Funds Managed by:

AKD Investment Management Ltd.

1st Quarter Report
September 30, 2016
(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. Saim Mustafa Zuberi
Ms. Aysha Ahmed
Mr. Nadeem Saulat Siddiqui

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT OF THE MANAGEMENT COMPANY

Ms. Noureen Nadir Ali

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

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

RATING

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

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

- *Keep primary focus on investing clients' interest*

- *Achieve highest standards of regulatory compliance and good governance*

- *Prioritize risk management while endeavoring to provide inflation adjusted returns on original investment*

- *Enable the investing public and clients to make AKDIML Funds a preferred part of their overall savings and investment management strategy*

- *Distinguish themselves and compete on the basis of unparalleled service quality while setting industry standards for professionalism, transparency and consistent superior performance*

- *Foster and encourage technical, professional, ethical development of human capital to provide our people the best opportunities and environment for their personal growth*

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Aggressive Income Fund (AKDAIF) and AKD Cash Fund (AKDCF) is pleased to present its interim report along with the Funds' accounts for the 1st Quarter of fiscal year 2017, ended September 30, 2016.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 1QFY17, the return of AKD Opportunity Fund stood at 25.76% compared to the benchmark KSE-100 Index return of 7.30%, thus significantly outperforming the benchmark by 18.46%

AKD Index Tracker Fund (AKDITF)

For the 1QFY17, the return of AKD Index Tracker Fund stood at 6.65% compared to the benchmark KSE-100 Index return of 7.30%.

AKD Cash Fund (AKDCF)

For the 1QFY17, the annualized return of AKD Cash Fund stood at 4.67% compared to benchmark return of 5.07%.

AKD Aggressive Income Fund (AKDAIF)

For the 1QFY17, the annualized return of AKD Aggressive Income Fund stood at 7.54% compared to the benchmark return of 6.33%, thus outperforming the benchmark by 1.21%.

MACRO PERSPECTIVE

The major macroeconomic indicators continued to exhibit improvements in the first quarter of FY17 on the back of slight uptick in inflation, stable exchange rate, all time high foreign exchange reserves, and low current and fiscal account deficits. Moreover, foreign direct investment from China under China Pakistan Economic Corridor (CPEC) and upgradation of Pakistan market from MSCI Frontier Markets (FM) Index to MSCI Emerging Markets (EM) Index is expected to further improve the stance of Pakistan in the global market.

In the period under review, the country successfully completed International Monetary Fund's (IMF) Extended Fund Facility (EFF), receiving a total loan of 4.3bn/6.01bn/628bn SDR/USD/PKR over three years. This is Pakistan's first fund program, out of 11, to have reached completion since it started receiving IMF bailouts in 1988. Pakistan had declined last two tranches of another program under Musharraf-Shaukat Aziz tenure while all nine other programs ended in failures.

CPI inflation during 1QFY17 clocked in 3.86%YoY as compared to 1.66%YoY for the corresponding period last year. The major uptick in inflation came from the Food group which contributes 37% in the CPI basket where food prices rose 4%YoY last month. SBP kept the interest rate unchanged at 5.75% in the two monetary policies announced in July and September owing to inflation which remained on the lower side in 1QFY17. Commodities prices, especially oil price, will continue to be the main determinant factor of any foreseeable changes in the CPI.

In this regard the recent meeting of Organization of Petroleum Exporting Countries (OPEC) in Nigeria on September 28th has in-principle proposed to cut production by upto 1mn barrels per day (BPD). The upcoming official meeting in Vienna on 30th November will remain the key focus, as actual details of this understanding will be agreed upon. Meanwhile Russia, a major non-OPEC producer, has endorsed these efforts.

Although lower oil and commodity prices have benefited consumers, they have also had an adverse impact on commodity-producing sectors of the economy, such as in the agricultural sector, lower product prices have hit farmer incomes and affected cropping decisions. In addition, corporate profits have also been affected due to inventory losses caused by depressed commodity prices.

Going forward, it is expected that inflation will start picking up in the upcoming quarter of FY17 on the back of increasing oil prices, but we believe it will remain in the SBP's target range of average CPI between 4.5% and 5.5% for FY17 due to oversupply of commodities in the international market.

According to the latest SBP reports, the current account deficit clocked in at USD 1.316bn in the first two months of FY17 compared to USD 0.686bn in the corresponding period last year. The increase of USD 630mn or 92% in the current account deficit during the first two months of current fiscal year was mainly due to 7.81% fall in exports, primarily textile exports (since the textile sector is the largest contributor of exports with a 60% share) and 3.1% reduction in remittances on the back of tighter regulatory measures in US and the toll of lower oil prices on GCC countries.

The total liquid foreign exchange reserves of Pakistan reached USD 23.612bn by the end of 1QFY17, reaching an all-time high as compared to USD 20.074bn in the corresponding period last year. During 1QFY17, International Monetary Fund (IMF) released the final 13th tranche of USD 102mn under the 3 year Extended Fund Facility program .

The Federal Board of Revenue (FBR) was able to collect PKR 637bn in 1QFY17 as compared to PKR 600bn in the corresponding period last year, according to provisional figures. Despite this collection, the target of 705bn for 1QFY17 could not be achieved. However, FBR remains optimistic that revenue collections are on track and the target collections for FY17 can be met. From the total tax receipts, PKR 246bn (246bn in FY16) was collected as Income Tax, PKR 257bn (258bn in FY16) as Sales Tax, PKR 31bn (28bn in FY16) as Federal Excise Duty and PKR 99bn (81bn in FY16) as Custom Duty.

EQUITY MARKET REVIEW

The KSE-100 index gained 4% (1,562 points) during July FY'17 closing in at around 39,528 points on 31st July 2016. While in the subsequent two months the index crossed a major psychological barrier of 40,000 points closing at around 40,542 points on 30th September 2016. Overall KSE-100 index grew by 7.3% in 1QFY17 against 13% growth in 4QFY16. Moreover volumes picked up, as average daily volume for 1QFY17 were around PKR 240 million against PKR 172 million for 4QFY16.

The outperformance of the index in 1QFY17 can be mainly attributed to:

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

2. Expected oil price stability, as OPEC producers informally agreed to their first oil output cut in 8 years.

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

4. FBR's revaluation of properties and regularization of the real estate sector increasing the tax net, as many investors seem to be switching from real estate to other asset classes.

5. Country's successful completion of the IMF program.

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

MONEY MARKET REVIEW

During 2MFY17, the SBP carried out 5 T-bills auctions where the government managed to raise PKR 1.586 trillion. During the period, weighted average yields on 3, 6 and 12 months T-bills were at 5.84%, 5.88% and 5.89% respectively down from 6.92%, 6.94% and 6.95% during the corresponding period last year. SBP also conducted two auctions of PIB's and managed to raise PKR 436bn during 2MFY17. The PIB auctions' weighted average maturity yields on 3, 5 and 10 years PIB declined to 6.92%, 6.94% and 6.95% respectively from 7.80%, 8.73% and 9.40% in the corresponding period last year. The Government announced Monetary Policy Statement on September 24, 2016, where the policy rate was decided to remain unchanged at 5.75%. SBP conducted 19 open market operations (OMO's) of different maturities and injected average amount of PKR 553bn per OMO at an average cut off yield of 5.79%.

FUTURE OUTLOOK

We expect positive trend in equities to continue, on the back of:

1. **Further Oil Price Stability:**

   As OPEC hammers out the details of oil output cut in November, the Oil Heavy PSX-100(~20% weight in PSX-100 index) index stands to gain significantly from this development.

2. **PSX Divestment:**

   The sale of 40% stake in the bourse will be the next big liquidity event after MSCI re-classification, assuming 3x of book transaction price (against global average of 3.8x) the 40% selloff and 20% IPO could inject US$136m in the brokers' cash balances and US$60m revaluation gains on freely held 40% PSX shares by Jun 2016, resulting in higher capital adequacy and proprietary trading. Shanghai Stock Exchange has reportedly shown interest, while a NASDAQ delegation also visited PSX indicating interest in the acquisition. Furthermore the foreign management is expected to add operational efficiencies and introduce new products.

3. **Export Incentivisation :**

   In order to revive textile exports, the GoP is considering amendments in textile policy FY 14-19 to provide incentives to exporters and revitalize the textile industry. This is also expected to add renewed interest in the Textile sector.

Furthermore, up-to-speed construction of both CPEC and non-CPEC related energy projects will play a significant role in curbing the energy crises. We also expect further foreign investment due to MSCI re-classification effective May CY17 as global emerging market equity funds adjust their portfolio investments to reflect the change.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: October 22, 2016

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے کے ڈی انویسٹمنٹ مینجمنٹ لمیٹڈ(AKDIML) جو اے کے ڈی اپرچونٹی فنڈ(AKDOF)، اے کے ڈی انڈیکس ٹریکر فنڈ(AKDITF)، اے کے ڈی ایگریسیو انکم فنڈ(AKDAIF) اور اے کے ڈی کیش فنڈ(AKDCF) کی مینجمنٹ کمپنی ہے کہ ڈائریکٹرز مالی سال 2017 کی 30 ستمبر 2016 کو ختم ہونے والی پہلی سہ ماہی کے لیے فنڈز کے اکاؤنٹ کے ساتھ اپنی عبوری رپورٹ پیش کر رہے ہیں۔

فنڈز کی مالی کارکردگی

اے کے ڈی اپرچونٹی فنڈ (AKDOF)

مالی سال 17 کی پہلی سہ ماہی کے لیے بنچ مارک KSE-100 انڈیکس کے منافع 7.30% کے مقابلے میں اے کے ڈی اپرچونٹی فنڈ کا منافع 25.76% رہا، جو کہ بنچ مارک کے مقابلے میں واضح طور پر 18.46% فیصد زیادہ ہے۔

اے کے ڈی انڈیکس ٹریکر فنڈ (AKDITF)

مالی سال 17 کی پہلی سہ ماہی کے لیے بنچ مارک KSE-100 انڈیکس کے منافع 7.30% کے مقابلے میں اے کے ڈی انڈیکس ٹریکر فنڈ کا منافع 6.65% رہا۔

اے کے ڈی کیش فنڈ (AKDCF)

مالی سال 17 کی پہلی سہ ماہی کے لیے بنچ مارک کے سالانہ منافع 5.07% کے مقابلے میں اے کے ڈی کیش فنڈ کا منافع 4.67% رہا۔

اے کے ڈی ایگریسیو انکم فنڈ (AKDAIF)

مالی سال 17 کی پہلی سہ ماہی کے لیے بنچ مارک کے سالانہ منافع 6.33% کے مقابلے میں اے کے ڈی ایگریسیو انکم فنڈ کا منافع 7.54% رہا جو کہ بنچ مارک کے مقابلے میں واضح طور پر 1.21% زیادہ ہے۔

وسیع تناظر

اہم معاشی اشارے افراط زر میں معمولی اضافے، مستحکم شرح تبادلہ، ہمہ وقت اعلیٰ زر مبادلہ کے ذخائر، اور مالی کھاتے کے کم موجودہ خسارے کے ساتھ مالی سال 17 کی پہلی سہ ماہی میں بہتری ظاہر کرتے رہے۔ اس کے علاوہ چین پاکستان اقتصادی راہداری (CPEC) کے تحت غیر ملکی براہِ راست سرمایہ کاری اور پاکستان مارکیٹ کی MSCI فرنٹیئر مارکیٹس (FM) انڈیکس سے MSCI ایمرجنگ مارکیٹس (EM) انڈیکس میں اپ گریڈیشن سے عالمی مارکیٹ میں پاکستان کے موقف میں مزید بہتری کی توقع ہے۔

زیر جائزہ عرصہ کے دوران ملک نے تین سال میں 4.3 ارب SDR / 6.01 ارب امریکی ڈالر/628 ارب روپے وصول کر کے بین الاقوامی مالیاتی فنڈ (IMF) کی ایکسٹنڈڈ فنڈ فیسلٹی (EFF) کامیابی سے مکمل کی۔ 1988ء میں آئی ایم ایف سے مالی امداد لینے کی شروعات سے لے کر اب تک یہ 11 میں سے تکمیل کو پہنچنے والا پاکستان کا پہلا فنڈ پروگرام ہے۔ پاکستان نے مشرف-شوکت عزیز دور میں آخری دو قسطیں لینے سے انکار کر دیا تھا جبکہ دیگر تمام 9 پروگرام ناکام ہوگئے۔ مالی سال 17 کی پہلی سہ ماہی کے دوران CPI افراط زر گزشتہ سال کی اسی مدت کیلئے 1.66% سالانہ کے مقابلے میں 3.86% سالانہ رہی۔ افراط زر میں اہم اضافہ فوڈ گروپ کی طرف سے ہوا جس کا CPI میں 37% حصہ ہے جبکہ گزشتہ ماہ فوڈ کی قیمتوں میں 4% سالانہ اضافہ ہوا۔ سٹیٹ بینک آف پاکستان نے جولائی اور ستمبر میں اعلان کردہ دو مالیاتی پالیسیوں میں شرح سود 5.75% پر برقرار رکھی جو افراط زر کی وجہ بنی اور یہ مالی سال 17 کی پہلی سہ ماہی کے دوران کمی کی طرف رہی۔ اشیاء کی قیمتیں، خاص طور پر تیل کی قیمت، CPI میں کسی قابل قیاس تبدیلیوں کا اہم عنصر بنی رہے گی۔

اس سلسلے میں تیل برآمد کرنے والے ممالک کی تنظیم (OPEC) نے 28 ستمبر کو نائیجیریا میں ہونے والے حالیہ اجلاس میں تیل کی پیداوار میں یومیہ 1 ملین بیرل تک کمی کی تجویز پیش کی ہے۔ 30 نومبر کو ویانا میں آنے والے سرکاری اجلاس میں بھی اسی پر توجہ مرکوز رہے گی، جیسا کہ اس افہام وتفہیم کی اصل تفصیلات پر اتفاق کیا جائے گا۔ دریں اثناء روس جیسے بڑے غیر اوپیک پروڈیوسر نے بھی ان کوششوں کی توثیق کی ہے۔

اگرچہ تیل اور اجناس کی قیمتوں میں کمی سے صارفین کو فائدہ پہنچا ہے لیکن اس سے معیشت کے اجناس پیدا کرنے والے شعبوں، جیسے کہ زرعی شعبہ پر منفی اثرات بھی مرتب ہوئے ہیں، مصنوعات کی قیمتوں میں کمی سے کسانوں کی آمدنی اور کھیتی کے فیصلوں پر اثر پڑا ہے۔ اس کے علاوہ دباؤ کی شکار اشیاء کی قیمتوں سے ہونے والے انونٹری خساروں کی وجہ سے کارپوریٹ منافع بھی متاثر ہوا ہے۔

آگے چل کر تیل کی بڑھتی ہوئی قیمتوں کی بنیاد پر مالی سال 17 کی آنے والی سہ ماہی میں افراط زر کی شرح میں بہتری کی توقع ہے۔ لیکن ہمیں یقین ہے کہ بین الاقوامی مارکیٹ میں اجناس کی زیادہ رسد کی وجہ سے یہ مالی سال 17 کیلئے اسٹیٹ بینک آف پاکستان کی 4.5% اور 5.5% کی اوسط CPI کے ہدف کی حد میں رہے گی۔

اسٹیٹ بینک آف پاکستان کی تازہ ترین رپورٹس کے مطابق مالی سال 17 کے پہلے دو ماہ میں کرنٹ اکاؤنٹ خسارہ گزشتہ سال کی اسی مدت کیلئے 0.686 ارب ڈالر کے مقابلے میں 1.316 ارب ڈالر رہا۔ رواں مالی سال کے پہلے دو ماہ کے دوران کرنٹ اکاؤنٹ خسارہ میں 630 ملین ڈالر یا 92% کا اضافہ بنیادی طور پر برآمدات میں 7.81% کمی کی وجہ سے اور بنیادی طور پر ٹیکسٹائل برآمدات (کیونکہ ٹیکسٹائل سیکٹر کا برآمدات میں سب سے زیادہ 60% حصہ ہے) اور امریکہ میں نگرانی کے سخت اقدامات کی وجہ سے ترسیلات زر میں 3.1% کمی اور GCC ممالک پر کم قیمت تیل پر راہداری میں کمی کی وجہ سے ہوا۔

پاکستان کے کل لیکوئڈ زرمبادلہ کے ذخائر مالی سال 17 کی پہلی سہ ماہی کے اختتام تک گزشتہ سال کی اسی مدت کیلئے 20.075 ارب ڈالر کے مقابلے میں اب تک کی بلند ترین سطح 23.612 ارب ڈالر تک پہنچ گئے۔ مالی سال 17 کی پہلی سہ ماہی کے دوران بین الاقوامی مالیاتی فنڈ (IMF) نے تین سالہ ایکسٹنڈڈ فنڈ فیسلٹی پروگرام کے تحت 102 ملین ڈالر کی 13 ویں قسط جاری کی۔

ابتدائی اعداد وشمار کے مطابق فیڈرل بورڈ آف ریونیو(FBR) نے مالی سال 17 کی پہلی سہ ماہی میں گزشتہ سال کی اسی مدت کیلئے600ارب روپے کے مقابلے میں637ارب روپے اکٹھے کیے۔ اس کے باوجود مالی سال 17 کی پہلی سہ ماہی کیلئے705ارب ڈالر کا ہدف حاصل نہ ہوسکا۔ تاہم ایف بی آر اب بھی پُر امید ہے کہ ریونیو جمع کرنے کا عمل درست سمت میں جا رہا ہے اور وہ مالی سال 17 کا مجموعی ہدف حاصل کرلے گا۔ کل ٹیکس وصولی میں سے246ارب روپے(مالی سال16 میں246ارب روپے) انکم ٹیکس، 257ارب روپے(مالی سال16 میں258ارب روپے) سیلز ٹیکس، 31ارب روپے(مالی سال16 میں28ارب روپے) فیڈرل ایکسائز ڈیوٹی اور99ارب روپے(مالی سال16 میں81ارب روپے) کسٹم ڈیوٹی کے مد پر جمع کیے گئے۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال17 جولائی کے دورانKSE-100 انڈیکس نے4% منافع حاصل کیا اور31 جولائی2016ء کو39,528 پوائنٹس پر بند ہوا۔ جبکہ بعدازاں دومہینوں میں انڈیکس نے40,000 پوائنٹس کی اہم نفسیاتی رکاوٹ عبور کرلی اور30 ستمبر2016ء کو40,542 پوائنٹس پر بند ہوا۔ مجموعی طور پرKSE-100 انڈیکس میں مالی سال16 کی چوتھی سہ ماہی میں13% بڑھوتری کے برخلاف مالی سال17 کی پہلی سہ ماہی میں 7.3% اضافہ ہوا۔ مزید برآں حجم میں اضافہ ہوا، جیسا کہ مالی سال16 کی چوتھی سہ ماہی میں172 ملین ڈالر کے برخلاف مالی سال 17 کی پہلی سہ ماہی میں روزانہ اوسط حجم لگ بھگ240 ملین روپے رہا۔

مالی سال17 کی پہلی سہ ماہی میں انڈیکس کی بہتری کو بنیادی طور پر درج ذیل سے منسوب کیا جاسکتا ہے:

1- مورگن سٹینلی کیپٹل انٹرنیشنل(MSCI) کی ایمرجنگ مارکیٹ انڈیکس میں پاکستان کی دوبارہ درجہ بندی کی وجہ سے پاکستان پر سرمایہ کاروں کے اعتماد کی تجدید۔

2- تیل کی قیمتوں میں متوقع استحکام، جیسا کہ اوپیک پروڈیوسرز کی8 برسوں میں اپنی پہلی تیل کی پیداوار میں کمی کیلئے غیر رسمی طور پر آمادگی۔

3- کنزیومر فنانسنگ میں بہتری اور صارفین کے خرچ کرنے کی بدولت پاکستانی آٹو سیکٹر کی سیلز میں اضافہ۔

4- ایف بی آر کی املاک پر نظر ثانی اور ٹیکس نیٹ میں اضافے کے ذریعے رئیل اسٹیٹ سیکٹر کی ریگولرائزیشن، جیسا کہ کئی سرمایہ کاروں کی رئیل اسٹیٹ سے دوسرے اثاثہ طبقات میں منتقلی۔

5- ملک کی آئی ایم ایف پروگرام کی کامیابی سے تکمیل۔

6- سی پیک(CPEC) منصوبوں میں مثبت پیش رفت سے بجلی کی قلت میں کمی اور معیشت کی متوقع بحالی۔

مستقبل کا جائزہ

درج ذیل کی بنیاد پر ہم ایکویٹیز میں مثبت رجحان کے جاری رہنے کی توقع کرتے ہیں:

1- تیل کی قیمتوں میں مزید استحکام

جیسا کہ OPEC نے نومبر میں تیل کی پیداوار میں کمی کی تفصیلات طے کرلی ہیں، آئل ہیوی PSX-100 انڈیکس (PSX-100 انڈیکس میں 20%) کو اس پیش رفت سے نمایاں فائدہ پہنچے گا۔

2- PSX ڈائیوسٹمنٹ

PSX کی 40% حصص کی فروخت MSCI کی دوبارہ درجہ بندی کے بعد تحلیل کا اگلا بڑا واقعہ ہوگا، بک ٹرانزیکشن قیمت میں 3x (عالمی اوسط 3.8x کے برخلاف) فرض کرلیں تو جون 2016ء تک 40% فروخت اور 20% IPO سے بروکرز کے نقد بیلنسز میں 136 ملین ڈالر اور آزادانہ طور پر حاصل کئے گئے PSX 40% حصص پر 60 ملین ڈالر ریویلیویشن منافع حاصل ہوسکتا ہے۔ شنگھائی اسٹاک ایکسچینج مبینہ طور پر دلچسپی کا اشارہ دے چکی ہے، جبکہ NASDAQ کے ایک وفد نے بھی PSX کا دورہ کیا اور حصول میں دلچسپی ظاہر کی۔ مزید برآں غیر ملکی مینجمنٹ کی طرف سے عملی اہلیت شامل کرنے اور نئی مصنوعات متعارف کرانے کی توقع ہے۔

3- برآمدات کی ترغیبات

ٹیکسٹائل برآمدات کو بحال کرنے کی خاطر حکومت پاکستان برآمدکنندگان کو ترغیبات فراہم کرنے اور ٹیکسٹائل کی صنعت کو زندہ کرنے کیلئے ٹیکسٹائل پالیسی مالی سال 19-14 میں ترامیم پر غور کررہی ہے۔ اس سے بھی ٹیکسٹائل کے شعبہ میں نئی دلچسپی پیدا ہونے کی توقع ہے۔

مزید برآں CPEC اور اس کے علاوہ دیگر توانائی کے منصوبوں کی تیزی سے ہونے والی تعمیر توانائی کے بحران کے خاتمے میں اہم کردار ادا کرے گی۔ ہمیں متوقع طور پر CY17 میں موثر ہونے والی MSCI کی دوبارہ درجہ بندی کی بدولت مزید غیر ملکی سرمایہ کاری کی امید ہے کیونکہ عالمی ابھرتی ہوئی مارکیٹ ایکویٹی فنڈز اس تبدیلی کے مطابق اپنے پورٹ فولیو سرمایہ کاری میں ردوبدل کرتے ہیں۔

برائے اور منجانب بورڈ

عمران موتی والا

چیف ایگزیکٹو آفیسر

کراچی: 22 اکتوبر، 2016ء

AKD Index Tracker Fund
Financial Statements - First Quarter FY17

Contents

AKD Index Tracker 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
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Habib Metropolitan Bank Limited
MCB Bank Limited

AUDITORS
Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
1st Floor, Modern Motors House,
Beaumont Road, Karachi.

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

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

DISTRIBUTORS
AKD Investment Management Limited
AKD Securities Limited
BMA Capital Management Limited
First Street Capital (Pvt.) Limited
IGI Investment Bank Limited
Savings Lounge (Pvt.) Limited

RATING
Asset Management Company
PACRA: AM3+(AM-Three Plus)

FUND MANAGER'S REPORT

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

Open - end Scheme investing in Equity Securities of KSE-100 Index.

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

The Objective of the AKD Index Tracker Fund (AKDITF) is to trail the return of KSE-100 Index and provide investors with a high quality, in-depth diversification instrument.

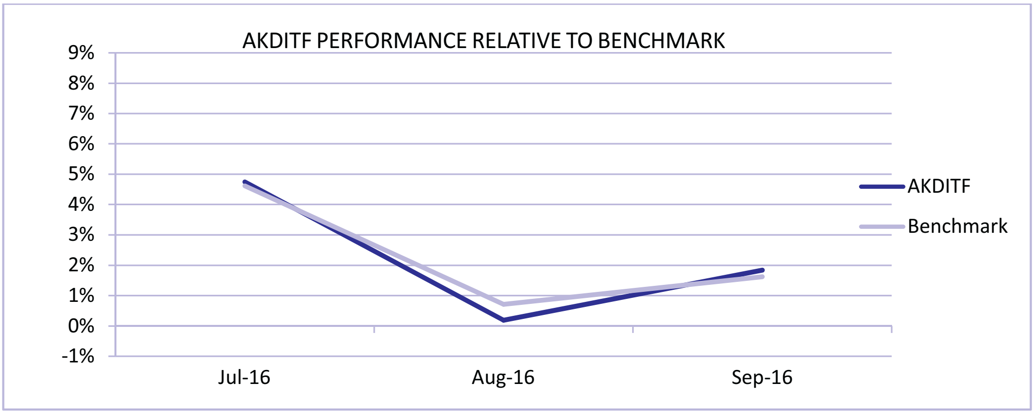
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1QFY17, the return of AKD Index Tracker Fund stood at 6.65% compared to the benchmark KSE-100 Index return of 7.30%.

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

KSE-100 Index

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



Monthly yield (annualized)	Jul-16	Aug-16	Sep-16
AKDITF	4.75%	0.19%	1.62%
Benchmark	4.62%	0.71%	1.84%

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

AKD Index Tracker Fund is a passively managed open end equity portfolio; its performance is directly linked to the performance of KSE-100 Index with up to 85% accuracy. The Fund Manager attempts to trial the movement of the Index by using the weights of the respective stocks in the KSE-100 Index.

vii) Disclosure of Collective Investment Scheme's asset allocation as the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)

Asset Allocation (% of Total Asset)	30-Sep-16	30-Jun-16
Equities	97.73%	95.40%
Cash	0.79%	3.71%
Other Assets	1.48%	0.89%

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

1QFY17 Return	6.65%
Benchmark	7.30%

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

Net Assets Value			NAV Per Unit	
30-Sep -16	30-Jun-16	Change in Net Assets	30-Sep-16	30-Jun-16
(Rupees In "000")			Rs.	Rs.
484,274	451,737	7.20%	15.21	14.26

x) Statement on the characteristics and general composition of the index:

AKD Index Tracker Fund tracks the returns of the KSE-100 Index with up to 85% accuracy, providing investors with high quality, in depth diversification instrument.

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

Economy

In the 1QFY17, there was a slight uptick in inflation coupled with stable exchange rate, all time high foreign exchange reserves and low current and fiscal deficit. It is expected that macro-economic conditions will further improve on the back of FDI flows from CPEC and FIPI flows from MSCI up gradation of Pakistan.

In the period under review, the country successfully completed International Monetary Fund's (IMF)Extended Fund Facility (EFF), receiving a total loan of 4.3bn/6.01bn/628bn SDR/USD/PKR over three years. This is Pakistan's first fund program, out of 11, to have reached completion since it started receiving IMF bailouts in 1988. Pakistan had declined last two tranches of another program under Musharraf-Shaukat Aziz tenure while all nine other programs ended in failures.

CPI inflation during 1QFY17 clocked in 3.86%YoY as compared to 1.66%YoY for the corresponding period last year. The major uptick in inflation came from the Food group which contributes 37% in the CPI basket where food prices rose 4%YoY last month. SBP kept the interest rate unchanged at 5.75% in the two monetary policies announced in July and September owing to inflation which remained on the lower side in 1QFY17. Commodities prices, especially oil price, will continue to be the main determinant factor of any foreseeable changes in the CPI.

In this regard the recent meeting of Organization of Petroleum Exporting Countries (OPEC)in Nigeria on September 28th has in-principle proposed to cut production by up to 1mn barrels per day (BPD). The upcoming official meeting in Vienna on 30th November will remain the key focus, as actual details of this understanding will be agreed upon. Meanwhile Russia, a major non-OPEC producer, has endorsed these efforts.

Although lower oil and commodity prices have benefited consumers, they have also had an adverse impact on commodity-producing sectors of the economy, such as in the agricultural sector, lower product prices have hit farmer incomes and affected cropping decisions. In addition, corporate profits have also been affected due to inventory losses caused by depressed commodity prices.

Going forward it is expected that inflation will start picking up in the upcoming quarter of FY17 on the back of increasing oil prices, but we believe it will remain in the SBP's target range of average CPI between 4.5% and 5.5% for FY17 due to oversupply of commodities in the international market.

According to the latest SBP reports, the current account deficit clocked in at USD 1.316bn in the first two months of FY17 compared to USD 0.686bn in the corresponding period last year. The increase of USD 630mn or 92% in the current account deficit during the first two months of current fiscal year was mainly due to 7.81% fall in exports, primarily textile exports (since the textile sector is the largest contributor of exports with a 60% share) and 3.1% reduction in remittances on the back of tighter regulatory measures in US and the toll of lower oil prices on GCC countries.

The total liquid foreign exchange reserves of Pakistan reached USD 23.612bn by the end of 1QFY17, reaching an all-time high as compared to USD 20.074bn in the corresponding period last year. During 1QFY17, International Monetary Fund (IMF) released the final 13th tranche of USD 102mn under the 3 year Extended Fund Facility program .

The Federal Board of Revenue (FBR) was able to collect PKR 637bn in 1QFY17 as compared to PKR 600bn in the corresponding period last year, according to provisional figures. Despite this collection, the target of 705bn for 1QFY17 could not be achieved. However, FBR remains optimistic that revenue collections are on track and the target collections for FY17 can be met. From the total tax receipts, PKR 246bn (246bn in FY16) was collected as Income Tax, PKR 257bn (258bn in FY16) as Sales Tax, PKR 31bn (28bn in FY16) as Federal Excise Duty and PKR 99bn (81bn in FY16) as Custom Duty.

Future Outlook

It is expected that the overall positive trend will continue, on the back of Further Oil Price Stability: As OPEC hammers out the details of oil output cut in November, the Oil heavy PSX 100 index stands to gain significantly from this development; PSX Divestment: The sale of 40% stake in bourse will be the next big liquidity event after MSCI re-classification, assuming 3x of book transaction price (against global average of 3.8x) the 40% selloff and 20% IPO could inject US$136m in the brokers' cash balances and US$60m revaluation gains on freely held 40% PSX shares by Jun 2016, resulting in higher capital adequacy and proprietary trading. Shanghai Stock Exchange has reportedly shown interest, while a NASDAQ delegation also visited PSX indicating interest in the acquisition. Furthermore the foreign management is expected to add operational efficiencies and introduce new products; Amendments in Textile Policy: Meanwhile in order to revive exports, Government is considering amendments in textile policy FY 14-19 to incentivize exporters and revitalize textile industry. This is also expected to add renewed interest in Textile sector.

Furthermore, rigorous and upbeat construction of both CPEC and non-CPEC related energy projects will play a significant role in curbing the energy crises which will greatly benefit the economy. We also expect further foreign investment to enter in economy due to MSCI re-classification effective May CY17, as global emerging market equity funds adjust their portfolio investments to reflect the change.

xii) 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 the Fund manager's report, not otherwise disclosed in the financial statements.

There were no significant changes in the state of affairs during the period under review.

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

There were no unit splits during the period.

xiv) Break down of unit holdings by size:

Range (Units)	No. of Investors
0.1 - 9,999	624
10,000 - 49,999	17
50,000 - 99,999	2
100,000 - 499,999	4
500,000 and above	2
	649

xv) Disclosure of circumstances that materially affect any interests of unit holders:

Investments are subject to credit and market risk.

xvi) 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 brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2016

	Note	(Unaudited) September 30, 2016	(Audited) June 30 2016
		(Rupees in '000)	
Assets			
Bank balances	5	**3,876**	17,156
Investments	6	**479,344**	441,698
Receivable against sale of investment (subsequently cleared)		**-**	47
Dividend and other receivables		**4,642**	1,498
Security deposits		**2,600**	2,600
Total Assets		**490,462**	462,999
Liabilities			
Remuneration payable to the Management Company	11.2	**296**	267
Remuneration payable to the Trustee	11.2	**78**	70
Annual fee payable to the Securities and Exchange Commission of Pakistan		**113**	383
Payable against purchase of investment (subsequently paid)		**-**	2,183
Accrued expenses and other liabilities	7	**2,400**	5,058
Provision for Workers' Welfare Fund		**2,679**	2,679
Unclaimed dividend		**622**	622
Total Liabilities		**6,188**	11,262
Contingencies and Commitments			
Net Assets		**484,274**	451,737
Unit holders' fund (as per statement attached)		**484,274**	451,737
		(Number of Units)	
Number of units in issue		**31,845,074**	31,681,047
		(Rupees)	
Net assets value per unit (face value per unit Rs. 10/-)		**15.21**	14.26

The annexed notes from 1 to 13 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, 2016

	Note	Quarter ended September 30, 2016	2015
		(Rupees in '000)	
Investment income			
Gain on sale of 'available for sale investments' - net		**602**	2,651
Dividend income from available for sale investments		**5,075**	6,312
Profit on bank balances		**106**	39
		5,783	9,002
Expenses			
Remuneration to the Management Company		**896**	781
Remuneration to the Trustee		**239**	208
Annual fee to the Securities and Exchange Commission of Pakistan		**113**	99
Auditors' remuneration		**63**	63
Other expenses		**435**	510
		1,746	1,661
Net income from operating activities		**4,037**	7,341
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		**(1)**	151
Net income for the period before taxation		**4,036**	7,492
Taxation	*10*	-	-
Net income for the period after taxation		**4,036**	7,492

The annexed notes from 1 to 13 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 COMPREHENSIVE INCOME (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Quarter ended September 30, 2016	2015
	(Rupees in '000)	
Net income for the period after taxation	**4,036**	7,492
Other comprehensive income for the period		
Items that will be reclassified subsequently to income statement		
- Unrealised appreciation / (diminution) during the period in the fair value of investments classified as 'available for sale' - net	**28,072**	(31,961)
- Diminution in fair value of 'available for sale' investments transferred to profit and loss account on sale - net	**(1,992)**	(2,580)
Total comprehensive income for the period	**30,116**	(27,049)

The annexed notes from 1 to 13 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 DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Quarter ended September 30, 2016	2015
	(Rupees in '000)	
Deficit at beginning of the period (realised)	**(65,392)**	(71,519)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - amount representing unrealised capital gains / (losses) that form part of the unit holders' fund	**82**	(213)
Net income for the period after taxation	**4,036**	7,492
	4,118	7,279
Deficit at end of the period (realised)	**(61,274)**	(64,240)

The annexed notes from 1 to 13 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, 2016

	Quarter ended September 30, 2016	2015
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	**4,036**	7,492
Adjustments for non cash items:		
Element of loss /(gain) and capital losses / (gains) included in prices of units sold less those in units redeemed - net	**1**	(151)
	4,037	7,341
(Increase) / decrease in assets		
Investments	**(11,566)**	(4,381)
Receivable against sale of securities	**47**	2,434
Dividend and other receivables	**(3,144)**	(4,745)
	(14,663)	(6,692)
Increase / (decrease) in liabilities		
Remuneration payable to the Management Company	**29**	(11)
Remuneration payable to the Trustee	**8**	(13)
Annual fee payable to the Securities and Exchange Commission of Pakistan	**(270)**	(272)
Payable against purchase of investment	**(2,183)**	(397)
Accrued expenses and other liabilities	**(2,658)**	(58)
	(5,074)	(751)
Net cash used in operating activities	**(15,700)**	(102)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received on issuance of units	**2,535**	3,650
Cash paid on redemption of units	**(115)**	(4,123)
Net cash flows generated from / (used in) financing activities	**2,420**	(473)
Net decrease in cash and cash equivalents during the period	**(13,280)**	(575)
Cash and cash equivalents at beginning of the period	**17,156**	1,933
Cash and cash equivalents at end of the period	**3,876**	1,358

The annexed notes from 1 to 13 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, 2016

	Quarter ended September 30, 2016	2015
	(Rupees in '000)	
Net assets at beginning of the period	**451,737**	411,297
Amount received on issue of 171,633 (2015: 258,619) units	**2,535**	3,650
Amount paid on redemption of 7,606 (2015: 287,351) units	**(115)**	(4,123)
	2,420	(473)
Element of loss / (gain) and capital losses / (gains) included in prices of units sold less those in units redeemed - amount representing element of loss / (gain) and realised capital (gains) / losses transferred to income statement	**1**	(151)
Total comprehensive income for the period	**30,116**	(27,049)
Net assets at end of the period	**484,274**	383,624
	------------ (Rupees) -----------	
Ex-distribution net assets value per unit at beginning of the period	**14.26**	14.33
Net asset value per unit at end of the period (face value per unit Rs. 10/-)	**15.21**	13.37

The annexed notes from 1 to 13 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 THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

"AKD Index Tracker Fund (""The Fund"") was established under a Trust Deed executed between AKD Investment Management Limited (AKDIML) as Asset Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 02 May 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 12 April 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund is registered as notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Management Company of the Fund has obtained a license to act as an Asset Management Company under the NBFC Rules from SECP. Registered office of the Management Company is situated at Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange Limited (formaly Karachi Stock Exchange Limited). Its units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering the same to the Fund.

The Fund is categorised as Index Tracker Scheme as per circular 7 of 2009 by SECP. As per the circular, the Fund shall strive to remain fully invested in accordance with the stated index (i.e.KSE-100 index), however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subsets during the year based on monthly average investment calculated on daily basis. The units invested amount shall be kept in cash and / or near cash instrument where near cash instrument include cash in bank account (excluding TDRs), and treasury bills not exceeding 90 days maturity.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of 'AM3+' to the Management Company dated June 8, 2016. Due to specialised nature of the Fund, performance ranking has not been taken, as the comparable benchmark is not available.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed 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, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the requirements of the Rules, the Regulations and the directives issued by the SECP shall prevail.

2.2 These condensed interim financial information does not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2016.

2.3 These condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

3. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and methods of computation followed for the preparation of these condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2016.

In preparing this condensed interim financial information, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2016.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the period ended 30 June 2016.

5. BANK BALANCES		**(Unaudited) September 30, 2016**	(Audited) June 30, 2016
		(Rupees in '000)	
Profit and loss sharing accounts	*5.1*	**3,484**	16,764
Current accounts		**392**	392
		3,876	17,156

5.1 These represents profit and loss sharing accounts maintained with various banks carrying profit at the rate ranging from 3.75% to 5.50%. (30 June 2016: ranging from 3.75% to 5.50%) per annum.

6. INVESTMENTS

Investments in securities classified as 'available for sale'

Listed equity securities	*6.1*	**479,344**	441,698

6.1 Listed equity securities - available for sale

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the period 1st July 2016	Acquired during the period	Bonus / right shares received / Purchased during the period including the splitting of share	Disposed during the period	Holding at end of the period 30 september 2016	Cost as of the period ended 30 september 2016	Carrying value (before revaluation as of the period ended 30 september 2016)	Market value as of 30 september 2016	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	---------- (Number of Shares) ----------					---------- (Rupees in '000) ----------			---------- Percentage ----------		
AUTOMOBILE ASSEMBLER											
Honda Atlas Cars (Pakistan) Limited	6,100	-	-	-	6,100	1,399	2,190	3,732	0.77	0.78	0.01
Indus Motor Company Limited (Note 6.2)	3,369	-	-	300	3,069	620	2,883	4,605	0.95	0.96	0.00
Millat Tractors Limited	4,043	1,000	-	-	5,043	2,127	2,880	3,424	0.71	0.71	0.01
Pak Suzuki Motor Company Limited	4,670	250	-	-	4,920	401	1,885	2,848	0.59	0.59	0.01
						4,547	**9,838**	**14,609**			
AUTOMOBILE PARTS & ACCESSORIES											
Thal Limited (Face value Rs. 5/- each)	7,021	-	-	-	7,021	819	1,987	2,848	0.59	0.59	0.00
						819	**1,987**	**2,848**			
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited	45,375	10,000	-	-	55,375	3,257	3,669	3,919	0.81	0.82	0.06
						3,257	**3,669**	**3,919**			
CEMENT											
Cherat Cement Company Limited	25,796	-	-	1,500	24,296	1,286	2,905	3,126	0.65	0.65	0.02
D.G. Khan Cement Company Limited	52,387	1,500	-	-	53,887	2,472	10,268	10,018	2.07	2.09	0.01
Fauji Cement Company Limited (Note 6.2)	169,850	6,000	-	-	175,850	1,938	6,296	6,202	1.28	1.29	0.13
Kohat Cement Company Limited	10,500	-	-	-	10,500	1,290	2,750	2,700	0.56	0.56	0.01
Lucky Cement Limited (Note 6.2)	29,183	-	-	-	29,183	4,664	18,925	19,764	4.08	4.12	0.01
Maple Leaf Cement Factory Limited (Note 6.2)	51,000	3,000	-	-	54,000	1,691	5,705	5,173	1.07	1.08	0.01
Pioneer Cement Limited	27,500	500	-	-	28,000	1,894	3,014	2,959	0.61	0.62	0.02
						15,235	**49,863**	**49,942**			
CHEMICAL											
Colgate Palmolive (Pakistan) Limited	1,016	-	-	-	1,016	324	1,549	1,661	0.34	0.35	0.00
ICI Pakistan Limited	2,838	-	-	-	2,838	413	1,263	1,851	0.38	0.39	0.00
						737	**2,812**	**3,512**			
CLOSE - END MUTUAL FUND											
PICIC Growth Fund	56,012	-	-	-	56,012	937	1,333	1,470	0.30	0.31	0.02
						937	**1,333**	**1,470**			
COMMERCIAL BANKS											
Allied Bank Limited	38,862	-	-	-	38,862	2,347	3,496	3,815	0.79	0.80	0.00
Askari Bank Limited	86,313	-	-	-	86,313	1,254	1,612	1,718	0.35	0.36	0.01
Bank Al Habib Limited (Note 6.2)	163,332	5,000	-	-	168,332	4,551	7,258	7,572	1.56	1.58	0.02
Bank Al-Falah Limited	153,305	6,500	-	-	159,805	2,284	4,086	4,591	0.95	0.96	0.01
Faysal Bank Limited	89,952	-	-	-	89,952	605	1,179	1,425	0.29	0.30	0.01
Habib Bank Limited (Note 6.2)	149,983	500	-	-	150,483	27,128	29,736	33,228	6.86	6.93	0.01
Habib Metropolitan Bank Limited	105,568	-	-	-	105,568	2,138	2,995	3,193	0.66	0.67	0.01
MCB Bank Limited (Note 6.2)	101,228	-	-	-	101,228	15,626	22,272	22,351	4.62	4.66	0.01

6.1 Listed equity securities - available for sale

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	**Holding at beginning of the period 1st July 2016**	**Acquired during the period**	**Bonus / right shares received / Purchased during the period including the splitting of share**	**Disposed during the period**	**Holding at end of the period 30 september 2016**	**Cost as of the period ended 30 september 2016**	**Carrying value (before revaluation as of the period ended 30 september 2016)**	**Market value as of 30 september 2016**	**Market value as a percentage of net assets**	**Percentage in relation to total market value of investment**	**Percentage of paid-up capital of the investee company held**
	---------------------- (Number of Shares)				----------------------	--------- (Rupees in '000)		---------	------------ Percentage		------------
Meezan Bank Limited	21,032	-	-	-	21,032	232	894	1,157	0.24	0.24	0.00
National Bank of Pakistan Limited (Note 6.2)	114,738	-	-	-	114,738	4,177	6,633	8,400	1.73	1.75	0.01
Soneri Bank Limited	68,447	7,500	-	-	75,947	585	1,077	1,112	0.23	0.23	0.01
Standard Chartered Bank (Pakistan) Limited	41,098	-	-	-	41,098	329	980	884	0.18	0.18	0.00
The Bank Of Punjab	140,159	-	-	-	140,159	1,444	1,127	1,867	0.39	0.39	0.03
United Bank Limited (Note 6.2)	111,329	-	-	-	111,329	15,111	19,696	22,130	4.57	4.62	0.01
						77,811	**103,041**	**113,443**			
ENGINEERING											
International Steels Limited (Note 6.2)	40,500	-	-	-	40,500	695	1,443	2,460	0.51	0.51	0.01
						695	**1,443**	**2,460**			
FERTILIZER											
Arif Habib Corporation Limited	28,437	-	-	-	28,437	780	1,122	1,158	0.24	0.24	0.01
Dawood Hercules Corporation Limited (Note 6.2)	72,996	3,500	-	-	76,496	4,524	11,413	10,171	2.10	2.12	0.02
Engro Corporation Limited (Note 6.2)	59,474	-	-	-	59,474	7,403	19,803	17,322	3.58	3.61	0.03
Engro Fertilizer Limited (Note 6.2)	75,575	60,000	-	-	135,575	9,595	8,961	8,360	1.73	1.74	0.01
Fatima Fertilizer Company Limited	91,234	5,000	-	-	96,234	2,432	3,262	3,335	0.69	0.70	0.00
Fauji Fertilizer Bin Qasim Limited	73,951	-	-	-	73,951	2,454	3,920	3,800	0.78	0.79	0.01
Fauji Fertilizer Company Limited (Note 6.2)	158,850	500	-	-	159,350	14,470	18,282	16,569	3.42	3.46	0.01
						41,658	**66,763**	**60,715**			
FOOD & PERSONAL CARE PRODUCTS											
Engro Foods Limited	24,691	1,500	-	-	26,191	1,503	4,250	3,832	0.79	0.80	0.00
Murree Brewery Company Limited	2,317	-	-	-	2,317	323	1,432	2,659	0.55	0.55	0.01
National Foods Limited (Face value of Rs. 5/- each)*	10,000	500	-	-	10,500	2,198	2,949	3,518	0.73	0.73	0.01
Nestle Pakistan Limited	1,009	-	-	-	1,009	4,715	7,366	7,668	1.58	1.60	0.00
Rafhan Maize Products Co. Limited	112	-	-	-	112	291	809	795	0.16	0.17	0.00
						9,030	**16,806**	**18,472**			
GLASS & CERAMICS											
Ghani Glass Limited	14,070	-	-	-	14,070	935	1,328	1,587	0.33	0.33	0.01
						935	**1,328**	**1,587**			
INSURANCE											
Adamjee Insurance Company Limited	55,240	-	-	-	55,240	1,322	2,771	3,017	0.62	0.63	0.02
EFU General Insurance Limited	25,437	1,500	-	-	26,937	1,317	3,208	3,699	0.76	0.77	0.02
EFU Life Assurance Limited	7,184	-	-	800	6,384	777	1,251	1,085	0.22	0.23	0.00
IGI Insurance Limited (Note 6.2)	8,797	-	-	-	8,797	591	1,679	1,786	0.37	0.37	0.01
Jubilee General Insurance Company Limited	8,144	-	-	-	8,144	235	814	822	0.17	0.17	0.01
Jubilee Life Insurance Company Limited	3,100	-	-	-	3,100	971	1,553	1,643	0.34	0.34	0.00
						5,213	**11,276**	**12,052**			

6.1 Listed equity securities - available for sale

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the period 1st July 2016	Acquired during the period	Bonus / right shares received / Purchased during the period including the splitting of share	Disposed during the period	Holding at end of the period 30 september 2016	Cost as of the period ended 30 september 2016	Carrying value (before revaluation as of the period ended 30 september 2016)	Market value as of 30 september 2016	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----------------------- (Number of Shares)				-----------------------	--------- (Rupees in '000)		---------	------------ Percentage		------------
INV. BANKS / INV. COS. / SECURITIES COS.											
Jahangir Siddiqui & Company Limited	59,203	-	-	-	59,203	661	1,172	1,349	0.28	0.28	0.01
						661	**1,172**	**1,349**			
JUTE											
Associated Services Limited	150	-	-	-	150	10	9	12	0.00	0.00	0.00
						10	**9**	**12**			
LEASING COMPANIES											
Orix Leasing Pakistan Limited	8,570	-	-	-	8,570	548	424	458	0.09	0.10	0.01
						548	**424**	**458**			
LEATHER & TANNERIES											
Bata Pakistan Limited	377	-	-	-	377	192	1,537	1,583	0.33	0.33	0.00
Service Industries Limited (Note 6.2)	1,288	-	-	-	1,288	1,060	1,139	1,646	0.34	0.34	0.01
						1,252	**2,676**	**3,229**			
MISCELLANEOUS											
Pakistan Services Limited	6,200	-	-	-	6,200	1,917	4,183	5,605	1.16	1.17	0.02
Shifa International Hospital Limited	3,454	1,000	-	-	4,454	622	1,340	1,470	0.30	0.31	0.01
						2,539	**5,523**	**7,075**			
MODARABAS											
Allied Rental Modaraba	11,500	-	-	-	11,500	443	265	259	0.05	0.05	0.01
						443	**265**	**259**			
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited (Note 6.2)	4,681	350	-	-	5,031	590	4,593	4,802	0.99	1.00	0.01
Oil and Gas Development Company Limited (Note 6.3) (Note 6.2)	146,437	-	-	-	146,437	17,774	20,219	20,681	4.27	4.31	0.00
Pakistan Oilfields Limited (Note 6.2)	24,579	-	-	-	24,579	8,098	8,541	9,864	2.04	2.06	0.01
Pakistan Petroleum Limited (Note 6.2)	109,224	-	-	-	109,224	11,229	16,935	17,877	3.69	3.73	0.01
						37,691	**50,288**	**53,224**			
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited	4,450	-	-	-	4,450	1,267	1,947	2,314	0.48	0.48	0.01
Hascol Petroleum Limited	9,500	4,000	-	-	13,500	2,372	2,767	2,973	0.61	0.62	0.01
Pakistan State Oil Company Limited (Note 6.2)	28,656	500	-	-	29,156	5,165	10,948	12,075	2.49	2.52	0.01
Shell Pakistan Limited	4,751	-	-	-	4,751	469	1,379	1,948	0.40	0.41	0.01
Sui Northern Gas Pipelines Limited	40,670	-	-	-	40,670	711	1,476	2,038	0.42	0.43	0.01
Sui Southern Gas Company Limited	57,343	-	-	-	57,343	987	1,579	2,325	0.48	0.49	0.01
						10,971	**20,096**	**23,673**			

6.1 Listed equity securities - available for sale

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the period 1st July 2016	Acquired during the period	Bonus / right shares received / Purchased during the period including the splitting of share	Disposed during the period	Holding at end of the period 30 september 2016	Cost as of the period ended 30 september 2016	Carrying value (before revaluation as of the period ended 30 september 2016)	Market value as of 30 september 2016	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	---------------------- (Number of Shares) ----------------------					--------- (Rupees in '000) ---------			------------ Percentage ------------		
PAPER & BOARD											
Cherat Packaging Limited	4,000	-	-	-	4,000	1,217	1,367	1,540	0.32	0.32	0.01
Packages Limited	7,039	-	-	-	7,039	1,580	4,478	4,711	0.97	0.98	0.01
						2,797	**5,845**	**6,251**			
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited	4,465	4,550	-	4,500	4,515	3,500	3,652	3,831	0.79	0.80	0.00
Ferozsons Laboratories Limited	2,200	350	-	-	2,550	2,129	2,638	2,220	0.46	0.46	0.01
GlaxoSmithKline Pakistan Limited	11,273	-	-	-	11,273	613	2,335	2,434	0.50	0.51	0.00
GlaxoSmithKline Consumer Healthcare Pakistan Limited (Note 6.4)	3,231	-	-	-	3,231	-	32	32	0.01	0.01	0.03
The Searle Company Limited	10,916	1,500	-	-	12,416	2,880	6,727	7,121	1.47	1.49	0.02
						9,122	**15,384**	**15,638**			
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited (Note 6.2)	164,241	7,000	-	-	171,241	8,679	20,594	20,407	4.21	4.26	0.01
K-Electric Limited. (Face value Rs. 3.5/- each)	614,148	-	-	-	614,148	3,259	4,950	5,656	1.17	1.18	0.00
Kot Addu Power Company Limited (Note 6.2)	96,779	3,500	-	-	100,279	6,445	8,942	8,392	1.73	1.75	0.01
Lalpir Power Limited	33,000	-	-	-	33,000	906	716	732	0.15	0.15	0.01
Nishat Chunian Power Limited	38,665	-	-	-	38,665	949	2,032	2,156	0.45	0.45	0.01
Nishat Power Limited	34,070	2,000	-	-	36,070	792	1,831	2,029	0.42	0.42	0.01
Pakgen Power Limited	38,000	-	-	1,000	37,000	746	890	880	0.18	0.18	0.00
Saif Power Limited	39,500	-	-	-	39,500	1,157	1,186	1,225	0.25	0.26	0.01
						22,933	**41,141**	**41,477**			
REAL ESTATE INVESTMENT TRUST											
Dolmen City REIT	120,000	-	-	-	120,000	1,245	1,296	1,258	0.26	0.26	0.01
						1,245	**1,296**	**1,258**			
REFINERY											
Attock Refinery Limited	7,219	500	-	-	7,719	1,184	2,176	2,515	0.52	0.52	0.01
National Refinery Limited (Note 6.2)	5,443	450	-	-	5,893	1,413	2,832	3,333	0.69	0.70	0.01
						2,597	**5,008**	**5,848**			
SUGAR & ALLIED INDUSTRIES											
JDW Sugar Mills Limited	6,650	-	-	-	6,650	729	2,587	2,912	0.60	0.61	0.01
						729	**2,587**	**2,912**			
SYNTHETICS AND RAYON											
Ibrahim Fibres Limited	3,000	-	-	-	3,000	216	170	185	0.04	0.04	0.00
						216	**170**	**185**			

6.1 Listed equity securities - available for sale

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	**Holding at beginning of the period 1st July 2016**	**Acquired during the period**	**Bonus / right shares received / Purchased during the period including the splitting of share**	**Disposed during the period**	**Holding at end of the period 30 september 2016**	**Cost as of the period ended 30 september 2016**	**Carrying value (before revaluation as of the period ended 30 september 2016)**	**Market value as of 30 september 2016**	**Market value as a percentage of net assets**	**Percentage in relation to total market value of investment**	**Percentage of paid-up capital of the investee company held**
	----------------------- (Number of Shares)				-----------------------	--------- (Rupees in '000)		---------	------------ Percentage		------------
TECHNOLOGY & COMMUNICATION											
Hum Network Limited (Face value of Rs. 1/- each)	96,100	2,000	-	-	98,100	472	1,011	1,188	0.25	0.25	0.01
Pakistan Telecommunication Company Limited "A"	127,017	-	-	-	127,017	1,451	1,909	2,322	0.48	0.48	0.00
TRG Pakistan Limited	103,355	-	-	-	103,355	3,212	3,468	4,743	0.98	0.99	0.03
						5,135	**6,388**	**8,253**			
TEXTILE COMPOSITE											
Kohinoor Textile Mills Limited	48,128	-	-	-	48,128	1,388	3,851	4,091	0.84	0.85	0.05
Nishat (Chunian) Limited	26,330	-	-	-	26,330	894	933	1,207	0.25	0.25	0.01
Nishat Mills Limited (Note 6.2)	39,847	-	-	-	39,847	2,295	4,299	5,614	1.16	1.17	0.01
						4,577	**9,083**	**10,912**			
TEXTILE SPINNING											
Indus Dyeing & Manufacturing Company Limited	550	-	-	-	550	514	285	281	0.06	0.06	0.00
						514	**285**	**281**			
TEXTILE WEAVING											
Feroze 1888 Mills Limited (Note 6.2)	20,500	16,700	-	26,200	11,000	3,757	3,331	2,380	0.49	0.50	0.03
						3,757	**3,331**	**2,380**			
TOBACCO											
Pakistan Tobacco Company Limited	2,640	140	-	-	2,780	377	3,492	3,107	0.64	0.65	0.00
						377	**3,492**	**3,107**			
TRANSPORT											
Pakistan International Bulk Terminal Limited (Note 6.2)	156,075	7,000	-	-	163,075	4,700	5,231	5,086	1.05	1.06	0.02
Pakistan International Container Terminal Limited	4,900	-	-	1,000	3,900	1,279	1,312	1,307	0.27	0.27	0.00
						5,979	**6,543**	**6,393**			
VANASPATI & ALLIED INDUSTRIES											
Punjab Oil Mills Limited	300	-	-	-	300	80	80	105	0.02	0.02	0.01
						80	**80**	**105**			
WOOLLEN											
Bannu Woollen Mills Limited	500	-	-	-	500	24	27	36	0.01	0.01	0.01
						24	**27**	**36**			
Total as at 30 September 2016						**275,071**	**451,272**	**479,344**			
Total as at 30 June 2016						**263,505**	**439,585**	**441,698**			

6.2 These investments held by the Fund exceeded the maximum limit prescribed by the regulation 55(6) of the NBFC regulations. The said regulation state that the value of the security invested into shall not exceed the weight of the security in the index or its subset. Arrangements has made to adjust these investments with the weight prescribed in the NBFC regulations. However the financial impact is not material.

6.3 These include 100,000 shares having market value of Rs. 13.123 million of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan Limited as on 30 September 2016.

6.4 Glaxo Smith Kline Pakistan Limited Demerger took place on 11 April 2016 into Glaxo Smith Kline Pakistan Limited and Glaxo Smith Kline Consumer Healthcare Pakistan Limited into 3:10 ratio as per arrangement share holder will get three (3) Shares of Glaxo Smith Kline Consumer Healthcare Pakistan Limited for every ten (10) share of Glaxo Smith Kline Pakistan Limited

6.5 Unrealised gain on revaluation of available for sale investments are as follows:

		(Unaudited) September 30, 2016	(Audited) June 30 2016
		(Rupees in '000)	
Balance as of 01 July		**178,193**	186,425
Unrealised appreciation in the value of investments during the period / year		**28,072**	2,113
Gain recognised in the income statement on sale - net		**(1,992)**	(10,345)
Balance as of 30 September / 30 June 2016, recognised directly into unit holders' fund (difference of column a and in the above table)		**204,273**	178,193

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		**263**	200
Sales tax payable on Management Company's remuneration	*7.1*	**38**	43
Federal excise duty on management remuneration	*7.2*	**1,357**	1,357
Allocated expenses by the Management Company	*7.3*	**155**	36
Payable to management company against expenses		**76**	76
Sindh sales tax on trustee fees & CDS Charges		**10**	10
Withholding tax payable		**44**	2,833
Zakat payable		**95**	95
Other liabilities		**362**	408
		2,400	5,058

7.1 During the period, an amount of Rs. 0.116 million was charged on account of sales tax on Management fee levied through Sindh Sales Tax on Services Act, 2011 and 0.031 million on trustee remuneration & CDS charges levied through Sindh Sales Tax on Finance Act 2015. As at period end, sales tax on Management Company remuneration of Rs 0.038 million and on trustee remuneration & CDS charges amounting Rs 0.010 million was due, which was paid subsequent to the period end to the Management Company and Central Depository Company respectively, for onwards payment to the Government of Sindh.

7.2 As per the requirement of the Finance Act, 2013, the Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which doesn't appear to be the spirit of the law.The matter has been collectively taken up by the management company jointly with other asset mangement companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during september 2013 which is pending adjudication.However SHC has issued a stay order against the recory of FED.The fund, as a matter of abundant caution ,has charged FED and sales tax thereon and its financial statements with effect from June 13, 2013.

As per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016. Accordingly, no provision for FED is made from July 01, 2016 onwards.

The Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. The management is however of the view that since the Federal Government has appealed against the order, the previous balance of FED shall not be reversed.

The Company, in view of the pending decision and as a matter of abundant caution, has made a provision for FED with effect from June 13, 2013 to June 30, 2016 aggregating to Rs.1.357 million . Had the said provision of FED not been recorded in the books of account of the Fund, the net asset value per unit for the period ended 30 september 2016 would have been higher by Re. 0.0426 (June 30, 2016: Re. 0.0428).

7.3 The reimbursable expenses have been charged as per NBFC Regulation 60, which states that fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum upto 0.1% of average net assets of the Scheme or actual whichever is less. During the Period an amount of Rs 0.119 million is charged and Rs 0.155 million payable is related to reimburseable expnese as per regulation 60.

7.4 Disclosure of Total Expense Ratio (TER)

As per SECP Direction No. 23 of 2016 dated July 20, 2016, the AMC shall disclose TER in respect of each CIS managed by it in the monthly Fund Managers Report ("FMR") and also in periodic financial statement of the CIS.

The Total Expense Ratio (TER) of AKD Index Tracker Fund during the period from July 01, 2016 to September 30, 2016 is 1.46% p.a. Total Expense Ratio (TER) includes 0.22% p.a. representing government levy and SECP fee.

8. 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 Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending for adjudication.

During 2010, 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. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

During the year 2011, a single bench of the 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. However, in the month of March 2013, a larger bench of the Sindh High Court (SHC) in various constitutional petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity and overruled a single-member LHC bench judgement issued in August 2011. However, the Honourable Peshawar High Court on 29 May 2014 on a petition filed by certain aggrieved parties (other than the mutual funds) have adjudicated that the amendments introduced in the Workers Welfare Fund Ordinance, 1971 through the Finance Acts of 2006 and 2008 lacks the essential mandate to be introduced and passed through the money bill under the Constitution of Pakistan and hence have been declared as ultra vires the Constitution.

However, as per the advice of legal counsel of MUFAP, the stay granted to CIS (as mentioned in the first paragraph) remains intact and the constitution petitions filed by the CIS to challenge the Workers Welfare Fund contribution have not been affected by the SHC judgment.

As the matter relating to levy of WWF is currently pending in the Court, the Management Company, as a matter of prudence and abundant caution, has decided to maintain provision for WWF amounting to Rs. 2.679 million (June 30, 2016: Rs. 2.679 million) in these condense financial statements.

The Finance Act, 2015 has excluded Mutual Funds and collective Investment Scheme from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from 01 July 2015 onwards. However, provision made till 30 June 2015 has not been reversed as the above lawsuit is pending in the SHC.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 September 2016 and 30 June 2016.

10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include AKD Investment Management Limited (AKDIML), being the asset management company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited (holding company of the management company), AKD Securities Limited being the related companies of the management company, Central Depository Company of Pakistan Limited being the trustee, other collective investment schemes managed by the Management Company and directors and key management personnel of the Management Company and also includes entities holding 10% or more in the units of the Fund as at September 30, 2016. It also includes staff retirement funds of the above connected persons / related parties and entities in which the above parties or their connected persons have a material interest. All related party transactions have been transacted at arm's length basis. Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively. Purchase and redemptions of the Fund's units by the connected persons / related parties are recorded at the applicable net asset value per unit. Other transactions are recorded in accordance with the agreed terms.

11.1 Details of transactions with connected persons / related parties during the period	Note	Unaudited September 30, 2016	Unaudited September 30, 2015
		(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund			
Remuneration for the period		**896**	781
Allocated expenses by the management company	*7.3*	**119**	-
Sales tax on Management Company's remuneration*	*7.1*	**116**	127
Federal excise duty on Management Company's * remuneration*	*7.1*	**-**	125
Sales load		**25**	1
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Trustee Fee		**239**	208
CDS charges		**4**	3
Sales tax on CDS charges & Trustee Fee		**31**	30
AKD Securities Limited - Brokerage House			
Commission paid on purchase and sale of marketable securities		**9**	9
AKD Investment Management Limited Staff Provident Fund			
Units issued : Nil (2015: 255,093)		**-**	3,600
Redemption of units : Nil (2015: 255,093)		**-**	3,647

* Sales tax and FED is paid / payable to the management company for onwards payment to the Government.

	Note	(Unaudited) September 30, 2016	(Audited) June 30 2016
		(Rupees in '000)	
11.2 Details of balances with connected persons / related parties as at period / year end			
AKD Investment Management Limited - Management Company of the Fund			
Remuneration payable		**296**	267
Allocated expenses by management company payable	7 & 7.3	**155**	36
Sales tax payable on Management Company's remuneration*	7 & 7.1	**38**	43
Federal Excise Duty payable on Management Company's remuneration*	7 & 7.2	**1,357**	1,357
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration payable		**78**	70
Security Deposit		**100**	100
CDS charges payable		**1**	1
Sales tax CDS charges & Trustee Fee Payable		**10**	10
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)			
Number of units outstanding : 27,607,443 86.69% of the total units in issue as at the period end) (30 June 2016 : 27,607,443 (87.14% of the total units in issue as at the year end))		**419,633**	393,406
Mr. Aqeel Karim Dhedhi - Chairman of the Group			
Number of units outstanding : 390 (30 June 2016: 390) units		**6**	6
AKD Investment Management Limited Staff Provident Fund			
Number of units outstanding : 266,152 (30 June 2016: 266,152)		**4,046**	3,793
AKD Securities Limited - Brokerage House			
Brokerage payable on purchase and sale of marketable securities		**9**	4

* Sales tax and FED is paid / payable to the management company for onwards payment to the Government.

12 GENERAL

All financial information presented in Pak Rupees have been rounded off to the nearest thousand rupees.

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 22, 2016 by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

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

AKD Investment
Management Ltd.

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

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

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

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