Funds Managed by:

AKD Investment Management Ltd.

1st Quarter Report
September 30, 2015
(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.

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

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Noureen Nadir Ali

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)
Mr. Ahmed Abdul Sattar (Member)
Mr. Hasan Ahmed (Member)
Ms. Noureen Nadir Ali (Secretary)

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR & R)

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

RATING

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

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, 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 first quarter ended September 30, 2015.

Funds' Financial Performance

AKD Opportunity Fund (AKDOF)

For the 1QFY16, the return of AKD Opportunity Fund stood at 5.27% compared to the benchmark KSE-100 Index's return of -6.14%, thus outperforming the benchmark by 11.41%.

AKD Index Tracker Fund (AKDITF)

For the 1QFY16, the return of AKD Index Tracker Fund stood at -6.63% compared to the benchmark KSE-100 Index's return of -6.14%.

AKD Cash Fund (AKDCF)

For the 1QFY16, the annualized return of AKD Cash Fund stood at 5.97% compared to benchmark return of 5.84%, thus outperforming the benchmark by 0.13%.

AKD Aggressive Income Fund (AKDAIF)

For the 1QFY16, the annualized return of AKD Aggressive Income Fund stood at 9.67% compared to the benchmark return of 7.28%, thus outperforming the benchmark by 2.39%.

Macro Perspective

The fiscal year 2016 started on a positive note as macroeconomic indicators of Pakistan remained intact throughout the first quarter FY16. In fact, the CPI inflation during the first quarter of FY16 clocked in at the lowest level of 1.66% as compared to 7.52% during the first quarter of FY15. The downward momentum of inflation throughout the quarter was due to soft international and domestic oil and commodity prices.

The total liquid foreign exchange reserves of Pakistan reached a new highest level of $20.07 billion at the end of first quarter FY16. As the International Credit Rating Agencies upgraded the rating, the Government of Pakistan raised $500 million through Eurobond during the month of September, taking the full advantage of upgraded credit rating. In addition, International Monetary Fund (IMF) released another tranche of $505 million under Extended Fund Facility (EFF), and Pakistan also received $375 million from Coalition Support Fund. Overseas Pakistani workers remitted $5.0 billion in the first quarter of FY16, a growth of 4% over remittances amounting to $4.8 million received during the same period of the preceding year.

The muted inflation and strengthening foreign exchange reserves had a favorable impact on overall economic activity. In this regard, the State Bank of Pakistan (SBP) announced another policy rate cut of 50bps to 6.0% in the September Monetary Policy Statement (MPS).

Tax collection, on the other hand, remained an uphill task as Federal Board of Revenue (FBR) collected Rs. 584 billion in the first quarter, falling short of its target collection of Rs. 647 billion. Despite an increase of 8.5% in the net collection, the collection target of Rs. 3.014 trillion for FY16 is unlikely to be achieved as the dispute over withholding tax on banking transaction continues and so far, FBR has failed to expand the tax network.

Pakistan's exports continued to tumble and dropped by 14% during the first quarter of FY16. The exports value declined to $5.2 billion during first quarter of FY16 as compared to $6 billion in the corresponding period. In the meanwhile, the value of imports also dropped by 14.39% to $10.7 billion in the first quarter of FY16 from $12.5 billion in the corresponding period of the last year.

Therefore, Pakistan's trade deficit, the gap between exports and imports, shrunk by 14.8% to $5.5 billion in the first quarter of FY16 from $6.5 billion of the corresponding period of the last year.

The low interest rate environment and near to the ground inflation would further enhance the economic activity as both of these factors are expected to remain low for a while. However, the progress of economic activity largely depends on the uptick in private sector credit off-take and large scale manufacturing (LSM) growth as both of these indicators have remained unsatisfactory so far. That said, the Government of Pakistan is keen to further strengthen the foreign exchange reserves while expecting the privatization of Pakistan International Airlines (PIA) and Pakistan Steel Mills (PSM) by the end of FY16.

Equity Market

The KSE-100 index posted a negative return of 6.14% in 1QFY16, despite starting off the quarter on a positive note with 3.9% return in the month of July. Furthermore market remained under uncertainty as the news of investigations by NAB against brokers and major investors at the bourse shattered investor's confidence. Moreover, concerns over China's economic slowdown and US-Federal Reserve rate hike also negatively impacted KSEs' performance. Resultantly, foreign investors sold equity worth USD 105 million during 1QFY16, against corresponding period last year's net buying of USD 155 million.

During the period under review, State Bank Of Pakistan (SBP) cut the discount rate by 50 basis points in September '15 monetary policy statement, continuing the easing cycle from previous fiscal year. Moreover, the CPI inflation recorded at historic low of 1.66% during 1QFY16, against 7.52% last year. However, these developments brought no excitement to the investors as negativity outweighed the developments.

Due the prevailing negative sentiment, investors opted to take short term positions and trading approach rather than building long term positions. Resultantly, average trading volume increased by 15.6%/134.3% QoQ/YoY, respectively to 312.366mn shares.

Money Market

During 1QFY16, a total of six T-Bills auctions were held by State Bank of Pakistan (SBP). The total amount realized, amounted to Rs. 1,267 billion. The cut off rates for 3 months, 6 months and 12 months T-Bills averaged at 6.85%, 6.86%, 6.95% respectively. Furthermore, during 1QFY16, three Pakistan Investment Bonds (PIB) auctions were held. The total amount realized, amounted to Rs. 218.28 billion while the rates for the 3 year and 5 year bonds averaged at 7.64% and 8.57% respectively. The government announced its monetary policy in September 2015, where it slashed the policy rate by 50 basis points. Then after decline in the cut off rates were observed

Future Outlook

Currently, Pakistan is facing severe energy crisis hurting competitiveness of companies, creating hurdles to economic progression and adversely affecting the trade deficit. However, domestic economic progress is impressive against global economic downturn caused by uncertain outlook of China, EU financial crunch and declining commodity prices. Still, the economic indicators of Pakistan, showing signs of growth as GDP, GNP, FDI and stock market performance are on an upward trend. The BoP position during FY16 is likely to remain stable, where under Coalition support fund, further payments of US$300mn-US$350mn is expected over the remainder of fiscal year 2016, global oil prices trading low and healthy remittances growth will be key driving factors. We also highlight space for a minor surplus if exports remain stagnant and imports benefits from lower oil imports.

Going forward, we believe the economy of Pakistan is expected to achieve sustainable growth driven by low inflation, favorable commodity prices, increase in foreign exchange reserves and foreign remittances, and growth in tax collection. Moreover, expected foreign direct investments, particularly from China-Pakistan Economic Corridor (CPEC) will help improve the trade deficit and tackling power shortages in the country.

Pakistan equity market is expected to be the top performing market in the coming quarter, where we believe KSE-100 index to witness a strong positive trajectory on the back of lower policy rate, improved economic outlook, stable oil prices, effectiveness of privatization process and growth in corporate profitability arising from lower inflation and higher disposable income. However, upcoming result season remains a major milestone for further market consolidation.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: October 29, 2015

AKD Cash Fund
Financial Statements - First Quarter FY16

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

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

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

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

RATING
AKD CASH FUND
JCR-VIS: 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 1QFY16, the annualized return of AKD Cash Fund stood at 5.97% compared to benchmark return of 5.84%, thus outperforming the benchmark by 0.13%.

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

50% Average return of 3 months term deposit rates of AA and above rated scheduled commercial bank(s), and 50% average 3 month T-Bills rate.

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

Monthly Yield (annualized)	Jul 15	Aug 15	Sep 15
AKDCF	6.03%	5.58%	6.21%
Benchmark	6.10%	5.84%	5.59%

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)	30-Sept-15	30-June-15
Cash and Cash Equivalents	99.73%	99.81%
Other assets including receivables	0.27%	0.19%

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

1QFY16 (annualized)	5.97%
Benchmark (annualized)	5.84%

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

Net Assets Value			NAV Per Unit	
30-Sep-15	30-Jun-15	Change in Net Assets	30-Sep-15	30-Jun-15
(Rupees in '000)			(Rupees)	
142,779	213,268	-33.05%	50.8658	50.1119

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 macroeconomic outlook of Pakistan remained intact in the start of the fiscal year 2016, based on the prudent monetary and fiscal policies, strong capital inflows, increased remittances and lower international commodity prices. During the first quarter of FY16, CPI inflation clocked in at the lowest level of 1.66% as compared to 7.52% in the first quarter of FY15. The downward movement of inflation was supported by lower international commodity prices.

The most crucial development at macro front is the improvement in total liquid foreign exchange reserves of Pakistan. Total liquid foreign exchange reserves increased to $20.07 billion by the end of first quarter FY16 against $16.194bn in the corresponding period of FY15, which is a significant increase of 23.9% YoY. The Government of Pakistan raised $500 million through Eurobond during the first quarter of FY16, taking the full advantage of upgraded international credit rating. In addition, under Extended Fund Facility (EFF), International Monetary Fund (IMF) released another tranche of $505 million and government of Pakistan also received $375 million from coalition support fund. Remittances amounted to $5 billion in the first quarter of FY16, against $4.8 million received in the corresponding period of FY15, showing growth of 4%.

The downward trajectory of inflation and strengthening foreign exchange reserves had a favorable impact on overall economic activity. As a result, the State Bank of Pakistan (SBP) announced another policy rate cut of 50bps to 6.0% in the September Monetary Policy Statement (MPS).

On the other hand, Federal Board of Revenue (FBR) collected Rs. 584 billion in this quarter, again falling short of its target collection of Rs. 647 billion by Rs. 63 billion. Overall, net tax collection increased by 8.5% but the collection target of Rs. 3.014 trillion for FY16 remains to be unachieved due to dispute over withholding tax on banking transactions. So far, FBR has failed to improve the tax collection.

Despite government's efforts to reduce trade deficit, Pakistan's exports continued to tumble and dropped by 14% during the first quarter of FY16 due to lower commodity prices and cost competitiveness (with chronic energy shortages). The overall exports value declined to $5.2 billion during first quarter FY16 as compared to $6 billion in the corresponding period. However, the imports also dropped by 14.39% to $10.7 billion in the first quarter of FY16 from $12.5 billion in the first quarter FY15. Therefore, Pakistan's trade deficit has improved by 14.8% to $5.5 billion in the first quarter of FY16.

The low interest rate environment and declining inflation would further enhance the economic activity as both of these factors are expected to remain lower side. However, the progress of economic activity largely depends on the uptick in private sector credit off-take and large scale manufacturing (LSM) growth as both of these indicators have remained unsatisfactory so far. That said, the government of Pakistan is keen to further strengthen the foreign exchange reserves while expecting the privatization of Pakistan International Airlines (PIA) and Pakistan Steel Mills (PSM) by the end of FY16.

Money Market

During 1QFY16, a total of six T-Bills auctions were held by State Bank of Pakistan (SBP). The total amount realized, amounted to Rs. 1,267 billion. The cut off rates for 3 months, 6 months and 12 months T-Bills averaged at 6.85%, 6.86%, 6.95% respectively. Furthermore, during 1QFY16, three Pakistan Investment Bonds (PIB) auctions were held. The total amount realized, amounted to Rs. 218.28 billion while the rates for the 3 year and 5 year bonds averaged at 7.64% and 8.57% respectively. The government announced its monetary policy in September 2015, where it slashed the policy rate by 50 basis points. Then after decline in the cut off rates were observed.

Future Outlook

We expect another leg of monetary easing mainly attributed to overall subdued inflation outlook, i.e. CPI inflation expected to be lower than SBP target of 6% for FY16. The lower inflationary pressures are expected to remain on the back of oil prices which remained at historic low levels during the last quarter are expected to remain low because of the excess supply and declining demand in the global market. In this regard, healthy foreign exchange reserves position, strong remittances growth and ongoing CPEC project further supports our view of a rate cut. In addition, declining exports and pressure of PKR devaluation provides more support to our view. Whereas, increase in prices of local utilities, oil prices rebounding and an eventual increase in domestic fuel prices to meet fiscal revenue targets for FY16 pose risks to our expectations. The liquidity is expected to remain tight in money market with the declining bank deposits leading from the imposition of withholding tax and public sector borrowing expected to continue with the same pace in the upcoming quarters. The Government of Pakistan is targeting six T-bill auctions to raise approximately PKR 1,100,000 million in the next quarter and three Pakistan Investment Bond (PIB) auctions with the approximate target of PKR 150,000 million. Furthermore, SBP is expected to continue with its policy of injecting more than PKR 1,000,000 monthly in the system through open market operations (OMOs) in order to provide liquidity to the market.

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 changes 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	19
10,000 - 49,999	5
50,000 - 99,999	6
100,000 - 499,999	6
500,000 and above	1
Total	**37**

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 SEPTEMBER 30, 2015

	Note	(Unaudited) September 30 2015	(Audited) June 30 2015
		------- (Rupees in '000)	-------
ASSETS			
Bank balances	4.	**962**	109,833
Investments	5.	**144,553**	174,165
Profit receivable on bank deposits		**34**	124
Prepayments		**65**	69
Preliminary expenses and floatation costs	6.	**294**	350
Total assets		**145,908**	284,541
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	7.	**975**	1,239
Payable to Central Depository Company of Pakistan Limited - Trustee		**20**	39
Payable to Securities and Exchange Commission of Pakistan		**32**	313
Payable on redemption of units		**-**	66,613
Accrued expenses and other liabilities	8.	**2,102**	3,069
Total liabilities		**3,129**	71,273
NET ASSETS		**142,779**	213,268
UNIT HOLDERS' FUND (as per statement attached)		**142,779**	213,268
CONTINGENCIES AND COMMITMENTS	9.		
		------(Number of units)	-------
Number of units in issue		**2,806,972**	4,255,832
		---------- (Rupees)	----------
Net asset value per unit		**50.8658**	50.1119
Face value per unit		**50.00**	50.00

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Note	Quarter ended September 30 2015	Quarter ended September 30 2014
		------- (Rupees in '000) -------	
INCOME			
Income / profit on :			
- government securities		**2,861**	11,631
- bank deposits		**226**	136
Capital gain / (loss) on sale of investment		**(6)**	4
		3,081	11,771
Unrealized appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		**24**	(69)
Total income		**3,105**	11,702
EXPENSES			
Remuneration of AKD Investment Management Limited - Management Company		**171**	474
Remuneration of Central Depository Company of Pakistan Limited - Trustee		**64**	178
Annual fee - Securities and Exchange Commission of Pakistan		**32**	89
Auditors' remuneration		**57**	55
Bank charges		**10**	13
Amortization of preliminary expenses and floatation costs		**56**	56
Fees and subscription		**10**	18
Legal and professional		**68**	32
Printing and related costs		**44**	44
Sales tax and Federal Excise Duty on management fee		**55**	158
Sales tax on Trustee fee		**9**	-
Workers' Welfare Fund		**-**	205
Total expenses		**576**	1,322
Net income from operating activities		**2,529**	10,380
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		**(413)**	(315)
Net income for the period before taxation		**2,116**	10,065
Taxation	10.	**-**	-
Net income for the period after taxation		**2,116**	10,065
Other comprehensive income for the period		**-**	**-**
Total comprehensive income for the period		**2,116**	**10,065**
Earnings per unit - basic and diluted	11.		

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

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

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Quarter ended September 30 2015	Quarter ended September 30 2014
	(Rupees in '000)	
Undistributed income brought forward		
- Realised Income	**871**	711
- Unrealised Income / (loss)	**2**	(30)
	873	681
Net income for the period after taxation	**2,116**	10,065
Undistributed profits carried forward	**2,989**	10,746
Realized income	**2,965**	10,829
Unrealized income / (loss)	**24**	(83)
	2,989	10,746

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Note	Quarter ended September 30 2015	Quarter ended September 30 2014
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**2,116**	10,065
Adjustments for non-cash and other items			
Unrealized (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		**(24)**	69
Capital (gain) / loss on sale of investments		**6**	(4)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		**413**	315
Amortization of preliminary expenses and floatation costs		**56**	56
Remuneration of AKD Investment Management Limited - Management Company		**171**	474
Remuneration of Central Depository Company of Pakistan Limited - Trustee		**64**	178
		2,802	11,153
(Increase) / decrease in assets			
Investments		**18**	266,226
Profit receivable on bank deposits		**90**	71
Prepayments		**4**	(6)
		112	266,291
Increase / (decrease) in liabilities			
Payable to AKD Investment Management Limited - Management Company		**(207)**	(149)
Payable to Central Depository Company of Pakistan Limited - Trustee		**2**	-
Payable to Securities and Exchange Commission of Pakistan		**(281)**	(284)
Payable on redemption of units		**(66,613)**	967
Accrued expenses and other liabilities		**(967)**	303
		(68,066)	837
Remuneration paid to AKD Investment Management Limited - Management Company		**(228)**	(466)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee		**(85)**	(175)
Net cash (used in) / generated from operating activities		**(65,465)**	277,640
CASH FLOW FROM FINANCING ACTIVITIES			
Payments against issuance / redemptions of units - net		**(73,018)**	(60,287)
Net cash used in financing activities		**(73,018)**	(60,287)
Net (decrease) / increase in cash and cash equivalents during the period		**(138,483)**	217,353
Cash and cash equivalents at beginning of the period		**283,998**	218,728
Cash and cash equivalents at end of the period	4.1	**145,515**	436,081

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

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 FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Quarter ended September 30 2015	2014
	-------- (Rupees in '000)	--------
Net assets at beginning of the period	**213,268**	511,036
Issue of units (2015: 2,665,430 ; 2014: 1,097,503)	**134,130**	55,556
Redemption of units (2015: 4,114,290 ; 2014: 2,295,331)	**(207,148)**	(115,843)
	(73,018)	(60,287)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing (income) / loss and capital (gains) / losses - transferred to Income Statement	**413**	315
Other net income for the period	**2,098**	10,130
Capital gain / (loss) on sale of investments	**(6)**	4
Unrealized appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	**24**	(69)
	2,116	10,065
Net assets at end of the period	**142,779**	461,129

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

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) authorised constitution of the Trust Deed on August 15, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012. 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 SECP. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block 8, Clifton, Karachi in the province of Sindh.

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

The Fund has been categorized as an Open End Money Market Fund as per criteria laid down by SECP for categorization of Collective Investment Scheme (CIS). The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, deposits, certificate of deposits (COD), certificate of mushrakas (COM), commercial paper, reverse repo transaction. Title of the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

The Pakistan Credit Rating Company Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned Asset Manager / Management Quality Rating of 'AM3' to the management company dated June 16, 2015 and April 10, 2015 respectively. JCR-VIS has also assigned fund stability rating of ‘AA+(f)’ to the fund dated September 26, 2014.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

2.2 These condensed interim financial statements are unaudited.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published financial statements of the Fund for the year ended June 30, 2015.

	Note	(Unaudited) September 30 2015	(Audited) June 30 2015
		--------(Rupees in '000)--------	
4. BANK BALANCES			
In savings accounts		**952**	109,823
In current accounts		**10**	10
		962	109,833
4.1 CASH AND CASH EQUIVALENTS			
Bank balances	4	**962**	109,833
Market Treasury Bills having original maturity of upto three months	5	**144,553**	174,165
		145,515	283,998
5. INVESTMENTS			
Financial assets at fair value through profit or loss - held for trading			
- Government securities	5.1	**144,553**	174,165

5.1 Government securities

Market Treasury Bills

Issue date	Tenor	Face Value				Balance at Sep. 30, 2015			Market value as a percentage of net assets	Market value as a percentage of investments
		Balance as at July 1, 2015	Purchase during the period	Sales / matured during the period	As at Sep. 30, 2015	Cost	Market value	Appreciation / (Diminution)		
		---------- Rupees in '000 ----------								
April 16, 2015	3 month	50,000	-	50,000	-	-	-	-	-	-
April 30, 2015	3 month	60,000	-	60,000	-	-	-	-	-	-
May 14, 2015	3 month	35,000	-	35,000	-	-	-	-	-	-
May 14, 2015	3 month	5,000	-	5,000	-	-	-	-	-	-
May 28, 2015	3 month	25,000	-	25,000	-	-	-	-	-	-
August 6, 2015	3 month	-	35,000	35,000	-	-	-	-	-	-
May 28, 2015	3 month	-	20,000	20,000	-	-	-	-	-	-
July 9, 2015	3 month	-	55,000	-	55,000	55,000	55,000	-	38.52	38.05
July 23, 2015	3 month	-	50,000	-	50,000	49,869	49,876	7	34.93	34.50
August 20, 2015	3 month	-	50,000	20,000	30,000	29,765	29,776	11	20.85	20.60
September 3, 2015	3 month	-	10,000	-	10,000	9,895	9,901	6	6.93	6.85
Total - Sep. 30, 2015					**145,000**	**144,529**	**144,553**	**24**		
Total - June 30, 2015					175,000	174,163	174,165	2		

	Note	(Unaudited) September 30 2015	(Audited) June 30 2015
		----------(Rupees in '000)---------	
6. PRELIMINARY EXPENSES AND FLOATATION COSTS			
Preliminary expenses and floatation costs opening balance	6.1	**350**	575
Less: amortized during the period / year		**(56)**	(225)
		294	350

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) September 30 2015	(Audited) June 30 2015
7. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMANT COMPANY			
Management fee	7.1	**48**	105
Preliminary expenses and floatation cost		**350**	575
Sales tax payable		**8**	18
Federal Excise Duty on management remuneration	7.2	**569**	541
		975	1,239

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 entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. However, the Management Company with the prior approval of the Securities and Exchange Commission of Pakistan (SECP) reduced management fee from 1.25% (defined in Offering document) to 0% (Zero) from January 21, 2012 till August 22, 2013 subject to a restriction that the net assets of the fund should not exceed Rs. 0.5 billion. Therefore from August 23 2013, the Management Company with the prior approval of the SECP charged management fee as per the following slab:

Net Assets	Management Fee (Per annum)
Up to Rs. 1 billion	0.40%
Rs. 1 billion to Rs. 1.5 billion	0.50%
Over Rs. 1.5 billion	As per offering document i.e. 1.25%

7.2 The Finance Act 2013 introduced an amendment to Federal Excise Act 2005 whereby, with effect from June 13, 2013, Federal Excise Duty (FED) has been imposed at the rate of 16% of the services rendered by assets management companies. The Management Company is of the view that since the remuneration is already subject to provincial sales tax at the rate of 14% (15% in FY2015), further levy of FED may result in double taxation, which does not appear to be the spirit of the law. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honourable Sindh High Court (SHC), challenging the levy of Federal Excise Duty on Asset Management Company services after the eighteenth amendment in the Constitution of Pakistan. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending. The management, as a matter of abundant caution, has decided to retain and continue with the provision of FED in the books of account aggregating to Rs. 0.569 million as at September 30, 2015 which includes charge for the period amounting to Rs. 0.027 million. Had the said provision of FED were not been recorded in the books of account of the Fund, the NAV of the Fund would have been higher by Re. 0.2026 per unit as at September 30, 2015.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Unaudited) September 30 2015	(Audited) June 30 2015
		----------(Rupees in '000)----------	
Auditors' remuneration		**234**	178
Provision for workers' welfare fund	8.1	**1,699**	1,699
Other		**169**	1,192
		2,102	3,069

8.1 Provision for Worker's Welfare Fund

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), whereby the definition of 'Industrial Establishment' had been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, all Collective Investment Schemes (CISs) / mutual funds whose income exceeds Rs.0.5 million in a tax year had been brought within the scope of the WWF Ordinance thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain Collective Investment Schemes (CISs) through their trustees in the Honorable Sindh High Court (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

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

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding Collective Investment Schemes (CIS) from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 01, 2015. Owing to the fact that the decision of SHC on the applicability of WWF (till September 30, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to make and retain provision of WWF in its books of account and financial statements till June 30, 2015 which aggregates to Rs. 1.699 million. Had the said provision of WWF not been recorded in the books of account of the Fund, the NAV of the Fund would have been higher by Rs. 0.6051 per unit. However, with effect from July 01, 2015, the Fund stopped making further provision of WWF in pursuance to the said amendment of the Finance Act 2015.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2015 and June 30, 2015.

10. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders.

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

11. EARNINGS PER UNIT

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

12. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons as at September 30, 2015 include AKD Investment Management Limited, being the Management Company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, AKD Investment Management Limited - Staff Provident Fund, directors and officers of the Management Company,Unit holder's holding more than 10% of the units outstanding and entities having common directorship with the Management Company. The transactions with connected persons are in the normal course of business.

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

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

12.1 Transactions during the period	**(Unaudited) Quarter ended September 30**	
	2015	**2014**
	----------(Rupees in '000)----------	
AKD Investment Management Limited - Management Company		
Management fee	**171**	474
Sales tax on management fee	**28**	82
Federal Excise Duty on management fee	**27**	76
Purchase of units (2015: 142,376 ; 2014: 88,898)	**7,176**	4,500
Redemption of units (2015: 132,512 ; 2014: 459,719)	**6,700**	23,195
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	**64**	178
Sales tax on Trustee fee	**9**	-
AKD Investment Management Limited - Staff Provident Fund		
Purchase of units (2015: 229,595 ; 2014: 5,897)	**11,575**	300
Redemption of units (2015: 147,977 ; 2014: 2,954)	**7,458**	150
Director of the Management Company		
Saad Iqbal		
Purchase of units (2015: 99,092 ; 2014: Nil)	**5,000**	-
Key Management Personnel and others		
Spouse- Chief Executive Officer		
Purchase of units (2015: 575,612 ; 2014: Nil)	**29,080**	-
Redemption of units (2015: 575,612 ; 2014: Nil)	**29,135**	-
Unit holder holding 10% or more of the units in issue		
Pakistan Mobile Communications Limited		
Purchase of units (2015: Nil ; 2014: 312,094)	**-**	15,865

	(Unaudited) September 30 2015	(Audited) June 30 2015
	---------(Rupees in '000)---------	
12.2 Amounts outstanding as at period / year end		
AKD Investment Management Limited - Management Company		
Management fee payable	**48**	105
Sales tax on management fee	**8**	18
Federal excise duty on management fee	**569**	541
Preliminary expenses and floatation costs	**350**	575
Units held (Sept. 30, 2015 : 9,864 ; June 30, 2015 : Nil)	**502**	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**18**	39
Sales tax on Trustee fee	**2**	-
AKD Investment Management Limited - Staff Provident Fund		
Units held (Sept. 30, 2015 : 81,618 ; June 30, 2015 : Nil)	**4,152**	-
Director of the Management Company		
Saad Iqbal		
Units held (Sept. 30, 2015 : 99,092 ; June 30, 2015 : Nil)	**5,040**	-
Unit holder holding 10% or more of the units in issue		
Sakrand Sugar Mills Ltd Provident Fund		
Units held (Sept. 30, 2015 : 348,333 ; June 30, 2015 : 348,333)	**17,718**	17,456
Summit Bank Ltd		
Units held (Sept. 30, 2015 : 608,791 ; June 30, 2015 : 608,791)	**30,967**	30,508
The Bank of Azad Jammu & Kashmir		
Units held (Sept. 30, 2015 : 373,677 ; June 30, 2015 : 373,677)	**19,007**	18,726
Pakistan Mobile Communications Limited		
Units held (Sept. 30, 2015 : 317,288 ; June 30, 2015 : 317,288)	**16,139**	15,900

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 29, 2015 by the Board of Directors of the Management Company.

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

AKD Investment
Management Ltd.

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N : 92-21-111 AKDIML (111-253-465) Fax : 92-21-35373217, 35303125
E-mail : info@akdinvestment.com Website : www.akdinvestment.com