (AKDAIF)

For the 1HFY17, the annualized return of AKD Aggressive Income Fund stood at 6.33% compared to the benchmark return of 6.36%.

MACRO PERSPECTIVE

The major macroeconomic indicators continued their positive trend in 1HFY17, on the back of subdued inflation, stable exchange rate and adequate foreign reserves. Moreover, foreign direct investment (FDI) from CPEC and up gradation of Pakistan market from MSCI frontier Markets (FM) index to MSCI Emerging Market (EM) index is expected to further improve the stance of Pakistan in global market.

CPI inflation during 1HFY17 clocked in 3.88%YoY as compared to 2.08%YoY for the corresponding period last year. The major uptick in inflation came from Housing, Water, Electricity, Gas and Fuels followed by Food and Non-Alcoholic beverages, both having 37% and 29% weightage in the CPI basket respectively. Moreover GoP absorbed some of the impact of higher oil prices, thus keeping prices lower than expectations. Throughout 1HFY17, inflation remained within the target range of 4.5%-5.5% and as a result the State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75 percent in the two consecutive monetary policy announcements in September and November.

Commodity prices showed significant increase particularly in the 2QFY17, mainly on the back of rising oil prices. OPEC held its meeting in Vienna on 30th November where it was decided that both OPEC and non OPEC countries will curtail their oil production by 1.8 million barrels per day. As a consequence oil prices rebounded to around USD 50 per barrel. It is expected that oil prices will continue to be within the range of USD 52-55 in the near future.

While relatively lower oil and commodity prices have benefited consumers in 1HFY17, it also had an adverse impact on commodity-producing sectors of the economy: for example, lower product prices have hit farmer incomes and affected cropping decisions. In addition corporate profits also have been affected due to inventory losses caused by depressed commodity prices in 1QFY17. During 2QFY17 commodity prices showed improvement, which provided some relief.

Going forward, it is expected that inflation will start picking up on the back of surge in oil prices, however we believe it will remain in the SBP target range of average CPI between 4.5 and 5.5 percent for the fiscal year 2016/2017 due to still oversupplied commodities in international market.

The State Bank of Pakistan (SBP) reported the Current Account Deficit of USD 3.58 bn in 1HFY17, registering a 92% YoY increase. This is due to the tepid remittances in 1HFY17 (-2.4% YoY) from the GCC region and increase in trade deficit (+15.6% YoY). The trade balance has deteriorated on the back of falling exports (-2.3% YoY), to USD 10.53 bn in 1HFY17and a rise in imports (+8% YoY) to reach US$ 21.34 bn in the 1HFY17 mainly in the form of machinery imports for CPEC and development. It is expected that Current account deficit will worsen due to possible rebound in oil prices, continuing increase in machinery imports and weak remittance outlook.

The total liquid foreign exchange reserves of Pakistan reached USD 23.163 billion by the end of 1HFY17, from previous level of USD 20.812 billion by the end of 1HFY16. During 1HFY17, International Monetary Fund (IMF) released the final 12th tranche of USD 102 million under the Extended Fund Facility; to recap IMF had approved the three-year extended financing arrangement of approximately USD 6.64 billion for Pakistan. The IMF program came to an end in the 2QFY17 and going forward we expect some pressure on the reserves as external repayments (cumulative USD 1.5 bn- 1.75 bn) under Eurobond, Paris Club and China SAFE debt retirement to begin in June'17. However, the Government is confident to maintain the foreign reserves level in future with expected import cover of 6.6 months in FY17.

On the fiscal front, FBR faced a shortfall of PKR 155bn in tax collection in the 1HFY17. FBR has provisionally collected PKR 1,460bn against the target of PKR 1,615bn for the six month. The Government has set the target of tax collection to PKR 3.62tn for FY17, which is ambitious in our view. It is expected that Government will face challenges in the tax collection post IMF period. Furthermore, the tax collection is affecting the budget deficit (target of 3.8% of GDP for FY17) due to lower than expected tax revenue along with decline in non-tax revenue.

The fiscal expenditure was recorded at PKR 1,300bn in the 1QFY17 against revenues of PKR 862.2bn, leading to a deficit of PKR 437bn (1.3% of GDP). However, the Government is focusing on the introduction and implementation of robust and stringent measures in economy to improve revenue collection in the future.

In this regard The National Assembly in December, approved a mega tax amnesty scheme for real estate sector that would approve whitening of black money invested in the sector by paying only three per cent tax. The impact of the amnesty scheme remains to be seen.

EQUITY MARKET REVIEW

1QFY17 has been a record-breaking period for the PSX-100 index, which crossed 40,000 psychological barrier and closed at 40,542 points, posting a return of 7.3% in 1QFY'17. During the subsequent quarter, the index smashed all previous performance records and posting a whopping return of 17.92% in 2QFY17.In this regard the overall index level increased by 27% in 1HFY'17.

The performance of the index in 1HFY'17 can be mainly attributed to

- Renewed investor confidence due to Morgan Stanley Capital International (MSCI)'s re-classification of Pakistan in to Emerging Market Index.
- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years.
- Sales uptick in Pakistan auto sector, on the back of renewed consumer spending and rise in consumer financing.
- Country's successful completion of IMF program.
- Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy.
- S&P raising Pakistan's sovereign credit rating to B from B-.
- Expectations of a substantial Export/Textile package to boost exports.
- 40% stake sale in the management of PSX, a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company (PCIC), and Habib Bank Ltd. (HBL) submitted the highest bid of PkR28/share for the 40% strategic stake.
- FBR's Revaluation of properties and regularization of real estate sector to increase tax net, as many investors switched from real estate to equity markets.

FUTURE OUTLOOK

We believe that market has incorporated many positives of expected inflows triggered by MSCI re-rating, CPEC and Expected export package. However at the current level PSX still has some room to grow as the current market P/E of 11x is still lower then MSCI EM P/E of 13x.

Apart from the P/E ratio, another ratio that makes us bullish on PSX is the market cap to GDP ratio. The current market cap to GDP is 30%, which shows that the market is substantially below its historical peak of 49% in CY07.

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

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

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

MONEY MARKET REVIEW

During 4MFY17, The State Bank of Pakistan (SBP) carried out 9 T-bills auctions where the government managed to raise PKR 1.876 trillion. During this period, Weighted age average yield on 3, 6, and 12 months T-bills were at 5.85%, 5.89%, and 5.91 respectively down from 6.70%, 6.71%, and 6.79% during the corresponding period last year. SBP accepted 3 auctions bids out of 6 auctions of PIB's and managed to raise PKR 646.32 billion during 1HFY17. The PIB weighted average maturity yields on 3, 5, 10 years PIB declined to 6.17%, 6.67%, 7.75% respectively from 7.34%, 8.30%, 9.24% in the corresponding period last year. The Government announced Monetary Policy Statement on November 26,2016,where committee has decided to keep the policy rate unchanged at 5.75 percent. During 1HFY17 State Bank of Pakistan conducted 44 open market operations (OMO's) of different maturities and injected average amount of PKR 629.3 billion per OMO's at an average cut off yield of 5.80%.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: February 24, 2017

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

AKD انویسٹمنٹ مینجمنٹ لمیٹڈ (AKDIML)، جو AKD اپرچیونٹی فنڈ (AKDOF)، AKD انڈیکس ٹریکر فنڈ (AKDITF)، AKD کیش فنڈ (AKDCF) اور AKD اگریسیو انکم فنڈ (AKDAIF) کی مینجمنٹ کمپنی ہے، کے بورڈ آف ڈائریکٹرز 31 دسمبر 2016 کو اختتام پذیر درمیانی مدت کے ششماہی رپورٹ بمع فنڈز کے کھاتوں کے پیش کرتے ہوئے، دلی مسرت محسوس کرتی ہیں۔

فنڈز کی مالیاتی کارکردگی

AKD اپرچیونٹی فنڈ (AKDOF)

مالی سال 2017 کی پہلی ششماہی میں KSE-100 کی 26.53 فیصد بینچ مارک آمدنی کو 15.17 فیصد پیچھے چھوڑتے ہوئے AKD اپرچیونٹی فنڈ کی آمدنی نے اس کے مقابلے میں 41.70 فیصد رہی۔

AKD انڈیکس ٹریکر فنڈ (AKDITF)

مالی سال 2017 کی پہلی ششماہی میں KSE-100 کی 26.53 فیصد بینچ مارک آمدنی کے مقابلے میں AKD انڈیکس ٹریکر فنڈ کی آمدنی 24.96 فیصد رہی۔

AKD کیش فنڈ (AKDCF)

مالی سال 2017 کی پہلی ششماہی میں 5.16 فیصد بینچ مارک کے مقابلے پر AKD کیش فنڈ کی سالانہ کی بنیاد پر آمدنی 4.57 فیصد رہی۔

AKD اگریسیو انکم فنڈ (AKDAIF)

مالی سال 2017 کی پہلی ششماہی میں 6.36 فیصد بینچ مارک کے مقابلے پر AKD اگریسیو انکم فنڈ کی سالانہ کی بنیاد پر آمدنی 6.33 فیصد رہی۔

میکرو پرسپیکٹو :

نمایاں بڑے معاشی اشاریوں نے 1HFY'17 میں مثبت رویہ جاری رکھا جسکی وجہ مغلوب افراط زر کی شرح، مستحکم کرنسی کی شرح تبادلہ اور مناسب زرمبادلہ کے ذخائر ہیں۔ مزید براں CPEC کیجانب سے براہ راست غیر ملکی سرمایہ کاری (FDI)، اور پاکستانی مارکیٹ MSCI فرنٹیر مارکیٹس انڈیکس (FM) سے MSCI ایمرجنگ مارکیٹ انڈیکس (EM) اپ گریڈیشن سے عالمی مارکیٹ میں پاکستان کی پوزیشن میں مزید بہتری کے امکانات پیدا ہو گئے ہیں۔

CPI افراطِ زر کی شرح سال بہ سال کی بنیاد پر گزشتہ سال کی اسی دورانیہ کیلئے 2.08% کے مقابلے میں 1HFY'17 کے دوران 3.88% تک جا پہنچی۔ نمایاں اضافہ ہاؤسنگ، بجلی، گیس اور ایندھن کے علاوہ اشیاء خوردونوش اور نان الکوالحک

مشروبات کے باعث آیا جسکا CPI میں بالترتیب 37% اور 29% حصہ ہے۔ حکومت پاکستان نے تیل کی قیمتوں کے اضافے کے کچھ اثرات خود برداشت کئے جسکے نتیجے میں قیمتیں توقعات سے نیچے رہیں, 1HFY'17 کے دوران افراطِ زر کی شرح 4.5%۔5.5% کے درمیان رہی جسکے نتیجہ میں اسٹیٹ بینک پاکستان نے متواتر ستمبر اور نومبر میں شرح سود 5.75% پر برقرار رکھا۔ اجناس کی قیمتوں میں 2QFY'17 میں نمایاں اضافہ دیکھنے میں آیا جسکی بنیادی وجہ تیل کی قیمتوں کا بڑھنا تھا۔ 30 نومبر کو ویانا میں ہونے والے اوپیک(OPEC) کی منعقدہ میٹنگ میں فیصلہ کیا گیا کہ اوپیک اور دوسرے تیل پیدا کرنے والے ممالک روزانہ کی بنیاد پر اپنی پیداوار میں 1.8 ملین بیرل کی کمی کریں گے۔ نتیجتاً تیل کی قیمتیں دوبارہ 50 ڈالر فی بیرل پر پہنچ گئیں۔ اُمید ہے کہ مستقل قریب میں تیل کی قیمت 55-52 ڈالر فی بیرل پر پہنچ جائیں گی۔

تیل اور اجناس کی کم قیمتوں نے 1HFY'17 میں صارفین کو فائدہ پہنچایا تو دوسری طرف اجناس پیدا کرنے والے طبقوں کو فصلوں کی قیمتوں کی غیر یقینی صورتحال کے باعث اور فصلوں کی قیمتوں میں گراوٹ کی وجہ سے کسانوں کی آمدنیوں میں شدید منفی اثرات مرتب ہوئے۔ کارپوریٹ سیکٹر کو بھی 1QFY'17 میں قیمتوں میں گراوٹ کے باعث انونٹری میں کمی کی وجہ سے منافع میں کمی کا سامنا کرنا پڑا۔ 2QFY'17 کے دوران اجناس کی قیمتوں میں بہتری کے باعث کچھ مثبت رجحان دیکھنے میں آرہا ہے۔

آئندہ کیلئے یہ توقع ہے کہ 2016/2017 کے مالی سال کیلئے تیل کی قیمتوں میں اضافے کے باعث افراطِ زر کی شرح میں اضافہ ہوگا۔ لیکن ہم سمجھتے ہیں کہ عالمی مارکیٹ میں اجناس کی ڈیمانڈ سے زائد سپلائی کے باعث افراطِ زر کی شرح اسٹیٹ بینک پاکستان (SBP) کی اوسط ٹارگیٹ رینج 4.5 اور 5.5 فیصد میں ہی رہے گی۔

اسٹیٹ بینک پاکستان (SBP) نے 1HFY'17 کیلئے 3.58 بلین ڈالر کا کرنٹ اکاؤنٹ میں خسارے رپورٹ کیا ہے۔ جس کا باعث 1HFY'17 میں GCC سے ترسیلات زر (24%۔ سال بہ سال) میں کمی اور تجارتی خسارے (15.6%+ سال بہ سال) میں اضافہ ہے۔ 1HFY'17 میں 10.53 بلین ڈالر (2.3% سال بہ سال) کی برآمدات میں کمی اور درآمدات میں 21.34 بلین ڈالر (8%+ سال بہ سال) کا اضافہ جس میں ترقیاتی کاموں اور بالخصوص CPEC کیلئے مشینوں کی درآمدات شامل ہیں، تجارتی خسارے میں بگاڑ پیدا کردیا ہے۔ خدشہ ہے کہ کرنٹ اکاؤنٹ خسارہ ترسیلات زر کی صورتحال، مسلسل مشینوں کی درآمدات اور تیل کی قیمتوں میں اضافہ کے باعث مزید خراب ہوگی۔ پاکستان کا کل لیکوڈ غیر ملکی زرمبادلہ 1HFY'16, کے 20.812 بلین ڈالر کے مقابلے میں 1HFY'17 کے اختتام تک 23.163 بلین ڈالر تک پہنچ گیا۔ 1HFY'17 کے دوران عالمی مالیاتی ادارہ (IMF) نے اضافی فنڈ سہولت (Extended Fund Facility) کے تحت 102 ملین ڈالر کی آخری قسط جاری

کر دی جسکے بعد عالمی مالیاتی ادارے کا تین سالوں پر محیط تقریباً 6.64 بلین ڈالر کی مالی سہولت کی تکمیل ہوگئی۔ 2QFY'17 میں عالمی مالیاتی ادارے (IMF) کا IMF پروگرام ختم ہو گیا جسکے بعد بیرونی قرضوں کی ادائیگیوں میں (مجموعی طور پر 1.5-1.75 بلین ڈالر) یورو بونڈ، پیرس کلب، جون 2017 میں چائنا کے SAFE قرضوں کی واپسی کے آغاز کے باعث مالی ذخائر پر دباؤ متوقع ہے۔ بہر حال حکومت، FY'17 (مالی سال 2017) میں 6.6 مہینوں میں برآمدات کے باعث بیرونی ذخائر کو برقرار رکھنے کے بارے میں پر اعتماد ہے۔

مالی محاذ پر 1HFY'17 میں فیڈرل بورڈ آف ریونیو (FBR) کو ٹیکس جمع کرنے کی مد میں 155 بلین روپے کی کمی کا سامنا ہے۔ فیڈرل بورڈ آف ریونیو (FBR) نے گذشتہ چھ ماہ میں 1615 بلین روپے کے ہدف کے مقابلے میں 1460 بلین روپے جمع کئے ۔حکومت نے FY'17 (مالی سال 2017) کیلئے ٹیکس محصولات کی مد میں 3.62 ٹریلین روپے کا ہدف مقرر کیا ہے جو ہمارے خیال میں خواہشات پر مبنی ہے۔ اس بات کا امکان ہے کہ حکومت کو IMF کی امداد کے بعد ٹیکس کی محصولات میں مشکلات کا سامنا کرنا پڑیگا۔ علاوہ ازیں ٹیکس کے محصولات بجٹ کے خسارے (جو کہ مالی سال 2017 میں GDP کا 3.8 فیصد ہے) پر اثر انداز ہو رہا ہے جسکی وجہ توقع سے کم قابل ٹیکس آمدنی اور ٹیکس سے مبرا آمدنیوں میں کمی ہے۔

1QFY'17 میں 862.2 بلین روپے کی آمدنی کے مقابلے میں مالی اخراجات 1300 بلین روپے تھا جو کہ 437 بلین (1.3%of GDP) کے خسارے کی صورت میں ظاہر ہوا۔ بہر حال حکومت آمدنی میں اضافہ کیلئے ٹھوس اور یقینی اقدامات کرنے پر اپنی توجہ مرکوز کر رہی ہے۔

ایکوٹی مارکیٹ کا جائزہ:

1QFY17 PSX-100 انڈیکس کیلئے تاریخ ساز رہا ہے جس نے 40,000 کی نفسیاتی حد عبور کی اور 40542 پوائنٹ پر بند ہوا اس طرح 1QFY'17 میں 7.3% منافع باعث بنا۔ بعد کے سہ ماہی میں انڈیکس نے ماضی کی تمام کارکردگیوں کے پاش پاش کر دیا اور 2QFY'17 میں 17.92% کا قوی الجثہ منافع دیا۔ مجموعی طور پر 1HFY'17 میں انڈیکس میں 27% کا اضافہ ریکارڈ میں آیا۔ 1HFY'17 میں انڈیکس کی کارکردگی درجہ ذیل سے منسوب کی جاسکتی ہے۔

- ☆ مورگن اسٹینلے کیپیٹل انٹرنیشنل (MSCI'S) پاکستان کی ایمرجنگ مارکیٹ انڈیکس میں ازسرنو درجہ بندی کی وجہ سے سرمایا کاروں اعتماد کا بڑھنا۔
- ☆ تیل کی قیمتوں میں استحکام، آٹھ سالوں میں اوپیک (OPEC) کا پہلی بار تیل کی پیداوار میں کٹوتی کرنے کا فیصلہ
- ☆ کنزیومر فنانسنگ میں اضافہ کی وجہ سے کنزیومر اسپینڈ نگ کی حوصلہ افزائی، نتیجتاً آٹو سیکٹر کی سیلز میں اضافہ ہونا۔
- ☆ ملک کا IMF پروگرام کا کامیابی سے مکمل کرنا۔
- ☆ CPEC پروجیکٹ میں مثبت پیشرفت جس سے ملک میں بجلی کی کمی کے دور ہونے اور ملک کی معیشت میں ایک نئے دور کے آغاز کا امکان۔

☆ S&P کا پاکستان کی خودمختاری کی کریڈٹ ریٹنگ -B سے B کرنا۔

☆ برآمدات اور ٹیکسٹائل کیلئے غیر معمولی اقدامات کا امکان۔

☆ ایک کنسورشم، جس میں چائنا فیوچرا یکسچینج۔شنگھائی اسٹاک ایکسچینج۔شینزن اسٹاک ایکسچینج۔پاک چائنا انوسٹمنٹ کمپنی اور حبیب بینک لمیٹیڈ کو PSX کے 40% حصص کی فروخت کی گئی۔HBL نے 40% اسٹریٹجک شیئر کیلئے بلند ترین بولی پیش کی جسکی مالیت 28 روپے فی شیئر بنتی ہے۔

☆ FBR کا جائیدادوں کی مالیتوں کا ازسرنو جائزہ لینا اور رئیل اسٹیٹ سیکٹر کو ٹیکس کے حصول کیلئے ریگولیٹرائیز کرنا، کیونکہ متعدد سرمایہ کاروں نے رئیل اسٹیٹ سے ایکوٹی مارکیٹ کا رُخ کیا ہے۔ہمیں یقین ہے کہ مارکیٹ متعدد مثبت عناصر سے جڑ چکی ہے جسے MSCI کی ازسرنو درجہ بندی CPEC اور متوقع برآمدی پیکج نے متحرک کر دیا۔ابھی بھی PSX کی موجودہ سطح میں بہتری کی گنجائش ہے کیونکہ موجودہ مارکیٹ کی گیارہ گنا P/E MSCIEM P/E کی 13 گنا P/E سے اب بھی کم ہے۔P/E تناسب کے علاوہ ایک اور موازنہ جو PSX میں تیزی کے رجحان کا پتہ دیتا ہے وہ مارکیٹ کیپ (Market Cap) کا GDP سے تناسب ہے۔موجودہ مارکیٹ کیپ (Market Cap)، GDP کا 30% ہے جس سے پتہ چلتا ہے کہ مارکیٹ ابھی بھی CYO7 کی تاریخی بلندی سے 49% نیچے ہے جو کہ کافی زیادہ ہے۔

مزید برآں پاکستان، ستمبر میں ملٹی لیٹرل کنونشن برائے میوچل ایڈمنسٹریٹو اسسٹنٹ برائے ٹیکس کا دستخط کنندہ ہو گیا ہے جو کہ OECD کا تشکیل کردہ فریم ورک ہے۔یہ کنونشن عالمی تعاون برائے ٹیکس کا مظبوط ترین نظام ہے۔یہ ٹیکس کے معاملات میں تمام اقسام کی انتظامی سہولتیں مہیا کرتا ہے۔جن میں معلومات کا تبادلہ، موقع پر تبادلہ، خودکار تبادلہ، بیرون ملک ٹیکس کا جائزہ، بیک وقت ٹیکس کا جائزہ اور ٹیکس کی وصولی میں مدد شامل ہیں۔

یہ نظام ٹیکس دینے والوں کے حقوق کو تحفظ دیتا ہے۔اس کنونشن پر دستخط کنندہ ہونے کے بعد پاکستان نے آف شور کے ذریعہ ٹیکس چوری اور ٹیکس سے بچنے کے خلاف اقدامات اُٹھانے کے حوالے سے واضح پیغام دیا ہے۔اس قسم کے اقدام سے دہرا فائدہ ہوگا۔اول یہ کہ اس سے ٹیکس کنندگان میں اضافہ ہوگا دوم یہ کہ اس سے مقامی ایکوٹی مارکیٹ میں سرمایہ کاری کی ایک اور لہر جنم لے سکتی ہے۔غیر ملکی پورٹ فولیو سرمایہ کاری کی بھی توقع کر رہے ہیں (CPEC سے متعلق سرمایہ کاری کے علاوہ) جو کہ ہالینڈ کی RFC کی اینگرو فوڈ اور شنگھائی الیکٹرک مینجمنٹ کی کے الیکٹرک کو حاصل کرنے جیسی ہوگی اور یہ آنے والے سالوں میں ترقی کیلئے اہم وجہ ہوگی۔

برائے ومنجانب بورڈ

عمران موتی والا

بورڈ کے چیف ایگزیکیوٹو آفیسر

کراچی، 24 فروری 2017

AKD Cash Fund
Financial Information - First Half FY17

Contents

AKD Cash 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
Faysal Bank Limited
Habib Metropolitan Bank Limited

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

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

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

DISTRIBUTOR
AKD Investment Management Limited
AKD Securities Limited
BMA Capital Management Limited
First Street Capital (Pvt.) Limited
Savings Lounge (Pvt.) Limited

RATING
AKD CASH FUND
PACRA: AA+(f) [Double A Plus (f)]

FUND MANAGER'S REPORT

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

Open - end Money Market Scheme

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

The investment objective of the Fund is to provide optimum return consistent with minimal risk from a portfolio constituted of high quality short term securities / instruments, which will provide liquidity to investors. The fund exclusively invest in highly secure ('AA' and above) debt instruments such that the weighted average maturity of its assets stay below 90 days.

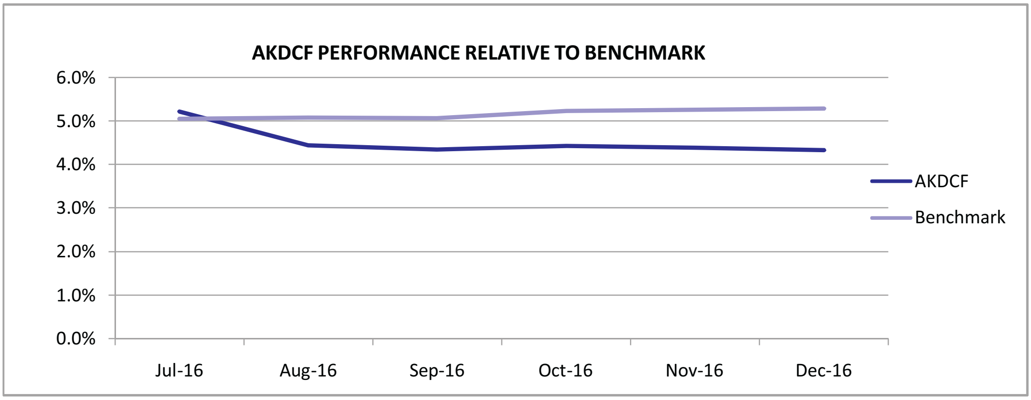
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1HFY17, the annualized return of AKD Cash Fund stood at 4.57% compared to benchmark return of 5.16%.

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

70% three (3) months PKRV rate + 30% three (3) months average deposit rate of three(3) AA rated scheduled Banks as selected by MUFAP.

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



Monthly yield (annualized)	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
AKDCF	5.22%	4.44%	4.35%	4.43%	4.39%	4.33%
Benchmark	5.05%	5.08%	5.07%	5.24%	5.26%	5.29%

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

AKD Cash Fund is an open - end Money Market Scheme. The returns of the funds are generated through investment in high quality short term government securities. AKDCF 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 report and particulars of significant changes in asset allocation since the last report (if applicable):

Asset Allocation (% of Total Assets)	31-Dec-16	30-Sep-16
Cash and Cash Equivalents	97.85%	98.95%
Other Assets Including Receivables	2.15%	1.05%

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

1HFY17 (annualized)	4.57%
Benchmark (annualized)	5.16%

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

Net Assets Value			NAV Per Unit	
31-Dec-16	30-Sep-16	Change in Net Assets	31-Dec-16	30-Sep-16
(Rupees in 000)			(Rupees)	
100,777	114,107	-11.68%	51.2824	50.7188

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

Economy

The major macroeconomic indicators continued their positive trend in 1HFY17, on the back of subdued inflation, stable exchange rate and adequate foreign reserves. Moreover, foreign direct investment (FDI) from CPEC and up gradation of Pakistan market from MSCI frontier Markets (FM) index to MSCI Emerging Market (EM) index is expected to further improve the stance of Pakistan in global market.

CPI inflation during 1HFY17 clocked in 3.88%YoY as compared to 2.08%YoY for the corresponding period last year. The major uptick in inflation came from Housing, Water, Electricity, Gas and Fuels followed by Food and Non-Alcoholic beverages, both having 37% and 29% weightage in the CPI basket respectively. Moreover GoP absorbed some of the impact of higher oil prices, thus keeping prices lower than expectations. Throughout 1HFY17, inflation remained within the target range of 4.5%-5.5% and as a result the State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75 percent in the two consecutive monetary policy announcements in September and November.

Commodity prices showed significant increase particularly in the 2QFY17, mainly on the back of rising oil prices. OPEC held its meeting in Vienna on 30th November where it was decided that both OPEC and non OPEC countries will curtail their oil production by 1.8 million barrels per day. As a consequence oil prices rebounded to around USD 50 per barrel. It is expected that oil prices will continue to be within the range of USD 52-55 in the near future.

While relatively lower oil and commodity prices have benefited consumers in 1HFY17, it also had an adverse impact on commodity-producing sectors of the economy: for example, lower product prices have hit farmer incomes and affected cropping decisions. In addition corporate profits also have been affected due to inventory losses caused by depressed commodity prices in 1QFY17. During 2QFY17 commodity prices showed improvement, which provided some relief.

Going forward, it is expected that inflation will start picking up on the back of surge in oil prices, however we believe it will remain in the SBP target range of average CPI between 4.5 and 5.5 percent for the fiscal year 2016/2017 due to still oversupplied commodities in international market.

The State Bank of Pakistan (SBP) reported the Current Account Deficit of USD 3.58 bn in 1HFY17, registering a 92% YoY increase. This is due to the tepid remittances in 1HFY17 (-2.4% YoY) from the GCC region and increase in trade deficit (+15.6% YoY). The trade balance has deteriorated on the back of falling exports (-2.3% YoY), to USD 10.53 bn in 1HFY17and a rise in imports (+8% YoY) to reach US$ 21.34 bn in the 1HFY17 mainly in the form of machinery imports for CPEC and development. It is expected that Current account deficit will worsen due to possible rebound in oil prices, continuing increase in machinery imports and weak remittance outlook.

The total liquid foreign exchange reserves of Pakistan reached USD 23.163 billion by the end of 1HFY17, from previous level of USD 20.812 billion by the end of 1HFY16. During 1HFY17, International Monetary Fund (IMF) released the final 12th tranche of USD 102 million under the Extended Fund Facility; to recap IMF had approved the three-year extended financing arrangement of approximately USD 6.64 billion for Pakistan. The IMF program came to an end in the 2QFY17 and going forward we expect some pressure on the reserves as external repayments (cumulative USD 1.5 bn- 1.75 bn) under Eurobond, Paris Club and China SAFE debt retirement to begin in June'17. However, the Government is confident to maintain the foreign reserves in future with expected import cover of 6.6 months in FY17.

On the fiscal front, FBR faced a shortfall of PKR 155bn in tax collection in the 1HFY17. FBR has provisionally collected PKR 1,460bn against the target of PKR 1,615bn for the six month. The Government has set the target of tax collection to PKR 3.62tn for FY17, which is ambitious in our view. It is expected that Government will face challenges in the tax collection post IMF period. Furthermore, the tax collection is affecting the budget deficit (target of 3.8% of GDP for FY17) due to lower than expected tax revenue along with decline in non-tax revenue.

The fiscal expenditure was recorded at PKR 1,300bn in the 1QFY17 against revenues of PKR 862.2bn, leading to a deficit of PKR 437bn (1.3% of GDP). However, the Government is focusing on the introduction and implementation of robust and stringent measures in economy to improve revenue collection in the future.

In this regard The National Assembly in December, approved a mega tax amnesty scheme for real estate sector that would approve whitening of black money invested in the sector by paying only three per cent tax. The impact of the amnesty scheme remains to be seen.

Money Market

During 4MFY17, The State Bank of Pakistan (SBP) carried out 9 T-bills auctions where the government managed to raise PKR 1.876 trillion. During this period, Weighted age average yield on 3, 6, and 12 months T-bills were at 5.85%, 5.89%, and 5.91 respectively down from 6.70%, 6.71%, and 6.79% during the corresponding period last year. SBP accepted 3 auctions bids out of 6 auctions of PIB's and managed to raise PKR 646.32 billion during 1HFY17. The PIB weighted average maturity yields on 3, 5, 10 years PIB declined to 6.17%, 6.67%, 7.75% respectively from 7.34%, 8.30%, 9.24% in the corresponding period last year. The Government announced Monetary Policy Statement on November 26,2016 ,where committee has decided to keep the policy rate unchanged at 5.75 percent. During 1HFY17 State Bank of Pakistan conducted 44 open market operations (OMO's) of different maturities and injected average amount of PKR 629.3 billion per OMO's at an average cut off yield of 5.80%.

xi) 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 Fund Manager's report, not otherwise disclosed in the financial statements:

There was no significant change in the state of affairs during the period under review.

xii) Break down of unit holding by size:

Range (Units)	No. of Investors
0.1 - 9,999	16
10,000 - 49,999	3
50,000 - 99,999	2
100,000 - 499,999	4
500,000 and above	1
	26

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

There were no unit splits during the period.

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

Investments are subject to credit and market risk.

xv) 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 commission has been received by the AMC from its broker or dealer by virtue of transactions conducted by the Collective Investment Scheme.

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 Cash 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, 2016 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.

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 24, 2017

INDEPENDENT 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 Cash Fund**(the Fund) as at December 31, 2016, 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, 2016. The Management Company (AKD Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the 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, 2016 and December 31, 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial information of the Fund for the half year ended December 31, 2015 was reviewed and the financial statements of the Fund for the year ended June 30, 2016 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 19, 2016 and September 28, 2016 respectively.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: Rashid A. Jafer

Karachi: February 24, 2017

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2016

	Note	(Unaudited) December 31, 2016	(Audited) June 30, 2016
		---- (Rupees in '000) ----	
ASSETS			
Bank balances	4	**14,320**	15,472
Investments	5	**87,441**	282,990
Profit receivable on bank deposits		**26**	229
Prepayments		**96**	-
Advance tax		**191**	-
Preliminary expenses and floatation costs	6	**12**	125
Receivable on conversion of units		**1,915**	907
Total assets		**104,001**	299,723
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	7	**933**	1,119
Payable to Central Depository Company of Pakistan Limited - Trustee	8	**19**	30
Payable to Securities and Exchange Commission of Pakistan	9	**50**	149
Accrued expenses and other liabilities	10	**1,915**	2,382
Payable on redemption of units		**307**	33,396
Total liabilities		**3,224**	37,076
NET ASSETS		**100,777**	262,647
UNIT HOLDERS' FUND (as per statement attached)		**100,777**	262,647
Contingencies and Commitments	11		
		---- (Number of units) ----	
Number of units in issue		**1,965,138**	5,239,506
		(Rupees)	
Net asset value per unit		**51.2824**	50.1283
Face value per unit		**50**	50

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Note	Half year ended December 31, 2016	Half year ended December 31, 2015	Quarter ended December 31, 2016	Quarter ended December 31, 2015
		---------- (Rupees in '000)			----------
INCOME					
Capital loss on sale of investments - net		**(6)**	(10)	**(5)**	(4)
Profit on bank deposits		**151**	495	**72**	269
Income from government securities		**3,772**	5,844	**1,703**	2,983
		3,917	5,844	**1,770**	2,983
Unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net		**(2)**	(29)	**5**	(53)
Total income		**3,915**	5,815	**1,775**	2,930
EXPENSES					
Remuneration of AKDIML- Management Company	7.3	**265**	372	**122**	201
Sales tax on remuneration of the Management Company	7.2	**34**	60	**15**	32
Federal excise duty on remuneration of the Management Company		**-**	59	**-**	32
Remuneration of CDC - Trustee		**99**	139	**45**	75
Sales tax on remuneration of the Trustee	8.2	**13**	20	**6**	11
Annual fee - Securities and Exchange Commission of Pakistan		**50**	70	**23**	38
Auditors' remuneration		**118**	112	**59**	55
Bank charges		**19**	21	**10**	11
Amortisation of preliminary expenses and floatation costs		**113**	113	**57**	57
Security transaction costs		**1**	5	**-**	5
Fees and subscriptions		**27**	27	**14**	17
Legal and professional charges		**80**	101	**35**	33
Printing and related costs		**86**	88	**44**	44
Allocated expenses by the Management Company	7.4	**66**	-	**30**	-
Total expenses		**971**	1,187	**460**	611
Net income from operating activities		**2,944**	4,628	**1,315**	2,319
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		**(676)**	4,342	**(376)**	4,755
Net income for the period before taxation		**2,268**	9,455	**939**	7,339
Taxation	12	**-**	-	**-**	-
Net income for the period after taxation		**2,268**	9,455	**939**	7,339
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive income for the period		**2,268**	**9,455**	**939**	**7,339**
Earnings per unit - basic and diluted	13				

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Half year ended December 31,		Quarter ended December 31,	
	2016	2015	2016	2015
	--------------- (Rupees in '000) ---------------			
Undistributed income brought forward comprising of:				
- Realised income	**955**	871	**2,296**	2,965
- Unrealised income / (loss)	**5**	2	**(7)**	24
	960	873	**2,289**	2,989
Net income for the period after taxation	**2,268**	9,455	**939**	7,339
Undistributed income carried forward	**3,228**	10,328	**3,228**	10,328
Undistributed income carried forward comprising of:				
- Realized income	**3,230**	10,357	**3,230**	10,357
- Unrealised loss	**(2)**	(29)	**(2)**	(29)
	3,228	10,328	**3,228**	10,328

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Half year ended December 31, 2016	Half year ended December 31, 2015	Quarter ended December 31, 2016	Quarter ended December 31, 2015
	---------- (Rupees in '000) ----------			
Net assets at beginning of the period	**262,647**	213,268	**114,107**	142,779
Issue of 2,203,167 units (2015: 9,696,635 units) for the half year ended	**112,524**	495,101	**102,286**	360,971
Redemption of 5,477,535 units (2015: 7,265,255 units) for the half year ended	**(277,338)**	(368,918)	**(116,931)**	(161,770)
	(164,814)	126,183	**(14,645)**	199,201
Element of (gain) / loss and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to Income Statement	**676**	(4,342)	**376**	(4,755)
Capital loss on sale of investments - net	**(6)**	(10)	**(5)**	(4)
Unrealized (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	**(2)**	(29)	**5**	(53)
Other net income for the period	**2,276**	9,494	**939**	7,396
	2,268	9,455	**939**	7,339
Net assets at end of the period	**100,777**	344,564	**100,777**	344,564

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Note	Half year ended December 31, 2016	Half year ended December 31, 2015	Quarter ended December 31, 2016	Quarter ended December 31, 2015
		--------------- (Rupees in '000)			---------------
CASH FLOW FROM OPERATING ACTIVITIES					
Net income for the period before taxation		**2,268**	9,455	**939**	7,339
Adjustments for non-cash and other items					
Unrealised diminution / (appreciation) on re-measurment of investments classified as 'financial assets at fair value through profit or loss' - net		**2**	29	**(5)**	53
Capital loss on sale of investments - net		**6**	10	**5**	4
Element of loss/(income) and capital loss/(gain) included in prices of units issued less those in units redeemed - net		**676**	(4,342)	**376**	(4,755)
Amortisation of preliminary expenses and floatation costs		**113**	113	**57**	57
		3,065	5,265	**1,372**	2,698
Decrease / (increase) in assets					
Investments		**111,752**	(138,218)	**(26,483)**	(138,236)
Profit receivable on bank deposits		**203**	(90)	**(12)**	(180)
Prepayments & advance tax		**(287)**	48	**49**	44
Receivable on conversion of units		**(1,008)**	-	**(1,106)**	-
		110,660	(138,260)	**(27,552)**	(138,372)
(Decrease) / increase in liabilities					
Payable to AKD Investment Management Limited - Management Company		**(186)**	(157)	**(257)**	107
Payable to Central Depository Company of Pakistan Limited - Trustee		**(11)**	9	**3**	28
Payable to Securities and Exchange Commission of Pakistan		**(99)**	(243)	**23**	38
Accrued expenses and other liabilities		**(467)**	(948)	**(254)**	19
Payable on redemption of units		**(33,089)**	(66,613)	**307**	-
		(33,852)	(67,952)	**(178)**	192
Net cash generated from / (used in) operating activities		**79,873**	(200,947)	**(26,358)**	(135,482)
CASH FLOW FROM FINANCING ACTIVITIES					
Payments / (receipts) against (redemptions) / issuance of units - net		**(164,814)**	126,183	**(14,645)**	199,201
Net (decrease) / increase in cash and cash equivalents		**(84,941)**	(74,764)	**(41,003)**	63,719
Cash and cash equivalents at beginning of the period		**160,219**	283,998	**116,281**	145,515
Cash and cash equivalents at end of the period	14	**75,278**	209,234	**75,278**	209,234

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Nadeem Saulat Siddiqui**
Chief Executive Officer	Director

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

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. The Initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012. The Fund commenced operations from January 21, 2012. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e. January 19, 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 the SECP. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block 8, Clifton, Karachi in the province of Sindh.

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

The principal activity of the Fund is to make investments in market treasury bills and deposits. 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 Fund is classified as a "Money Market Fund".

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The 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 Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance 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 the directives issued by the SECP differ with the requirements of IFRS, the requirements of the

Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

2.3 In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2016.

3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

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

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2016. The development relating to estimation of provision in respect of Workers' Welfare Fund is given in note 10.1 to the condensed interim financial information.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2016.

3.3 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

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

			(Unaudited) December 31, 2016	(Audited) June 30, 2016
4	**BANK BALANCES**	**Note**	**---- (Rupees in '000) ----**	
	Cash at bank - saving accounts	4.1	**14,310**	15,462
	- current accoun		**10**	10
			14,320	15,472

4.1 These carry mark-up at the rates ranging from 3.75% to 5% (June 2016 : 4% to 5.75%)

5	**INVESTMENTS**			
	Financial assets at fair value through profit or loss - held for trading			
	- Government securities	5.1	**87,441**	282,990

5.1 Government securities

Issue date	Tenor	Face Value				Balance as at December 31, 2016			Market value as a percentage of net assets	Market value as a percentage of investments
		At July 1, 2016	Purchased during the period	Sold / matured during the period	As at December 31, 2016	Cost	Market value	(Diminution)		
		---------- Rupees in '000 ----------							---------- % ----------	
Market Treasury Bills										
August 6, 2015	1 year	49,000	-	49,000	-	-	-	-	-	-
August 6, 2015	1 year	90,000	-	90,000	-	-	-	-	-	-
August 20, 2015	1 year	-	100,000	100,000	-	-	-	-	-	-
January 21, 2016	6 month	-	100,000	100,000	-	-	-	-	-	-
March 3, 2016	6 month	-	25,000	25,000	-	-	-	-	-	-
April 14, 2016	3 month	35,000	-	35,000	-	-	-	-	-	-
April 14, 2016	3 month	85,000	-	85,000	-	-	-	-	-	-
May 12, 2016	3 month	25,000	-	25,000	-	-	-	-	-	-
May 12, 2016	6 month	-	60,000	60,000	-	-	-	-	-	-
June 9, 2016	3 month	-	35,000	35,000	-	-	-	-	-	-
June 9, 2016	6 month	-	60,000	60,000	-	-	-	-	-	-
June 23, 2016	6 month	-	12,500	12,500	-	-	-	-	-	-
July 11, 2016	6 month	-	26,500	-	26,500	26,483	26,483	-	26.28	30.29
August 4, 2016	3 month	-	55,000	55,000	-	-	-	-	-	-
August 4, 2016	3 month	-	60,000	60,000	-	-	-	-	-	-
September 1, 2016	3 month	-	25,000	25,000	-	-	-	-	-	-
October 13, 2016	3 month	-	14,300	-	14,300	14,291	14,291	-	14.18	16.34
October 27, 2016	3 month	-	50,000	32,000	18,000	17,949	17,948	(1)	17.81	20.53
December 8, 2016	3 month	-	60,000	31,000	29,000	28,720	28,719	(1)	28.50	32.84
		284,000	683,300	879,500	87,800	87,443	87,441	(2)		
Total - December 31, 2016						**87,443**	**87,441**	**(2)**		
Total - June 30, 2016						282,985	282,990	5		

		Note	(Unaudited) December 31, 2016	(Audited) June 30, 2016
6	**PRELIMINARY EXPENSES AND FLOATATION COSTS**		---- (Rupees in '000) ----	
	Opening balance	6.1	**125**	350
	Less: amortised during the period / (year)		**(113)**	(225)
			12	125

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.

		Note	(Unaudited) December 31, 2016	(Audited) June 30, 2016
7	**PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**		---- (Rupees in '000) ----	
	Management fee	7.1	**46**	71
	Federal excise duty on management fee	7.2	**669**	669
	Sindh sales tax on management fee	7.3	**6**	11
	Allocated expenses from Management Company payable	7.4	**12**	18
	Payable against rating fee paid by Management Company on behalf of the Fund		**75**	-
	Preliminary expenses and floatation costs		**125**	350
			933	1,119

7.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations), the Management Company of the Fund is now entitled to a remuneration of an amount not exceeding 1 percent of the average annual net assets in case of a Money Market Fund through amendments in the regulations vide SRO 1160(I)/2015 dated November 25, 2015. During the current period, the Management Company has charged remuneration at a rate of 0.4 percent of the daily net assets value of the Fund.

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

On September 4, 2013, a Constitutional Petition was filed in the Honorable Sindh High Court (SHC) jointly by various asset management Companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the period the SHC has passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) have been set aside. The Deputy Commissioner Inland Revenue, Zone II has filed a petition for leave to appeal against the SHC order with the Supreme Court of Pakistan.

Further with effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016. In view of the above, the Fund has discontinued making further provision in respect of FED on management fee from July 01, 2016. However, the provision made till June 30, 2016, aggregating to Rs. 0.67 million has not been reversed as the management believes that the Federal Government retains the right to appeal against the said order in the Supreme Court. Had the provision not been made, the Net Asset Value per unit of the Fund as at December 31, 2016 would have been higher by Re. 0.3403 (June 30, 2016: Re. 0.1277) per unit.

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

7.4 Last year, the SECP vide SRO No 1160 (1) / 2015 dated November 25, 2015 introduced amendments in the NBFC regulations. As a result of these amendments, the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to collective investment schemes upto a maximum of 0.1% of the average annual net assets of the scheme or actual whichever is less. Accordingly, the Management Company has charged allocated expenses amounting to Rs 0.066 million to the Fund for the current period.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	**Note**	**(Unaudited) December 31, 2016**	**(Audited) June 30, 2016**
		---- (Rupees in '000) ----	
Trustee fee	8.1	**17**	26
Sales tax on trustee fee	8.2	**2**	4
		19	30

8.1 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 value of the Fund.

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

9 PAYABLE TO THE SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

This represents non refundable annual fee payable to the SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay annually an amount equal to 0.075% (June 30, 2016: 0.075%) per annum of the daily net assets value of the Fund.

10 ACCRUED EXPENSES AND OTHER LIABILITIES	**Note**	**(Unaudited) December 31, 2016**	**(Audited) June 30, 2016**
		---- (Rupees in '000) ----	
Auditors' remuneration		**122**	179
Provision for workers' welfare fund	10.1	**1,699**	1,699
Other		**94**	504
		1,915	2,382

10.1 Provision For Workers' Welfare Fund

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

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

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

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

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

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

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

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

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

The cumulative net effect of the above two adjustments if these had been made on December 31, 2016 would have resulted in an increase in the net asset value per unit of the Fund by Re. 0.7850.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2016 and June 30, 2016

12 TAXATION

The Fund's income is exempt from Income Tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance) subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized, is distributed in cash amongst 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 Ordinance. As the management intends to distribute at least 90% of the income earned during the current year to the unit holders, therefore no provision for taxation has been made in this condensed interim financial information.

13 EARNINGS PER UNIT - BASIC AND DILUTED

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

	Note	(Unaudited) December 31, 2016	(Audited) June 30, 2016
		---- (Rupees in '000) ----	
14 CASH AND CASH EQUIVALENTS			
Bank balances	4	**14,320**	15,472
Market Treasury Bills having maturity of upto three months	5.1	**60,958**	144,747
		75,278	160,219

15 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2016 is 1.47% which includes 0.15% representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations.

16 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include AKD Investment Management Limited, being the Management Company of the Fund, other collective investment schemes managed by the Management Company, AKD Investment Management Limited - Staff Provident Fund, directors and officers of the Management Company, entities having common directorship with the Management Company, Central Depository Company of Pakistan Limited, being the Trustee, Aqeel Karim Dhedhi Securities (Private) Limited, other group companies and unit holders holding more than 10% of the units in issue. The transactions with connected persons are in the normal course of business and are mutually agreed.

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

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

16.1 Transactions during the period	(Unaudited) Half year ended December 31, 2016	2015
	-------- (Rupees in '000)	-------
AKD Investment Management Limited - Management Company		
Purchase of units (2016: Nil ; 2015: 815,602)	-	41,650
Redemption of units (2016: Nil ; 2015: 333,208)	-	17,010
Management fee	**265**	372
Federal excise duty on management fee	-	59
Sales tax on management fee	**34**	60
Allocated Expenses by the Management Company	**66**	-
Rating fees paid by the Management Company	**75**	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	**99**	139
Sales tax on trustee fee	**13**	20
AKD Investment Management Limited - Staff Provident Fund		
Purchase of units (2016: 248,816 ; 2015: 229,595)	**12,690**	11,575
Redemption of units (2016: 58,830 ; 2015: 229,595)	**3,000**	11,612
AKD Securities Limited		
Purchase of units (2016: Nil ; 2015: 1,949,128)	-	100,000
Redemption of units (2016: Nil ; 2015: 1,949,128)	-	100,400
Key Management Personnel and Others		
Spouse - Chief Executive Officer		
Purchase of units (2016: Nil ; 2015: 868,491)	-	43,980
Redemption of units (2016: Nil ; 2015: 868,491)	-	44,043
Unit holders holding 10% or more of the units in issue		
National Bank of Pakistan		
Purchase of units (2016: Nil ; 2015: 970,683)	-	50,000
Mehboob Ali Khan*		
Purchase of units (2016: 256,359 ; 2015: Nil)	**13,143**	-

* Prior period comparative has not been shown as the person was not a connected person as at December 31, 2015.

16.2 Amounts outstanding as at period / year end	(Unaudited) December 31, 2016	(Audited) June 30, 2016
	---- (Rupees in '000) ----	
AKD Investment Management Limited - Management Company		
Management fee payable	**46**	71
Federal excise duty on management fee	**669**	669
Sales tax on management fee	**6**	11
Allocated expenses from Management Company payable	**12**	18
Payable to Management Company-rating fee	**75**	-
Preliminary expenses and floatation costs	**125**	350
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**17**	26
Sales tax on trustee fee payable	**2**	4
AKD Investment Management Limited - Staff Provident Fund		
Units held 189,987 (June 30, 2016:Nil)	**9,743**	**-**
AKD Aggressive Income Fund		
Payable on conversion of units	**-**	26,379
AKD Opportunity Fund		
Payable on redemption of units	**307**	6,999
Receivable on conversion of units	**1,915**	907
Unit holders holding 10% or more of the units in issue		
National Bank of Pakistan		
Units held 1,023,414 (June 30, 2016 : 1,023,414)	**52,483**	51,302
Mehboob Ali Khan*		
Units held 256,359 (June 30, 2016 : Nil)	**13,147**	-

* Prior period comparative has not been shown as the person was not a connected person as at June 30, 2016

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability can be 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 traded in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying values as the items are either short term in nature or periodically repriced.

Fair value of investments in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan.

17.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

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

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

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

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

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
	------------------------(Rupees in '000)-------------------			
Investment designated at fair value through profit or loss				
Government securities	-	87,441	-	87,441
	-	87,441	-	87,441

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
	------------------------(Rupees in '000)-------------------			
Investment designated at fair value through profit or loss				
Government securities	-	282,990	-	282,990
	-	282,990	-	282,990

18 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on Ferbruary 24, 2017 by the Board of Directors of the Management Company.

19 GENERAL

19.1 Figures have been rounded off to the nearest thousand Rupees.

19.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Nadeem Saulat Siddiqui**
Chief Executive Officer	Director

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AKD Investment
Management Ltd.

Head Office:
216-217, Continental Trade Centre,
Block-8, Clifton, Karachi-74000
U.A.N : 92-21-111 AKDIML (111-253-465)
Fax : 92-21-35303125

Abbottabad Branch:
1st Floor, Al-Fateh Shopping Centre,
Sarmayakari Markaz,Main Mansehra Road,
Abbottabad.
Contact # 099-2408187

Lahore Branch:
Plaza # 250, 2nd Floor,Phase IV,
Block-FF, D.H.A.,Lahore Cantt.
Contact # 0333-0342762-4

E-mail : info@akdinvestment.com
Website : www.akdinvestment.com