Funds Managed by:

AKD Investment Management Ltd.

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

quarterly report

AKD OPPORTUNITY FUND

AKD INDEX TRACKER FUND

AKD CASH FUND

AKD AGGRESSIVE INCOME FUND

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

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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

CORPORATE INFORMATION

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

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

AKD Index Tracker Fund (AKDITF)

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

AKD Cash Fund (AKDCF)

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

AKD Aggressive Income Fund (AKDAIF)

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

MACRO PERSPECTIVE

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

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

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

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

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

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

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

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

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

- Country's successful completion of IMF program.

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

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

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

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

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

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

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

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

MONEY MARKET REVIEW

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

FUTURE OUTLOOK

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

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

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

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

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

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

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: April 27, 2017

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

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

فنڈز کی مالیاتی کارکردگی:

اے کے ڈی اپر چونیٹی فنڈ (AKDOF)

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

اے کے ڈی انڈیکس ٹریکر فنڈ (AKDITF)

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

اے کے ڈی کیش فنڈ (AKDCF)

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

اے کے ڈی ایگریسو انکم فنڈ (AKDAIF)

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

میکرو پرسپیکٹو:

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

سی پی آئی(CPI)افراطِ زر9MFY17میں سال بہ سال بنیاد پر4.00%رہا جو کہ اسی مدت کیلئے گزشتہ سال 2.65%تھا9MFY17کے دوران افراط زر اسٹیٹ بینک کے4.5%-5.5%کے ہدف میں رہا جس کی وجہ سے اسٹیٹ بینک پاکستان(SBP)نے اپنا پالیسی ریٹ5.75%رکھا۔

زیرِ جائزہ دورانیہ کیلئے OPEC کی تیل کی پیداوار میں کمی کے فیصلے کی وجہ سے تیل کی بین الاقوامی قیمتوں میں بہتری نظر آئی جو کہ USD 45-55 کے درمیان ہے۔OPEC کی اگلی میٹنگ مئی2017 میں ہے جس میں تیل کی سپلائی میں کمی کا فیصلہ مستقبل میں تیل کی قیمتوں پر گہرا اثر ڈالے گی۔

ہمارا یہ بھی خیال ہے کہ 4QFY17میں افراط زر میں رمضان اور عیدالفطر کے باعث اور تیل کی قیمتوں کی وجہ سے اضافے کا رجحان رہے گا۔ہمیں یقین ہے کہ کنزیومر پرائس انڈکس(FY17(CPIمیں اسٹیٹ بینک کے4.5%-5.5%کے ہدف میں رہے گا۔FY17میں معاشی پالیسی میں واپسی کا امکان کم نظر آتا ہے کیونکہ اسٹیٹ بینک پاکستان سرمایہ کاری میں اضافہ اور نجی شعبے میں قرضے کے اوپر توجہ دے رہی ہے۔

اسٹیٹ بینک کے مطابق کرنٹ اکاؤنٹ میں خسارہ9MFY17میں6.13بلین ڈالر(GDP کا2.6%) تک جا پہنچا جبکہ گذشتہ سال کے اسی دورانیے کیلئے یہ خسارہ2.35بلین ڈالر(GDP کا1.1%) تھا اس کی وجہ9MFY17میں ترسیلات زر میں کمی اور22.94بلین ڈالر کا(26.8%) کا تجارتی خسارہ ہے۔

سال بہ سال بنیاد پر درآمدات میں12% کا اضافہ ہوا ہے جس کی وجہ سی پیک(CPEC) منصوبوں سے متعلق مشینری و آلات کی طلب میں اضافہ ہے۔اسی اثنا برآمدات میں بھی2% کی کمی واقع ہوئی ہے جسکی وجہ دیگر علاقائی ممالک کے مقابلے میں پاکستان روپے کی قدر میں اضافہ جو ہمارے برآمدات سے متعلق صنعتوں کو نقصان پہنچانے کا سبب بنا حکومت نے اس حوالے سے ٹیکسٹائل کی صنعت کو اپنی گرتی برآمدات کو سنبھالنے کیلئے ترغیبی پیکج کا اعلان کیا ہے۔حکومت نے کچھ چیزوں کی درآمدات کیلئے100% کیش بیلنس کی بھی پابندی لگائی ہے تا کہ کچھ مخصوص چیزوں کی درآمدات کی حوصلہ شکنی کی جا سکے۔

9MFY17 کے اختتام پر پاکستان کے کل بیرونی زرمبادلہ کے ذخائر اکتوبر2016 کے بلند ترین سطح کے مقابلے میں21.55بلین ڈالر ہوگیا۔ ہمارے خیال میں ذخائر پر مزید دباؤ تب آئے گا جب بیرونی ادائیگیاں (مجموعی طور پر 1.5بلین ۔1.75بلین ڈالر) جن میں یوروبونڈ، پیرس کلب اور چائنا سیف(SAFE) ریٹائرمنٹJUNFY17میں شروع ہونگی جبکہ IMF کی ادائیگیوں کاFY18میں آغاز ہوگا۔ان متوقع ادائیگیوں کی تلافی کے طور پر ہم کچھ فنڈز کی آمد(یوروبونڈ کا اجراء، ملٹی لیٹرلMultilateralاور CPEC قرضے) کی بھی توقع کر رہے ہیں۔

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

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

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

ایکوٹی مارکیٹ کا جائزہ:

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

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

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

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

۳) ملک میں IMF پروگرام کی کامیابی کی تکمیل۔

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

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

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

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

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

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

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

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

منی مارکیٹ کا جائزہ(Money Market Review):

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

مستقبل کی شکل:

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

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

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

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

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

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

برائے ومنجانب بورڈ

عمران موتی والا
چیف ایگزیکیٹو آفیسر

کراچی 27 اپریل 2017

AKD Cash Fund
Financial Information - Third Quarter 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.

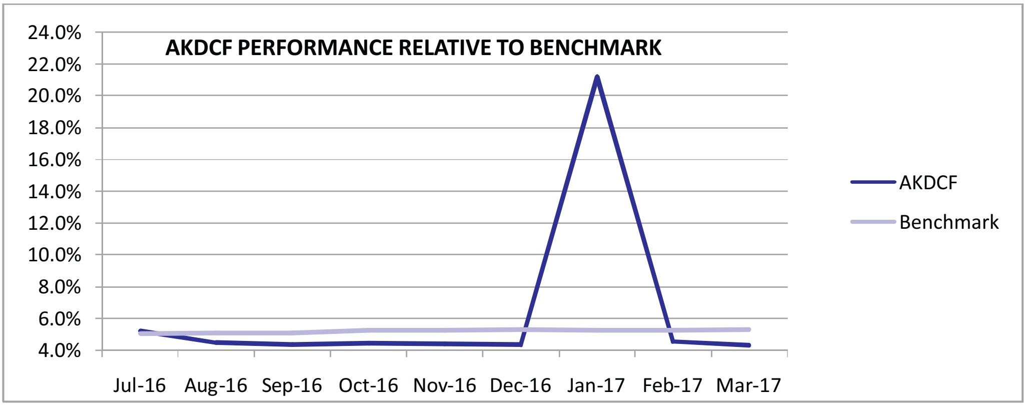
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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	Jan-17	Feb-17	Mar-17
AKDCF	5.22%	4.44%	4.35%	4.43%	4.39%	4.33%	21.19%	4.53%	4.29%
Benchmark	5.05%	5.08%	5.07%	5.24%	5.26%	5.29%	5.26%	5.27%	5.28%

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-Mar-17	31-Dec-16
Cash and Cash Equivalents	99.78%	97.85%
Other Assets Including Receivables	0.22%	2.15%

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

9MFY17 (annualized)	6.57%
Benchmark (annualized)	5.20%

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

Net Assets Value			NAV Per Unit	
31-Mar-17	31-Dec-16	Change in Net Assets	31-Mar-17	31-Dec-16
(Rupees in 000)			(Rupees)	
121,630	100,777	20.69%	52.6003	51.2824

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

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

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

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

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

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

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

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

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

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

Money Market

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

Future Outlook

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

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

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

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

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

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

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	26
10,000 - 49,999	14
50,000 - 99,999	9
100,000 - 499,999	6
500,000 and above	0
	55

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.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT MARCH 31, 2017

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
		---- (Rupees in '000) ----	
ASSETS			
Bank balances	4	**6,103**	15,472
Investments	5	**117,038**	282,990
Profit receivable on bank deposits		**30**	229
Prepayments		**48**	-
Advance tax		**191**	-
Preliminary expenses and floatation costs	6	**-**	125
Receivable on conversion of units		**-**	907
Total assets		**123,410**	299,723
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	7	**879**	1,119
Payable to Central Depository Company of Pakistan Limited - Trustee	8	**17**	30
Payable to Securities and Exchange Commission of Pakistan	9	**70**	149
Accrued expenses and other liabilities	10	**514**	2,382
Payable on redemption of units		**300**	33,396
Total liabilities		**1,780**	37,076
NET ASSETS		**121,630**	262,647
UNIT HOLDERS' FUND (as per statement attached)		**121,630**	262,647
Contingencies and Commitments	11		
		---- (Number of units) ----	
Number of units in issue		**2,312,344**	5,239,506
		(Rupees)	
Net asset value per unit		**52.6003**	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)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

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

	Note	Nine months period ended March 31		Quarter ended March 31	
		2017	2016	2017	2016
INCOME		---------- (Rupees in '000) ----------			
Capital gain / (loss) on sale of investments - net		**(11)**	(9)	**(5)**	1
Profit on bank deposits		**242**	551	**91**	56
Income from government securities		**5,298**	9,509	**1,526**	3,665
		5,529	10,051	**1,612**	3,722
Unrealised (diminution) / appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net		**(7)**	(10)	**(5)**	19
Total income		**5,522**	10,041	**1,607**	3,741
EXPENSES					
Remuneration of AKDIML- Management Company	7.1	**375**	607	**110**	236
Sales tax on remuneration of the Management Company	7.3	**49**	99	**15**	38
Federal excise duty on remuneration of the Management Company	7.2	**-**	97	**-**	38
Remuneration of CDC - Trustee		**141**	227	**42**	88
Sales tax on remuneration of the Trustee	8.2	**18**	32	**5**	12
Annual fee - Securities and Exchange Commission of Pakistan		**70**	114	**20**	44
Auditors' remuneration		**178**	167	**60**	55
Bank charges		**31**	31	**12**	10
Amortisation of preliminary expenses and floatation costs		**125**	169	**12**	56
Security transaction costs		**3**	7	**2**	2
Fees and subscriptions		**40**	37	**13**	10
Legal and professional charges		**115**	135	**35**	34
Printing and related costs		**129**	131	**43**	43
Reversal of Provision for Workers Welfare Fund	10.1	**(1,699)**	-	**(1,699)**	-
Provision for Sindh Workers Welfare Fund	10.1	**227**	-	**227**	-
Allocated expenses by the Management Company	7.4	**94**	43	**28**	43
Total expenses		**(104)**	1,896	**(1,075)**	709
Net income from operating activities		**5,626**	8,145	**2,682**	3,032
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		**91**	169	**767**	(4,173)
Net income / (loss) for the period before taxation		**5,717**	8,314	**3,449**	(1,141)
Taxation	12	**-**	-	**-**	-
Net income / (loss) for the period after taxation		**5,717**	8,314	**3,449**	(1,141)
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive income / (loss) for the period		**5,717**	8,314	**3,449**	(1,141)

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

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

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

	Nine months period ended March 31		Quarter ended March 31	
	2017	2016	2017	2016
Undistributed income brought forward comprising of:	(Rupees in '000)			
- Realised income	**955**	871	**3,230**	10,357
- Unrealised income / (loss)	**5**	2	**(2)**	(29)
	960	873	**3,228**	10,328
Net income / (loss) for the period after taxation	**5,717**	8,314	**3,449**	(1,141)
Undistributed income carried forward	**6,677**	9,187	**6,677**	9,187
Undistributed income carried forward comprising of:				
- Realized income	**6,684**	9,197	**6,684**	9,197
- Unrealised loss	**(7)**	(10)	**(7)**	(10)
	6,677	9,187	**6,677**	9,187

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

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

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

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

	Nine months period ended March 31		Quarter ended March 31	
	2017	2016	2017	2016
	(Rupees in '000)			
Net assets at beginning of the period	**262,647**	213,268	**100,777**	344,564
Issue of 5,802,182 units (9,897,423 units for the nine months ended March 31, 2016)	**301,014**	505,476	**188,490**	10,375
Redemption of 8,729,344 units 10,155,809 units for the nine months ended March 31, 2016)	**(447,657)**	(518,255)	**(170,319)**	(149,337)
	(146,643)	(12,779)	**18,171**	(138,962)
Element of (gain) / loss and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to Income Statement	**(91)**	(169)	**(767)**	4,173
Capital gain (loss) on sale of investments - net	**(11)**	(9)	**(5)**	1
Unrealized (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	**(7)**	(10)	**(5)**	19
Other net income for the period	**5,735**	8,333	**3,459**	(1,161)
	5,717	8,314	**3,449**	(1,141)
Net assets at end of the period	**121,630**	208,634	**121,630**	208,634

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

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

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

	Note	Nine months period ended March 31		Quarter ended March 31	
		2017	2016	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		(Rupees in '000)			
Net income /(loss) for the period before taxation		**5,717**	8,314	**3,449**	(1,141)
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		**7**	10	**5**	(19)
Capital loss on sale of investments - net		**11**	9	**5**	(1)
Element of loss/(income) and capital loss/(gain) included in prices of units issued less those in units redeemed - net		**(91)**	(169)	**(767)**	4,173
Amortisation of preliminary expenses and floatation costs		**125**	169	**12**	56
		5,769	8,333	**2,704**	3,068
Decrease / (increase) in assets					
Investments		**138,225**	(19)	**26,473**	138,199
Profit receivable on bank deposits		**199**	109	**(4)**	199
Prepayments & advance tax		**(239)**	59	**48**	11
Receivable on conversion of units		**907**	-	**1,915**	-
		139,092	149	**28,432**	138,409
(Decrease) / increase in liabilities					
Payable to AKD Investment Management Limited - Management Company		**(240)**	(123)	**(54)**	34
Payable to Central Depository Company of Pakistan Limited - Trustee		**(13)**	(7)	**(2)**	(16)
Payable to Securities and Exchange Commission of Pakistan		**(79)**	(199)	**20**	44
Accrued expenses and other liabilities		**(1,868)**	(1,045)	**(1,401)**	(97)
Payable on redemption of units		**(33,096)**	(66,613)	**(7)**	-
		(35,296)	(67,987)	**(1,444)**	(35)
Net cash generated from / (used in) operating activities		**109,565**	(59,505)	**29,692**	141,442
CASH FLOW FROM FINANCING ACTIVITIES					
Payments / (receipts) against (redemptions) / issuance of units - net		**(146,643)**	(12,779)	**18,171**	(138,962)
Net (decrease) / increase in cash and cash equivalents		**(37,078)**	(72,284)	**47,863**	2,480
Cash and cash equivalents at beginning of the period		**160,219**	283,998	**75,278**	209,234
Cash and cash equivalents at end of the period	14	**123,141**	211,714	**123,141**	211,714

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

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

NOTES TO CONDENSED INTRIM FINANCIAL INFORMATION (UNAUDITED)

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

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 March 31, 2017.

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 developement 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.

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
		---- (Rupees in '000) ----	
4. BANK BALANCES			
Cash at bank - saving accounts	4.1	**6,093**	15,462
- current accounts		**10**	10
		6,103	15,472

4.1 These carry mark-up at the rates ranging from 3.75% to 4.75% (June 2016 : 3.75% to 5.5%).

5. INVESTMENTS

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
Financial assets at fair value through profit or loss - held for trading			
- Government securities	5.1	**117,038**	282,990

5.1 Government securities

Issue date	Tenor	Face Value				Balance as at March 31, 2017			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 March 31, 2017	Cost	Market value	Appreciation / (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	-	-	-	-	-	-
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	-	-	-	-	-	-
October 27, 2016	3 month	-	50,000	50,000	-	-	-	-	-	-
December 8, 2016	3 month	-	60,000	60,000	-	-	-	-	-	-
December 22, 2016	3 month	-	40,000	40,000	-	-	-	-	-	-
March 2, 2017	3 month	-	26,000	-	26,000	25,774	25,773	(1)	21.19	22.02
March 2, 2017	3 month	-	40,000	-	40,000	39,653	39,651	(2)	32.60	33.88
March 2, 2017	3 month	-	40,000	-	40,000	39,655	39,651	(4)	32.60	33.88
January 19, 2017	3 month	-	10,000	-	10,000	9,981	9,981	-	8.21	8.53
March 2, 2017	3 month	-	2,000	-	2,000	1,982	1,982	-	1.63	1.69
November 10, 2016	3 month	-	11,000	11,000	-	-	-	-	-	-
November 10, 2016	3 month	-	22,000	22,000	-	-	-	-	-	-
January 5, 2017	3 month	-	43,000	43,000	-	-	-	-	-	-
February 2, 2017	3 month	-	32,500	32,500	-	-	-	-	-	-
		284,000	949,800	1,115,800	118,000	117,045	117,038	(7)		
Total - March 31, 2017						**117,045**	**117,038**	**(7)**		
Total - June 30, 2016						**282,985**	**282,990**	**5**		

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
		---- (Rupees in '000) ----	
6. PRELIMINARY EXPENSES AND FLOATATION COSTS			
Opening balance	6.1	**125**	350
Less: amortised during the period / (year)		**(125)**	(225)
		-	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) March 31, 2017	(Audited) June 30, 2016
		---- (Rupees in '000) ----	
7. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMANT COMPANY			
Management fee	7.1	**41**	71
Federal excise duty on management fee	7.2	**669**	669
Sindh sales tax on management fee	7.3	**5**	11
Allocated expenses from Management Company payable	7.4	**39**	18
Preliminary expenses and floatation costs		**125**	350
		879	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 March 31, 2017 would have been higher by Re. 0.2893 (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 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 0.094 million to the Fund for the current period.

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
		---- (Rupees in '000) ----	
8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	8.1	**15**	26
Sales tax on trustee fee	8.2	**2**	4
		17	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.

	Note	(Unaudited) March 31, 2017	(Audited) June 30, 2016
		---- (Rupees in '000) ----	
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		**112**	179
Provision for Workers' Welfare Fund	10.1	**-**	1,699
Provision for Sindh Workers' Welfare Fund	10.1	**227**	-
Other		**175**	504
		514	2,382

10.1 Reversal of Workers' Welfare Fund and Provision For Sindh Workers' Welfare Fund

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

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

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

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (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.

Had the provision for SWWF not been made, the Net Asset Value per unit of the Fund as at March 31, 2017 would have been higher by Re. 0.098 per unit.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2017 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) March 31, 2017	(Audited) June 30, 2016
		---- (Rupees in '000) ----	
14. CASH AND CASH EQUIVALENTS			
Bank balances	4	**6,103**	15,472
Market Treasury Bills having maturity of upto three months	5.1	**117,038**	144,747
		123,141	160,219

15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the current period ended March 31, 2017 is 1.58% p.a. which includes 0.27% p.a.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	Nine months ended March 31, 2017	2016
	----- (Rupees in '000) -----	
AKD Investment Management Limited - Management Company		
Purchase of units (2017: 269,011 ; 2016: 815,602)	**14,100**	41,650
Redemption of units (2017: 3,813 ; 2016: 487,134)	**201**	25,010
Management fee	**375**	607
Federal excise duty on management fee	**-**	97
Sales tax on management fee	**49**	99
Allocated Expenses by the Management Company	**94**	43
AKD Aggressive Income Fund		
Purchase of Government Treasury Bill	**-**	3,984
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	**141**	227
Sales tax on trustee fee	**18**	32
AKD Investment Management Limited - Staff Provident Fund		
Purchase of units (2017: 440,473 ; 2016: 229,595)	**22,716**	11,575
Redemption of units (2017: 263,091 ; 2016: 229,595)	**13,673**	11,612
AKD Securities Limited		
Purchase of units (2017: Nil ; 2016: 1,949,128)	**-**	100,000
Redemption of units (2017: Nil ; 2016: 1,949,128)	**-**	100,400
Key Management Personnel and Others		
Spouse - Chief Executive Officer		
Purchase of units (2017: Nil ; 2016: 868,491)	**-**	43,980
Redemption of units (2017: Nil ; 2016: 868,491)	**-**	44,043
Unit holders holding 10% or more of the units in issue		
Mehboob Ali Khan*		
Purchase of units (2017: 256,359 ; 2016: Nil)	**13,143**	-

* Prior period comparative has not been shown as the person was not a connected person as at March 31, 2016.

	(Unaudited) March 31, 2017	(Audited) June 30, 2016
	---- (Rupees in '000) ----	
16.2 Amounts outstanding as at period / year end		
AKD Investment Management Limited - Management Company		
Units held 265,198 (June 30, 2016: Nil)	**13,949**	-
Management fee payable	**41**	71
Federal excise duty on management fee	**669**	669
Sales tax on management fee	**5**	11
Allocated expenses from Management Company payable	**39**	18
Preliminary expenses and floatation costs	**125**	350
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**15**	26
Sales tax on trustee fee payable	**2**	4
AKD Investment Management Limited - Staff Provident Fund		
Units held 177,382 (June 30, 2016:Nil)	**9,330**	**-**
AKD Aggressive Income Fund		
Payable on conversion of units	**-**	26,379
AKD Opportunity Fund		
Payable on conversion of units	**300**	6,999
Receivable on conversion of units	**-**	907
Unit holders holding 10% or more of the units in issue		
Mehboob Ali Khan*		
Units held 256,359 (June 30, 2016 : Nil)	**13,485**	-

* 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:

	March 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
	--------------------(Rupees in '000)--------------------			
Investment designated at fair value through profit or loss				
Government securities	**-**	**117,038**	**-**	**117,038**
	-	**117,038**	**-**	**117,038**

	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 27 April 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)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

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Printed by : Kodwavi 32214433