Funds Managed by:

AKD Investment Management Ltd.

2012

annual report

AKD AGGRESSIVE INCOME FUND

AKD CASH FUND

AKD OPPORTUNITY FUND

AKD INDEX TRACKER FUND

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

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CORPORATE INFORMATION

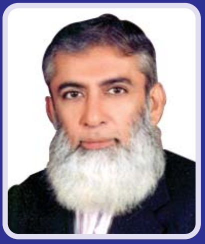
Farrukh Shaukat Ansari
Chairman

Imran Motiwala
Chief Executive Officer

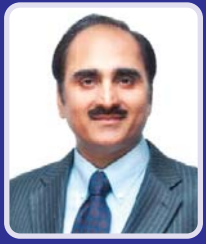
Ali Qadir Gilani
Director

Aurangzeb Ali Naqvi
Director

Muhammad Amin Hussain
Director



M. Ramzan Sheikh
Director



Nadeem Saulat Siddiqui
Director

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Farrukh Shaukat Ansari

Chief Executive Officer
Mr. Imran Motiwala

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

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

AUDIT COMMITTEE

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

INTERNAL AUDITORS

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

RATING

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

Vision

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

Mission Statement

AKD Funds 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***

Key Management Profile

Imran Motiwala- Chief Executive Officer

Mr. Motiwala became the CEO of AKD Investment Management Limited on April 26, 2011 and has also been serving as the CEO of Golden Arrow Selected Stocks Fund Limited since December 17, 2008. Mr. Motiwala had been designated as the Chief Operating Officer when he joined AKD Investment Management Limited in 2006 besides serving on the board of the Company from 2007. While at AKD Investment Management Limited he has undertaken several executive roles instrumental in building the Company's business besides serving as an Investment Committee Member for the funds under management of the Company. Mr. Motiwala has almost 18 years experience of the capital markets from securities broking to asset management. Mr. Motiwala has had the honor of working with several leading reputable companies from his career beginnings with Ali Hussain Rajabali to serving institutional clients at JPMorgan based in Karachi, Pakistan. Mr. Motiwala then moved over to the buy-side and joined ABAMCO Limited (JS Investments Limited) in 2002 as a fund manager and was assigned the launching and managing of a fixed income fund. He later then joined Crosby Asset Management (Pakistan) Limited in 2003 as Head of Fund Management undertaking the entire asset management business. Mr. Motiwala graduated with Marketing major from the Southeastern University (Karachi Campus) in 1994.

Muhammad Munir Abdullah - Chief Financial Officer

Mr. Muhammad Munir Abdullah joined AKD Investment Management Limited in 2005 as Manager Accounts. He has vast experience of over fifteen years of working with reputable organizations in the area of accounting & finance. Currently he is working as Chief Financial Officer at AKD Investment Management Limited.

Nadeem Saulat Siddiqui - Executive Director

Mr. Nadeem Saulat Siddiqui has 19 years of experience on senior positions of Sales, Marketing and resource development. He has been associated with Shaukat Khanum Memorial Cancer Hospital & Research Center over 16 years. He is serving at AKD Investment Management Limited since June 2009 and currently he is working under capacity of Executive Director at AKD Investment Management Limited. Mr. Siddiqui got his MBA degree from College of Business Administration, Lahore in the year 2000. His areas of expertise include sale, marketing, resource development and relationships building.

Muhammad Yaqoob - Chief Investment Officer & Company Secretary

Mr. Muhammad Yaqoob is currently working as the Chief Investment Officer and Company Secretary at AKD Investment Management Limited. He joined AKD Investment in the year 2005 and has worked in various capacities including Research, Product Development, Business Development and Fund Management. He participated in the launch of AKD Index Tracker Fund, AKD Opportunity Fund, AKD Aggressive Income Fund (formerly AKD Income Fund) and AKD Cash Fund. He also participated in the conversion of AKD Index Tracker Fund from a closed-end scheme to an open-end scheme. He is currently heading the team managing assets of above Rs. 2.5 billion. He holds a Masters in Business Administration majors in Finance and a candidate of CFA Level III. He is also serving as a Director at Pak Datacom Limited.

Carrow Michael - Head of Operations

Mr. Carrow Michael is currently working as Head of Operations at AKD Investment Management Limited. Mr. Michael started his career wit AKD Investment Management Limited in 2006 as an Operations Officer and since then has served on various positions in Operations Department within the AKDIML. Mr. Michael holds a Masters Degree in Finance from Khadim Ali Shah Bukhari Institite of Technology, Karachi. His areas of expertise include system development, customer support and information technology.

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of **AKD Aggressive Income Fund (AKDAIF) formerly AKD Income Fund, AKD Cash Fund (AKDCF), AKD Opportunity Fund (AKDOF)** and **AKD Index Tracker Fund (AKDITF)** is pleased to present its report along with the annual audited financial statements for the financial year ended June 30, 2012.

ECONOMIC REVIEW AND OUTLOOK

Pakistan's economy grew at the rate of 3.7% for the fiscal year 2011-12 below the target of 4.2%. The Industrial sector remained primarily affected by infrastructural weaknesses with gas and electricity outages and therefore worked under capacity. As a result, the sector grew only by 3.6% taking its due toll on exports as well. The Agricultural sector grew by only 3.1% short of the target of 3.4% on the back drop of floods which adversely affected the province of Sindh during the year. The Services sector was unable to perform and failed to achieve its target of 5.0% and grew by 4.0%. Foreign Direct Investment (FDI) continued to show a strong declining trend and decreased by an unprecedented 50% to USD 812mn versus 1.634bn last year. Increase in global commodity prices especially crude oil resulted in a current account deficit of USD 4.52bn versus a surplus of USD 0.21bn last year. Worker's home remittances maintained their rising trend and reached a record USD13.2bn versus USD 11.2bn for the corresponding period.

Global economies generally continued to show weak performance barring few exceptions with the US and Euro zone debt crisis continuing to hinder global economic recovery. On the domestic front, strained ties with the US, coupled with soaring international commodity prices resulted in a higher fiscal deficit. However, the economic managers were able to restrict inflation below the government's estimate of 12%. The decline in inflation rate year on year basis provided the much needed financial opportunity to encourage private sector credit off-take besides kick start an ailing economy, the State Bank of Pakistan capitalized this window and reduced the discount rate by 200 basis points to stand at 12.00% by fiscal year ended 30 June 2012.

Although, inflation has declined this fiscal year, however major factors impeding growth also included the deteriorating law and order situation and infrastructural weaknesses, which will inevitably need to be addressed.

For the fiscal year 2012-13, the overall economic scenario is expected to improve. The premise that subsequent to the re-opening of the NATO supply routes to Afghanistan, financial assistance from the US and other bilateral and multilateral agencies would gradually resume. Additionally, a decline in the international commodity prices witnessed during the preceding months are also expected to reduce pressures on the current and fiscal accounts going forward.

EQUITY MARKET REVIEW AND OUTLOOK

The KSE-100 index increased by 10.45% for the fiscal year 2011-12, however performance remained tilted towards the second half subsequent to the announcement of the revamping of the Capital Gains Tax by the Finance Minister in the month of January 2012. In the first half of FY 2011-2012, the index lost 1148.37 points or 7.39%, however subsequent to the announcement of the revamping of the capital gains tax, the market bounced back by 2453.75 points or 21.62% resulting in an overall return of 10.45% for the fiscal year 2011-12. The performing sectors included Cements, House Hold Goods, Financial Services, Technology Hardware and Equipment, Industrial Transportation and Support Services, indicating that the Index rally broad based.

Key features of the Capital Gains Tax (CGT) relief package included: 1) exemption from disclosing the source of income for investors investing in the stock market till Jun 2014 provided that such investors remained invested in a single stock for a minimum of 120 days 2) Freezing of CGT rates at current levels; 3) Waiving off withholding tax on sale transactions; and 4) Centralized collection and calculation of CGT by the National Clearing Company of Pakistan.

During the period, the SECP also notified relaxation measures in the Margin Trading System Rules to increase volumes. 1) Individuals to act as financiers and 2) Combination of cash and securities as margins compared to cash-only margins earlier. 3) Financier participation ratio reduced to 15% from the previous 25%.

However, uncertainty and continuous depreciation of the Pak Rupee hindered foreign investor sentiment and as a result annual FIPI recorded a net outflow of USD $ 189.13 million. Rupee dollar parity is expected to stabilize as NATO supplies resume and Pakistan receiving the outstanding $1.1 billion under the head of Coalition Support Fund, while reaching a new understanding with the IMF may be consequential. Improvement in strategic and diplomatic relations with the US, coupled with further decline in international commodity prices (especially Crude Oil), the receipt of budgeted funds under the coalition support fund and aid from other bilateral and multilateral donor agencies plus a hopefully successful auction of 3G licenses, will likely provide relief to the soaring current account deficit going forward. With inflation to remain in single digits for the fiscal year 2012-13 and State Bank's inclination towards the revival of the private sector credit off-take we believe interest rates to settle around 10% for the fiscal year 2012-13.

On the whole,the index is expected to remain firm for the coming months as investors will need to eventually seek out relatively higher yielding investments and move out of the safe haven investments like Government securities. While the index is expected to test its all time high, the strategy would be to invest carefully considering the fundamentals of stocks in order to secure promising gains in the future.

MONEY MARKET REVIEW AND OUTLOOK

In the first half of the year 2012, the State Bank of Pakistan reduced the discount rate by 200 points due to a decrease in inflation to note here that the CPI basket was reconstituted which helped mitigate the higher food prices to some extent. Later in the year as the country's current and fiscal accounts turned into deficits, no foreign inflows due to uneven ties with the US and low tax base forced the SBP to keep the discount rate unchanged in the second half. Government borrowing from the SBP and the banking system continued in order to support twin deficits and meet its expenditure requirements which kept the money market illiquid at record levels.

For the year 2013, as inflation numbers further improved, the SBP with its stance to steer growth which is plausible under better private sector credit off-take, reduced the discount rate by an additional 200 basis points in the first four months of the current fiscal year to stand at 10.00%. However, infrastructural weaknesses and a law & order would continue to hamper the economic growth as may be initially envisioned. With FY13 being election year, government expenditures are to increase with lesser concerns to address these infrastructural weaknesses.

We foresee very little room for further rate cuts in the current fiscal, with foreign reserves to deteriorate due to re-payments to the IMF and other donor agencies, no major foreign inflows expected in the current fiscal resulting in increased borrowing of the government from the SBP and the banking system resulting in the sustaining of the inflation and crowding out of private sector credit off-take.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

(a) The financial statements, prepared by the Management Company of the Funds, present its state of affairs fairly, the result of its operations, cashflows and movement in unit holders' funds.

(b) Proper books of account of the Funds have been maintained.

(c) In preparation of financial statements, appropriate accounting policies have been consistently applied and accounting estimates are based on reasonable and prudent judgment.

(d) International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives of the Securities and Exchange Commission of Pakistan have been followed in preparation of the financial statements and any departures there from has been adequately disclosed and explained.

(e) The existing system of internal control is sound in design and has effectively implemented. The existing system of internal control and other procedure is being continuously reviewed by Internal Auditor. The process of review will continue and any weakness in controls will have immediate attention of the Management.

(f) There are no doubts upon the Funds' ability to continue as a going concern.

(g) The Corporate Governance regulations, as detailed in the listing regulations, have been fully complied.

(h) No Statutory payment on account of taxes, duties, levies and other charges is outstanding towards the Funds other than as disclosed in Financial Statements.

(i) During the year, 5 meetings of the Board of Directors were held. The details of meetings of board and attendance is as under:

Name of Director	Total No. of Meetings Held	Meetings Attended	Leave Granted
Mr. Farrukh Shaukat Ansari	5	4	1
Mr. Imran Motiwala	5	5	-
Mr. Ali Qadir Gilani	5	5	-
Mr. M.Ramzan Sheikh	5	-	5
Mr. Muhammad Amin Hussain	5	3	2
Mr. Nadeem Saulat Siddiqui	5	5	-
Mr. Aurangzeb Ali Naqvi*	1	1	-
Mr. Taufique Habib*	4	3	1

*Mr. Aurangzeb Ali Naqvi was appointed on February 29, 2012 in place of Mr. Taufique Habib. During the year one casual vacancy occurred in the Board due to resignation of Mr. Taufique Habib, which was filled by appointing Mr. Aurangzeb Ali Naqvi respectively by the Board.

(j) No trade in the units of Funds have been carried out by Directors, executives and their spouses and minor children of the management company other than as disclosed below and in the note to the Financial Statements:

S.No.	Trades by	Designation	Investment (No.of units)	Redemption (No. of units)
AKD Index Tracker Fund				
1.	Mr. Imran Motiwala	CEO	43,564	-
AKD Opportunity Fund				
1.	Mr. Imran Motiwala	CEO	9,810	-
2.	Mr. Nadeem Saulat Siddiqui	Executive Director	18,991	

RATING OF THE MANAGEMENT COMPANY

In March 2012, Credit Rating Company Ltd. (JCR-VIS) has downgraded the Management Quality (MQ) Rating of AKD Investment Management Limited at 'AM3-'(AM Three Minus).

RATING OF FUNDS

AKD AGGRESSIVE INCOME FUND

JCR-VIS Credit Rating Company Limited has assigned the Fund Stability Rating of AKD Aggressive Income Fund (AKDAIF) at 'BBB (f)' (Triple B (f)) on March 27, 2012.

AKD OPPORTUNITY FUND

JCR-VIS credit rating Company Limited has assigned the 1 year Ranking of Fund performance ranking of AKD Opportunity Fund (AKDOF) at "MFR 5-Star" on August 1, 2012.

AKD CASH FUND

JCR-VIS Credit Rating Company Limited has assigned the Fund stability rating of AKD Cash Fund (AKDCF) at AA+ (f) on April 11, 2012.

PATTERN OF UNITHOLDING

The detailed pattern of unit holding as required by the Companies Ordinance, 1984 and the Code of Corporate Governance is enclosed in the financial statements.

APPOINTMENT OF AUDITORS

The Board re-appointed M/s M. Yousuf Adil Saleem & Co., Chartered Accountants as the statutory auditor for AKD Aggressive Income Fund (AKDAIF) and AKD Cash Fund (AKDCF) for the year 2012-2013 as recommended by the audit committee.

The Board re-appointed M/s KPMG Tasser Hadi & Co., Chartered Accountants as the statutory auditors for AKD Opportunity Fund (AKDOF) and AKD Index Tracker Fund (AKDITF) for the year 2012-2013 as recommended by the audit committee.

The Board re-appointed M/s Anjum Asim Shahid Rahman Chartered Accountants as statutory auditors of AKD Investment Management Limited for the year 2012-2013 as recommended by the audit committee.

ACKNOWLEDGEMENTS

The Directors would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan, the Ministry of Finance, the State Bank of Pakistan and the Management of the Stock Exchange for their support to the Mutual Fund Community as a whole and our Trustee M/s Central Depository Company of Pakistan Limited for their cooperation and support to us. The Board also appreciates the devoted work performed by the staff and officers of the Management Company. The Board will also like to thank unitholders for their confidence in the Funds and their continued support and guidance.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: October 23, 2012

Contents

AKD Cash Fund

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

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

TRUSTEE
Central Depository Company of
Pakistan Limited
CDC House 99-B, Block-B S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

BANKERS
Allied Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited

AUDITORS
M. Yousuf Adil Saleem & Co.
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350

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

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

DISTRIBUTOR
AKD Investment Management Limited

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

FUND MANAGER'S REPORT

During the year AKD Investment Management Limited launched AKD Cash Fund, which focuses primarily on Government securities (Treasury Bills).

Investment Strategy

AKD Cash Fund (AKDCF) is a dedicated fund that focuses primarily on fixed income securities and instruments. The strategy of AKDCF is to offer investor convenient and liquid vehicle to invest in a diversified portfolio of fixed income securities / instruments that provide consistent returns while striving for preservation of capital.

Performance Review and Outlook

Fund posted a return of 10.49% against Benchmark return of 9.79%, since inception as on January 20, 2012, thus outperforming the benchmark by 0.70%. Allocation of investment constitutes T-Bills at 92.09% and cash and other asset at 7.91% as at June 30, 2012. Due to smaller fund size the return of the Fund was affected by fixed costs. The Management Company decided to waive its management fee till June 30, 2012 so that the returns remain competitive. As the fund size grows the impact of fixed cost would start reducing. The Management has further extended the waiver in management fee on the AKD Cash Fund till December 31, 2012 for its investors. We strongly advice investors to participate in the AKD Cash Fund to benefit from the waiver of the Management Fee.

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

Interim Distribution

The Chief Executive Officer on behalf of Board of Directors of AKD Investment Management Limited (AKDIML) approved and declared following interim dividend payouts between 19th January 2012 and 30th June 2012.

From Date	To Date	Dividend per unit (Rupee)	Date of Announcement
19-Jan-12	24-Feb-12	0.43643	28-Feb-12
25-Feb-12	30-Mar-12	0.56706	03-Apr-12
31-Mar-12	27-Apr-12	0.38687	02-May-12
28-Mar-12	25-May-12	0.39290	29-May-12

Final Distribution

The Board has approved a bonus of Re. 0.49291 per unit (0.98582% of the par value of Rs. 50/- for FY-2012). (Unit holders who have opted for cash payout received cash payment accordingly).

DETAILS OF PATTERN OF HOLDING (UNITS)

As At June 30, 2012

	Units Held
Associated Companies	**Nil**
Directors and CEO	**Nil**
NBFCs	-
Banks/ DFIs	927,309
Retirement Funds	418,293
Others	101,721
Individuals	582,012
Total	**2,029,335**

TRUSTEE REPORT TO THE UNIT HOLDERS

AKD CASH FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Cash Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from January 19, 2012 to June 30, 2012 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: October 22, 2012

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

This statement is being presented with the Code of Corporate Governance ("the code") contained in Chapter XI of the listing regulation of the Karachi Stock Exchange where **AKD Cash Fund** ("the Fund") is listed. The purpose of the code is to establish a framework of good governance, whereby listed company is managed in compliance with the best practices of corporate governance. AKD Investment Management Limited ("the Management Company") which manages the affairs of the Fund has applied the principles contained in the Code in the following manner:

1. The Management company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	**Name**
Independent Directors	Mr. Farrukh Shaukat Ansari Mr. Ali Qadir Gilani Mr. M.Ramzan Sheikh
Executive Directors	Mr. Imran Motiwala Mr. Nadeem Saulat Siddiqui
Non Executive Directors	Mr. Muhammad Amin Hussain Mr. Aurangzeb Ali Naqvi

The independent directors meets the criteria of independence under clause i (b) of the CCG.

2. The Board of Directors of Management Company has confirmed that none of them is serving as a director on more than ten listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Management company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurring on the board on February 11, 2012 was filled up by the directors within 17 days.

5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it through the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive and non-executive directors, have been taken by the board.

8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter during the period. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Mr. Farrukh Shaukat Ansari (Chairman) has passed the Board Development Series Certificate program conducted by the Pakistan Institute of Corporate Governance as of 30 June 2012. Further, arrangements are being made for the training program of remaining Directors of the Management Company. Further Directors' have also being briefed about the recent changes made in laws and regulations to enable them to effectively manage the affairs of the Management Company.

10. The Board of Directors of the Management Company has approved the appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment. During the period, there was no Head of Internal audit, however subsequent to the period end the management company has appointed a Head of Internal audit for this function.

11. The directors' report for the period ended June 30, 2012 has been prepared in compliance with the requirements of the Code and fully describes the salient matters regarding the affairs of the Fund as required to be disclosed.

12. The financial statements of the Fund were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the board.

13. The Directors, Chief Executive Officer and Executives do not hold any interest in the units of the Fund other than that disclosed in the pattern of unit holding.

14. The Management Company has complied with all the corporate and financial reporting requirements of the code with respect to the Fund.

15. The Board of the Directors of Management Company has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the Chairman of the committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter and prior to approval of interim and final results of the Fund. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board of the Directors of the Management Company has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are Non Executive Directors including the chairman of the committee. The terms of reference of this committee are in the process of approval.

18. The Board of Management Company has outsourced the internal audit function to M/s. Rafaqat Mansha Masoom Dossani and Company, Chartered Accountants, Karachi, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.

19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP).

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The "Closed Period", prior to the announcement of interim/final results, and business decisions which may materially affect the market price of Fund's securities, was determined and intimated to directors, employees and the stock exchange.

22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. We confirm that all other applicable material principles enshrined in the Code have been complied with.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: October 23, 2012

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **AKD Investment Management Limited,** the Management Company of **AKD Cash Fund** (the Fund) to comply with the Listing Regulation No. 35 (Chapter XI) of Karachi Stock Exchange Limited, where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Regulation 35 (x) of the Listing Regulations requires the Management Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the period from January 19, 2012 to June 30, 2012.

We draw attention to paragraph 10 of the annexed statement which highlights that Management Company has appointed the Head of Internal Audit subsequent to the period end. Our conclusion is not qualified in respect of this matter.

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Karachi: October 23, 2012

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **AKD Cash Fund** (the Fund), which comprises the statement of assets and liabilities as at June 30, 2012, and the income statement, distribution statement, statement of movements in unit holders' fund, cash flow statement and a summary of significant accounting policies together with other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirement of approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2012 and of its financial performance, cash flows and transactions for the period then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIRMENTS

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

Karachi: October 23, 2012

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2012

	Note	2012 (Rupees in '000)
ASSETS		
Bank balances	4	8,437
Investments	5	94,364
Profit receivable on bank deposit		83
Prepayments		72
Preliminary expenses and floatation costs	6	1,025
Total assets		103,981
LIABILITIES		
Payable to AKD Investment Management Limited - Management Company	7	1,125
Payable to Central Depository Company of Pakistan Limited - Trustee	8	15
Payable to Securities and Exchange Commission of Pakistan	9	32
Accrued expenses and other liabilities	10	342
Total liabilities		1,514
NET ASSETS		102,467
UNIT HOLDERS' FUND (as per statement attached)		102,467
CONTINGENCIES AND COMMITMENTS	11	
		(Number of units)
Number of units in issue		2,029,335
		(Rupees)
Net asset value per unit		50.4929
Face value per unit		50

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

INCOME STATEMENT

FOR THE PERIOD FROM JANUARY 19, 2012 TO JUNE 30, 2012

	Note	2012 (Rupees in '000)
INCOME		
Income / profit on :		
- government securities		4,301
- bank deposits		776
Capital loss on sale of investment		(1)
		5,076
Unrealized diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(11)
Total income		5,065
EXPENSES		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8	73
Annual fee - Securities and Exchange Commission of Pakistan	9	32
Auditors' remuneration	12	170
Settlement and bank charges		4
Amortization of preliminary expenses and floatation costs	6	100
Security transaction cost		10
Fees and subscription		30
Legal and professional		68
Printing and related costs		96
Workers' Welfare Fund	13	90
Total expenses		673
Net income from operating activities		4,392
Element of income and capital gains included in prices of units issued less those in units redeemed		20
Net income for the period before taxation		4,412
Taxation	14	-
Net income for the period after taxation		4,412
Other comprehensive income for the period		-
Total comprehensive income for the period		4,412
Earnings per unit - basic and diluted	3.9	

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

DISTRIBUTION STATEMENT

FOR THE PERIOD FROM JANUARY 19, 2012 TO JUNE 30, 2012

	2012 (Rupees in '000)
Interim distribution:	
- Re. 0.44 per unit on February 28, 2012	
- Cash distribution	(239)
- Issue of 11,705 bonus units @ Rs. 50 per unit	(585)
Interim distribution:	
- Re. 0.57 per unit on April 3, 2012	
- Cash distribution	(310)
- Issue of 16,909 bonus units @ Rs. 50 per unit	(846)
Interim distribution:	
- Re. 0.39 per unit on May 2, 2012	
- Cash distribution	(196)
- Issue of 8,348 bonus units @ Rs. 50 per unit	(417)
Interim distribution:	
- Re. 0.39 per unit on May 29, 2012	
- Cash distribution	(200)
- Issue of 12,384 bonus units @ Rs. 50 per unit	(619)
Net income for the period after taxation	4,412
Undistributed profits carried forward	**1,000**
Realized income	1,011
Unrealized income	(11)
	1,000

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CASH FLOW STATEMENT

FOR THE PERIOD FROM JANUARY 19, 2012 TO JUNE 30, 2012

	Note	2012 (Rupees in '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation		4,412
Adjustments for non-cash and other items		
Capital loss on sale of investments		1
Element of income and capital gains included in prices of units issued less those in units redeemed		(20)
Amortization of preliminary expenses and floatation costs		100
Annual fee - Securities and Exchange Commission of Pakistan		32
Remuneration of Central Depository Company of Pakistan Limited - Trustee		73
		4,598
Increase in assets		
Profit receivable on bank deposit		(83)
Prepayments		(72)
Preliminary expenses and floatation costs		(1,125)
		(1,280)
Increase in liabilities		
Payable to AKD Investment Management Limited - Management Company		1,125
Accrued expenses and other liabilities		342
		1,467
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee		(59)
Net cash generated from operating activities		4,726
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts against issuance / redemptions of units - net		99,020
Dividend paid		(945)
Net cash generated from financing activities		98,075
Net increase in cash and cash equivalents during the period		102,801
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	4.2	102,801

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE PERIOD FROM JANUARY 19, 2012 TO JUNE 30, 2012

	2012 (Rupees in '000)
Net assets at beginning of the period	-
Issue of 3,766,134 units	188,565
Redemption of 1,786,145 units	(89,545)
	99,020
Issue of 49,346 bonus units	2,467
Element of income and capital gains included in prices of units issued less those in units redeemed	
- amount representing income and capital gains - transferred to Income Statement	(20)
Other net income for the period	4,424
Capital loss on sale of investments	(1)
Unrealized diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(11)
Interim distribution:	
- Re. 0.44 per unit on February 28, 2012	
- Cash distribution	(239)
- Issue of 11,705 bonus units @ Rs. 50 per unit	(585)
Interim distribution:	
- Re. 0.57 per unit on April 3, 2012	
- Cash distribution	(310)
- Issue of 16,909 bonus units @ Rs. 50 per unit	(846)
Interim distribution:	
- Re. 0.39 per unit on May 2, 2012	
- Cash distribution	(196)
- Issue of 8,348 bonus units @ Rs. 50 per unit	(417)
Interim distribution:	
- Re. 0.39 per unit on May 29, 2012	
- Cash distribution	(200)
- Issue of 12,384 bonus units @ Rs. 50 per unit	(619)
	1,000
Net assets at end of the period	102,467

The annexed notes from 1 to 25 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 19, 2012 TO JUNE 30, 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Cash Fund (the Fund) was established under a Trust Deed executed between AKD Investment Management Limited (AKDIML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorized constitution of the Trust Deed on August 15, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012 and the Fund commenced operations from January 21, 2012. 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 a Money Market Fund as per criteria laid down by SECP for categorization of Collective Investment Scheme (CIS). The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, deposits, certificate of deposits (COD), certificate of musharika (COM), commercial paper and reverse repo transactions. Title of the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

JCR-VIS Credit Rating Company Limited has assigned a management quality rating of AM3- to the Management Company and fund stability rating of AA+ to the Fund dated March 29, 2012 and April 11, 2012 respectively.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These 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 SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.2 New, revised and amended standards and interpretations that are effective in the current period

The following standards, amendments and interpretations of approved accounting standards are effective for accounting periods beginning on or after January 1, 2011. These standards are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements:

Standards / amendments / interpretations	Effective date (accounting periods beginning on or after)
Amendment to IAS 1 - Presentation of Financial Statements	January 01, 2011
IAS 24 (as revised in 2009) - Related Party Disclosures	January 01, 2011
Amendment to IAS 34 - Interim Financial Reporting	January 01, 2011
Amendment to IFRS 7 – Disclosures – Transfer of Financial Assets	July 01, 2011
Amendment to IFRIC 13 - Customer Loyalty Programmes	January 01, 2011
Amendment to IFRIC 14 - Prepayments of a Minimum Funding Requirement	January 01, 2011

2.3 Standards, interpretations and amendments to approved accounting standards not yet effective

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned against the respective standard or interpretation: -

Standards / amendments / interpretations	Effective for annual periods beginning on or after
Amendments to IAS 1 - Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income	July 01, 2012
Amendments to IAS 12 - Income Taxes – Deferred Tax: Recovery of Underlying Assets	January 01, 2012

The Fund expect that the adoption of the above standards and interpretation will not have any material impact on its financial statements in the period of initial application except for increase in disclosure requirement.

Further, the following new standard have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standards or interpretations

IFRS 1 – First Time Adoption of International Financial Reporting Standards

IFRS 9 – Financial Instruments

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement
IAS 27 (Revised 2011) – Separate Financial Statements due to non-adoption of IFRS 10 and IFRS 11
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures due to non- adoption of IFRS 10 and IFRS 11

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (note 3.2 and note 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain financial assets have been carried at fair value.

2.6 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

3.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at cost. Cash and cash equivalents comprise of bank balances and short term investments having original maturities of less than three months.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets are acquired. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'financial assets at fair value through profit or loss' category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the Income Statement.

3.2.4 Subsequent measurement

a) Financial assets at fair value through profit or loss and 'available for sale'

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss' and 'available for sale' are valued as follows:

- Basis of valuation of debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 1 of 2009 dated January 6, 2009. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

- Basis of valuation of government securities

The investment of the Fund in Government Securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan in accordance with the requirements of the NBFC Regulations.

Net gains and losses arising from changes in the fair value of financial assets 'at fair value through profit or loss' are taken to the 'income statement'.

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

b) Loans and receivable

Subsequent to initial recognition, financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest method. Gain or loss is also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that the financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement in case of held for trading financial assets. If any such evidence exists for available for sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement is reclassified from the Statement of Comprehensive Income to the Income Statement.

For financial assets classified as 'loans and receivable', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to original terms. The amount of the provision is the difference between the asset's carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

Provision for non-performing debt securities is made in accordance with the criteria for provision of non-performing debt securities specified in Circular No. 1 dated January 06, 2009 and Circular No. 13 dated May 4, 2009 issued by the SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

3.2.6 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognized amount and there is an intention to settle on a net basis, or realize the assets and settle the liabilities simultaneously.

3.3 Financial liabilities

All financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

3.4 Derivatives

Derivative instruments are initially recognized at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognized in the Income Statement.

3.5 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to the bankers to the issue, brokerage paid to the members of the stock exchanges and other expenses. These costs are amortized over a period of five years starting from the commencement of operations of the Fund.

3.6 Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 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 ninety 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 intends to distribute its income accordingly and therefore, no tax liability has been recorded for the current period.

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

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilized tax losses to the extent that it is probable that the related tax benefit will be realized. However, the Fund has not recognized any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the period as reduced by capital gains, whether realized or unrealized, to its unit holders every year.

3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalization account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created in order to prevent the dilution of income per unit and distribution of income already paid out on redemption.

Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed to the extent that it is represented by income earned during the year is recognized in the Income Statement and to the extent that it is represented by unrealized appreciation / (diminution) arising during the year on available-for-sale securities is included in Distribution Statement.

3.9 Earnings per unit - basic and diluted

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

3.10 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and provision for duties and charges, if applicable. The sales load is payable to the Management Company, investment facilitators or distributors.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.11 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Proposed distributions and transfer between reserves

Distributions declared and transfers between reserves made subsequent to the date of Statement of Assets and Liabilities are considered as non-adjusting events and are recognized in the financial statements in the year in which such distributions are declared / transfers are made.

3.13 Revenue recognition

- Realized capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.

- Income on government securities, bank deposits and placements is recognized on an accrual basis. (In case of financial assets classified as non-performing, income is recognized on receipt basis).

- Income on issue and repurchase of units is recognised when the units are issued and redeemed at the transaction date.

- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' category are included in the income statement in the period in which they arise.

	Note	2012 (Rupees in '000)
4. BANK BALANCES		
In savings accounts	4.1	8,427
In current accounts		10
		8,437

4.1 These carry mark up at the rates ranging from 5% to 11.4%

4.2 CASH AND CASH EQUIVALENTS

	Note	2012 (Rupees in '000)
Bank balances	4	8,437
Market Treasury Bills having maturity of three months	5	94,364
		102,801

5. INVESTMENTS

Financial assets at fair value through profit or loss - held for trading

	Note	2012 (Rupees in '000)
- Government securities	5.1	94,364

5.1 Government securities

Market Treasury Bills

Issue date	Tenor	Face Value			Balance at June 30, 2012			Market value as a percentage of net assets	Market value as a percentage of investments
		Purchase during the period	Sales / matured during the period	As at June 30, 2012	Cost	Market value	(Diminution)		
		Rupees in '000							
September 8, 2011	12 Months	75,000	-	75,000	73,400	73,394	(6)	71.63	77.78
October 6, 2011	6 Months	90,000	90,000	-	-	-	-	-	-
January 26, 2012	6 Months	8,200	-	8,200	8,136	8,134	(2)	7.94	8.62
April 5, 2012	3 Months	90,000	90,000	-	-	-	-	-	-
May 17, 2012	3 Months	13,000	-	13,000	12,839	12,836	(3)	12.53	13.60
Total - June 30, 2012				96,200	94,375	94,364	(11)	92.10	100.00

		2012
		(Rupees in '000)

6. PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs incurred	6.1	1,125
Less: amortized during the period		(100)
		1,025

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

7. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMANT COMPANY

Management fee	7.1	-
Preliminary expenses and floatation cost		1,125
		1,125

7.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. However, the Management Company with the prior approval of the Securities and Exchange Commission of Pakistan (SECP) vide letter No. SCD/AMCW/AKDCF/56/2012 reduced management fee from 1.25% (defined in offering document) to 0% (Zero) for the period from January 21, 2012 till June 30, 2012.

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

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 of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund from January 21, 2012 to June 30, 2012 is as follows:

Amount of Funds Under Management (Average NAV)	Tariff per annum
Upto Rs. 1,000 million	Rs 0.6 million or 0.17% p.a. of NAV * whichever is higher
Rs 1,000 million and above	Rs 1.7 million plus 0.085% p.a. of NAV exceeding Rs 1,000 million
Rs. 5,000 million above	Rs 5.1 million plus 0.07% p.a. of NAV exceeding Rs 5,000 million

* This slab is applicable for the initial period of one year from the date of launching of the Fund.

The remuneration is paid to the trustee monthly in arrears.

9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Fund is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

		2012 (Rupees in '000)
Auditors' remuneration	12	170
Brokerage		5
Provision for workers' welfare fund	13	90
Other		77
		342

11. CONTINGENCIES AND COMMITMENTS

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

12. AUDITORS' REMUNERATION

Annual statutory audit fee	125
Fee for review of statement of compliance with the Code of Corporate Governance	25
Out of pocket expenses	20
	170

13 PROVISION FOR WORKERS' WELFARE FUND

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

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

During the period, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the Honorable High Court of Sindh. However, the Management Company is awaiting decision of the Honorable High Court of Sindh on this matter and as a matter of abundant caution continues to provide for WWF in these financial statements. The Scheme has maintained provisions against Workers Welfare Fund liability to the tune of Rs 0.09 million, if the same were not made, the NAV per unit / return would have been higher by Re 0.04 per unit (0.09%).

14 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 has not recorded a tax liability in respect of income relating to the current period as the Management Company has distributed the required minimum percentage of the Fund's accounting income for the period as reduced by capital gains (whether realized or unrealized) to its unit holders.

15. FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2012			
	Loans and receivables	Financial assets at fair value through profit or loss	Assets classified as Available for Sale	Total
	Rupees in '000			
Assets				
Bank balances	8,437	-	-	8,437
Investments	-	94,364	-	94,364
Profit receivable on bank deposit	83	-	-	83
	8,520	94,364	-	102,884

	As at June 30, 2012		
	Financial liabilities carried at amortized cost	Liabilities at fair value through profit or loss	Total
	Rupees in '000		
Liabilities			
Payable to AKD Investment Management Limited - Management Company	1,125	-	1,125
Payable to Central Depository Company of Pakistan Limited - Trustee	15	-	15
Accrued expenses and other liabilities	252	-	252
	1,392	-	1,392

16 TRANSACTIONS WITH CONNECTED PERSONS

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

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

	2012 (Rupees in '000)

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

16.1 Transactions during the period

AKD Investment Management Limited - Management Company	
Purchase of 426,078 units	21,324
Issue of bonus 7,234 units	362
Redemption of 433,312 units	21,710
Paid by Management Company on behalf of the Fund	
Preliminary expenses and floatation costs	1,125
Central Depository Company of Pakistan Limited - Trustee	
Trustee fee	73
AKD Investment Management Limited - Staff Provident Fund	
Purchase of 72,213 units	3,619
Issue of 1,423 bonus units	71
Key Management Personnel	
Purchase of 998 units	50
Issue of 11 bonus units	1
Redemption of 1,009 units	51

16.2 Amounts outstanding as at period end

AKD Investment Management Limited - Management Company	
Preliminary expenses and floatation costs	1,125
AKD Investment Management Limited - Staff Provident Fund	
73,636 units held	3,718
Central Depository Company of Pakistan Limited - Trustee	
Trustee fee payable	15

17. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

	Designation	Qualification	Experience in years
1. Mr. Imran Motiwala	Chief Executive Officer - (GASSFL & AKDIML), Fund Manager - (GASSFL & AKDOF)	BBA	18
2. Mr. Muhammad Yaqoob	Chief Investment Officer (CIO), Company Secretary and Fund Manager - AKDAIF, AKDCF & AKDITF	MBA	8
3. Mr. Nadeem Saulat Siddiqui	GM Marketing and Sales and Director - AKDIML	MBA	19

17.1 Mr. Muhammad Yaqoob is the Manager of the Fund. He has obtained a Masters degree in Finance. AKD Index Tracker Fund and AKD Aggressive Income Fund are also being managed by him.

18. TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

	2012
Invest & Finance Securities Limited	100%

19. PATTERN OF UNIT HOLDINGS

	As at June 30, 2012		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of investment
Individuals	39	29,387	28.68
Bank and DFIs	2	46,823	45.70
Retirement Funds	7	21,121	20.61
Others	2	5,136	5.01
	50	102,467	100.00

20. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

During the period, 44th and 45th Board meetings were held on February 29, 2012 and April 30, 2012 respectively. Information in respect of attendance by Directors in these meetings is given below:

Name of Director	Number of meetings held	Attended	Leave granted
Mr. Farrukh Shaukat Ansari	2	2	-
Mr. Imran Motiwala	2	2	-
Mr. Ali Qadir Gilani	2	2	-
Mr. Muhammad Ramzan Sheikh	2	-	2
Mr. Muhammad Amin Hussain	2	-	2
Mr. Nadeem Saulat Siddique	2	2	-
Mr. Aurangzeb Ali Naqvi*	1	1	-

* Mr. Aurangzeb Ali Naqvi was appointed as director of the Management Company on February 29, 2012 in place of Mr. Taufique Habib.

21 FINANCIAL RISK MANAGEMENT

The Fund primarily invests in a portfolio of money market investments such as government securities, near cash and cash instruments which include cash in bank accounts (excluding TDRs), treasury bills, money market placements, deposit, certificate of deposits (COD), certificate of Musharika (COM), TDRs, commercial papers, reverse repo. These activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Management Company is responsible for the management of these risks as enumerated below.

21.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all the transactions are carried out in Pak Rupees.

21.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

- **Sensitivity analysis for fixed rate instruments**

  Presently, the Fund holds PKRV based interest bearing Market treasury bills exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in PKRV Rates, with all other variables held constant, the net assets of the Fund and net income for the period would have been higher / lower by Rs 0.151 million.

  The composition of the Fund's investment portfolio, KIBOR rates and rates announced by the Financial Market Association is expected to change over time. Further, in case of variable rate instruments, the sensitivity analysis has been done from the last repricing date. Accordingly, the sensitivity analysis prepared as of June 30, 2012 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

  The Fund's MROR Sensitivity related to financial assets and financial liabilities as at June 30, 2012 can be determined from the following:

	As at June 30, 2012					
	Effective rate of mark-up / return	---- Exposed to Yield / Interest risk ---- Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
	%	----------------------------	----------------------------	(Rupees in '000)	----------------------------	----------------------------
On-balance sheet financial instruments						
Financial Assets						
Bank balances	5.00- 11.40	8,427	-	-	10	8,437
Investments	11.60 - 11.91	94,364	-	-	-	94,364
Profit receivable on bank deposits		-	-	-	83	83
		102,791	-	-	93	102,884
Financial Liabilities						
Payable to AKD Investment Management Limited - Management Company		-	-	-	1,125	1,125
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	15	15
Accrued expenses and other liabilities		-	-	-	252	252
		-	-	-	1,392	1,392
On-balance sheet gap		102,791	-	-	(1,299)	101,492
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
		102,791	-	-	(1,299)	101,492

21.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Presently, the Fund is not exposed to equity securities price risk as the Fund does not hold any equity securities as at June 30, 2012.

21.2 Credit risk

21.2.1 Credit risk management

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to balances with banks, profit receivables and investment in government treasury bills. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings.

As at June 30, 2012, rating of banks in which the Fund maintains accounts is A1+. Furthermore, the investment of the Fund are in government securities i.e. treasury bills which have sovereign guarantee, and as such, there is no credit risk. The maximum exposure to credit risk as at June 30, 2012 is the carrying amount of the financial assets.

21.2.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund has started its operations in January 21, 2012, it's investment portfolio is currently comprise of government securities which have sovereign gaurantee. However, the management has a plan to diversify its investment in future with diverse credit-worthy counterparties.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realizable.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the period.

21.3.1 The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at June 30, 2012			
	Total	**Upto three months**	**More than three months and upto one year**	**More than one year**
Liabilities	-----------------(Rupees in '000)-----------------			
Payable to AKD Investment Management Limited - Management Company	1,125	56	169	900
Payable to Central Depository Company of Pakistan Limited - Trustee	15	15	-	-
Accrued expenses and other liabilities	252	252	-	-
	1,392	323	169	900

21.4 Fair value of financial assets and liabilities

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

IFRS 7 requires the Fund to classify fair value measurements 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:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, whether directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2) ; and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Investments of the fund carried at fair value are categorized as follows:

	As at June 30, 2012			
	Level 1	Level 2	Level 3	Total
ASSETS	Rupees in' 000			
Investment in securities-at fair value through profit or loss	-	94,364	-	94,364

22. CAPITAL RISK MANAGEMENT

The Fund's capital is represented by redeemable units. They are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the Statement of Movement in Unit Holders' Funds.

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for unit holders and to maintain a strong capital base to meet unexpected losses or opportunities. In accordance with the NBFC Regulations the Fund is required to distribute at least ninety percent of its income from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Fund.

In accordance with the risk management policies stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments or short-term borrowings where necessary.

23. NON - ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Management Company in its meetings held on July 09, 2012 has approved a final distribution in respect of the period ended June 30, 2012 of Rs. 0.4929 per unit amounting to Rs. 1 million. The financial statements for the period ended June 30, 2012 do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending June 30, 2013.

24. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 23, 2012 by the Board of Directors of the Management Company.

25. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

PERFORMANCE TABLE

	2012
Total net assets value (Rs '000)*	**102,467**
Net assets value per unit - (Rs)*	**50.0000**
Selling price as at June 30 (Rs)	**50.4929**
Repurchase price as at June 30 (Rs)*	**50.0000**
Highest selling price (Rs)	**50.6077**
Lowest selling price (Rs)	**50.0000**
HIghest repurchase price (Rs)	**50.6077**
Lowest repurchase price (Rs)	**50.0000**
Return of the Fund	
- capital growth (Rs '000)	**4,412**
- income distribution (Rs '000)*	**4,412**
Distribution per unit	
Interim	
- Gross (Rs)	
(Announced on Feb. 27, 2012 Re. 0.43643)	
(Announced on Apr. 02, 2012 Re. 0.56706)	
(Announced on Apr. 30, 2012 Re. 0.38687)	
(Announced on May. 28, 2012 Re. 0.39290)	
	1.7833
Final	
- Gross (Announced on July 9, 2012) (Rs)	**0.4929**
Average Annual Return	
- Last one year	**10.49 ****
Weighted Average Portfolio Duration	**37**

* Final distributions for the period made subsequent to the period end have been adjusted against the closing NAVs.
** Annualized Return for the first year operation commencing from 20th January 2012.

Note: The portfolio composition of the fund has been disclosed in note 5 & 6 to the financial statements.

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

AKD Investment
Management Ltd.

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