Funds Managed by:

# AKD Investment Management Ltd.

## 1st Quarter Report
## September 30, 2012
## (Un-audited)

# Quarterly 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.

# 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. Farrukh Shaukat Ansari

**Chief Executive Officer**
Mr. Imran Motiwala

**Directors**
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 Amin Hussain (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 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 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 Quarterly Report along with the Funds' accounts for the first quarter ended September 30, 2012.

### Macro Perspective

Despite volatile economic and political conditions, our current account marked a surplus of US$432 million for the quarter ended September 30, 2012, as compared to a deficit of US$1,339 million witnessed during the corresponding period last year. The surplus was mainly on the back of strong remittances recorded at US$3.6 billion and a receipt of US$ 1.12 billion on account of the Coalition Support Fund subsequent to the revamping of ties with the US following an apology by the US on the Salala incident. The Trade Deficit also declined by 9.97% in the first quarter both due to rise in exports by 4.26% YoY to stand at US$ 6.19 billion as well as a decline in imports by 2.4% YoY to US$ 10.85 billion. The foreign exchange reserves of the country stood at US$ 14.9 billion at the end of September 2012, a decline of 2.37% on a year to date basis. However, had there been no payment under the Coalition Support Fund, the situation would have been grave due to the ongoing repayments to the International Monetary Fund. CPI inflation during July-September FY 2012-13 averaged 9.1% as compared to 11.5% during July-September FY 2011-12. With the decline in CPI Inflation, the State Bank of Pakistan decided to decrease the discount rate further by 200 basis points to stand at 10.00%.

### Equity Market

The market continued to remain bullish on the back of healthy foreign inflows and significant cut in the discount rate. The market seems to have moved through three distinct phases, 1) sharp increase in July, 2) stable in August and 3) range bound during September with low volumes. The Index increased sharply by 1,643 points or 11.91%, making Pakistan the best performing market among its regional peers on a YTD basis. Bullish sentiment was on account of single digit CPI inflation numbers which allowed the State Bank to reduce the discount rate. Net foreign investment for the quarter stood at US$93 million. Average daily volumes for the quarter stood at 140 million shares. While inflation continues to ease there are further expectations of a reduction in the discount rate as the market run-up remains on track. On the other hand, investors will exercise caution as the volatile political scenario coupled with key institutions still at an impasse on a numerous issues will keep the market in check.

### Money Market Dynamics

The yields on Treasury Bills have declined by 180-200 basis points since June 2012 following the discount rate cut. Cut off rates on the T-Bills and PIB declined by 150 bps and 141 bps respectively to close at 10.43% and 11.27% in the first quarter FY-13. The significant decline in yields is because of low inflation numbers primarily on account of declining oil and gas prices. During the quarter the State Bank continued to inject liquidity into the banking system through open market operations in order to stabilize the money market. Moving forward we believe that market interest rates will continue to follow the discount rate path, while we expect a further cut of 50 bps in the upcoming monetary policy announcement due in December 2012.

### Future Outlook

Declining momentum in the CPI inflation during July-September FY13 averaged 9.1% as compared to 11.5% for the corresponding yearly position, the SBP citing it as an opportunity decreased the discount rate to 10.00% enhancing its effort to promote private sector credit off-take. Further aggressive rate cuts may be witnessed which seem unsustainable in the long run due to weakening of fiscal accounts. With no measures to increase the country's revenue (taxes) and increasing expenditures on account of upcoming elections the economy will remain in the woods for some time.

As general elections are around the corner we expect that the present Government will continue to announce a series of populist measures which will focus on boosting economic activity in the short-term which will bode well for the stock market.

Comparing to regional markets the KSE-100 is trading at a PE of 7.39 x as compared to its regional peers of 12.33x 2013. Furthermore the equity markets offer an attractive 2013 average dividend yield of 6.5% compared to the regional average of only 3.1% giving room for further upside. However impediments to this upside would be declining foreign exchange reserves due to repayments to the IMF and other donor agencies, weakening current and fiscal accounts and political volatility due to elections.

For and on behalf of the Board

**Imran Motiwala**
Chief Executive Officer

Karachi: October 31, 2012

# AKD Index Tracker Fund
## Financial Statements - First Quarter FY 13

## Contents

# AKD Index Tracker 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**
Bank Alfalah Limited
Bank Al-Habib Limited
Habib Metropolitan Bank Limited
KASB Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited

**AUDITORS**
KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2
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
BMA Capital Management Limited
IGI Investment Bank Limited
The Bank of Punjab
Alfalah Securities (Private) Limited
Reliance Financial Products (Private) Limited
Bulls & Bulls (Private) Limited

**RATING**
Asset Management Company
JCR-VIS: AM3 - (AM-Three Minus)

# FUND MANAGER'S REPORT

During the quarter ended September 30, 2012, the KSE-100 Index increases by 1,643 points or positive of 11.91% to close at 15,445. The Fund NAV increased by 11.26% to close at Rs. 9.81. The fund reported a profit of Rs. 3.386 million as compared to gain of Rs. 0.695 million in the same period last year.

During the year Investment Committee continued to focus on minimizing the tracking error of the fund by continuously increasing exposure in the Index and also maintained low levels of cash during the year.

AKD Index Tracker Fund provides an opportunity to tap the return offered by the broader equity market. Advantages of AKD Index Tracker Fund include low cost and negligible fund management risk.

KSE-100 as compared to its regional peers is trading at very low multiples with 2013 forward price to earnings of 7.39x compared to regional average of 12.33x and historical average of 8.0 x, growth of 12.1%, Return on equity of 24%, price to book value of 1.6x and dividend yield of 7.11%. Based on the above fundamentals we believe interest both from the local and foreign front will remain upbeat. The KSE-100 Index had yielded a return of 23.5% over the past 10 years and with attractive valuations coupled with a declining interest scenario the Pakistani equities as an asset class is bound to outperform all other asset classes.

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
## AS AT SEPTEMBER 30, 2012

| | Note | *Unaudited September 30 2012* | *Audited June 30 2012* |
|---|---|---|---|
| | | (Rupees in '000') | |
| **ASSETS** | | | |
| Bank balances | 6 | **1,152** | 1,959 |
| Investments | 7 | **206,098** | 185,705 |
| Receivable against sale of investments | | **335** | - |
| Dividend and other receivable | | **2,294** | 433 |
| Security deposits | | **2,600** | 2,600 |
| **Total Assets** | | **212,479** | 190,697 |
| **LIABILITIES** | | | |
| Remuneration payable to the Management Company | 10.2 | **150** | 115 |
| Remuneration payable to the Trustee | 10.2 | **57** | 57 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | **49** | 173 |
| Payable against purchase of investments | | **766** | - |
| Payable against redemption of units | | **7** | - |
| Provision for Workers' welfare fund | 8 | **841** | 772 |
| Accrued expenses and other liabilities | | **347** | 298 |
| Unclaimed dividend | | **622** | 622 |
| **Total Liabilities** | | **2,839** | 2,037 |
| **NET ASSETS** | | **209,640** | 188,660 |
| **Unit holders' fund as per statement attached** | | **209,640** | 188,660 |
| | | *.......Number of Units.......* | |
| **Number of units in issue** | | **21,371,255** | 20,313,221 |
| | | *..........(Rupees)........* | |
| **Net assets value per unit (face value per unit Rs. 10/-)** | | **9.81** | 9.29 |

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statments.

**For AKD Investment Management Limited**
**(Management Comapany)**

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

| | Note | Quarter ended September 30, 2012 | Quarter ended September 30, 2011 |
|---|---|---|---|
| | | (Rupees in '000') | |
| **INCOME** | | | |
| **Investment income** | | | |
| Capital gains on sale of investment - net | | **1,116** | 173 |
| Dividend income | | **3,057** | 2,151 |
| Mark-up on deposit accounts | | **35** | 53 |
| | | **4,208** | 2,377 |
| Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed-net | | **39** | 1,188 |
| Impairment loss on securities classified as 'available for sale' | | **-** | (1,914) |
| | | **4,247** | 1,651 |
| **OPERATING EXPENSES** | | | |
| Remuneration to the Management Company | | **384** | 331 |
| Remuneration to the Trustee | | **176** | 176 |
| Annual fee to the Securities and Exchange Commission of Pakistan | | **49** | 42 |
| Auditors' remuneration | | **63** | 63 |
| Amortisation of conversion cost | | **-** | 113 |
| Provision for Workers' welfare fund | 8 | **69** | 14 |
| Others | 11.2 | **120** | 217 |
| | | **861** | 956 |
| **Net income for the period** | | **3,386** | 695 |

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statments.

**For AKD Investment Management Limited**
**(Management Comapany)**

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

| | Quarter ended September 30, 2012 | Quarter ended September 30, 2011 |
|---|---|---|
| | (Rupees in '000') | |
| Net income for the period | **3,386** | 695 |
| **Other comprehensive income** | | |
| Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net - amount representing unrealised capital gain / (loss) that form part of the unit holder's fund | **(108)** | (1,097) |
| Net Unrealized appreciation / (diminution) in value of investments classified as 'available for sale' | **18,724** | (13,072) |
| (Appreciation) / Diminution in fair value of 'available for sale' investment transferred to profit and loss account on sale | **(803)** | (256) |
| Impairment loss on available for sale investments | **-** | 1,914 |
| | **17,813** | (12,511) |
| **Total comprehensive income / (loss) for the period** | **21,199** | (11,816) |

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statments.

**For AKD Investment Management Limited**
**(Management Comapany)**

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

| | Quarter ended September 30, 2012 | Quarter ended September 30, 2011 |
|---|---|---|
| | (Rupees in '000') | |
| **Deficit at beginning of the period** | **(77,193)** | (81,506) |
| Bonus units issued for the year ended June 30, 2012 @ Rs. 0.47 per unit distributed on 09 July 2012 | **(9,547)** | - |
| Element of income / (loss) and capital gain / (losses) included in prices of units sold less those in units redeemed - amount representing unrealised capital gain / (loss) that form part of the unit holder's fund | **(108)** | (1,097) |
| Net income for the period | **3,386** | 695 |
| | **(6,269)** | (402) |
| **Deficit at the end of the period** | **(83,462)** | (81,908) |

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statments.

**For AKD Investment Management Limited**
**(Management Comapany)**

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

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

## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

| | Quarter ended September 30, 2012 | Quarter ended September 30, 2011 |
|---|---|---|
| | (Rupees in '000') | |
| **Net assets at beginning of the period** | **188,660** | 190,666 |
| Amount received on issue of 255,682 units (2011: 38,312 units) | **2,404** | 307 |
| Amount paid on redemption of 280,405 units (2011: 539,423 units) | **(2,692)** | (4,540) |
| | **(288)** | (4,233) |
| Final distribution of 1,082,757 bonus units for the year ended June 30, 2012 | **9,547** | - |
| Element of (income) / loss and capital (gains) / losses in prices of units sold less those in units redeemed - net | | |
| - amount representing (income) / loss and realised capital (gains) / losses transferred to income statement | **(39)** | (1,188) |
| - amount representing unrealised capital losses / (gains) transferred directly to distribution statement | **108** | 1,097 |
| | **69** | (91) |
| Total comprehensive income / (loss) for the period less distribution | **11,652** | (11,816) |
| **Net assets at end of the period** | **209,640** | 174,526 |
| | (Rupees) | |
| **Net asset value per unit (face value per unit Rs. 10)** | **9.81** | 8.08 |

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statments.

**For AKD Investment Management Limited**
**(Management Comapany)**

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

| | Quarter ended September 30, 2012 | Quarter ended September 30, 2011 |
|---|---|---|
| | (Rupees in '000') | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income for the period | **3,386** | 695 |
| **Adjustments for:** | | |
| Amortisation of conversion cost | **-** | 113 |
| Impairment loss on securities classified as 'available for sale' | **-** | 1,914 |
| Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net | **(39)** | (1,188) |
| | **3,347** | 1,534 |
| **Decrease / (increase) in assets** | | |
| Investments | **(2,472)** | 717 |
| Receivable against sale of investment | **(335)** | - |
| Dividend and other receivables | **(1,861)** | (1) |
| | **(4,668)** | 716 |
| **(Decrease) / increase in liabilities** | | |
| Remuneration payable to the Management Company | **35** | 11 |
| Remuneration payable to the Trustee | **-** | - |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | **(124)** | (122) |
| Payable against purchase of investment | **766** | - |
| Payable against redemption of units | **7** | 81 |
| Accrued expenses and other liabilities | **49** | 155 |
| Provision for Worker's Welfare Fund | **69** | 14 |
| | **802** | 139 |
| **Net cash generated from operating activities** | **(519)** | 2,389 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Amount received on issuance of units | **2,404** | 307 |
| Amount paid on redemption of units | **(2,692)** | (4,540) |
| **Net cash used in financing activities** | **(288)** | (4,233) |
| **Net decrease in cash and cash equivalents during the period** | **(807)** | (1,844) |
| Cash and cash equivalents at beginning of the period | **1,959** | 3,893 |
| Cash and cash equivalents at end of the period | **1,152** | 2,049 |

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statments.

**For AKD Investment Management Limited**
**(Management Comapany)**

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

### 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.1** AKD Index Tracker Fund (The Fund) was established under a Trust Deed executed between AKD Investment Management Limited (AKDIML) as Asset Management Company, a company incorporated under the Companies Ordinance, 1984 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 NBFC Regulations, 2008.

**1.2** The objective of the Fund is to capture not less than 85% of the KSE-100 index, minimizing specific sector / stock risk where 15% of the net assets shall be invested in cash and near cash instruments.

**1.3** The Fund is an open-end mutual fund and is listed on the Karachi Stock Exchange. Its units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. Title to the assets of fund are held in the name of Central Depository Company Limited as a trustee of the Fund.

**1.4** The registered office of the Management Company is situated at 216-217 Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh, Pakistan.

### 2. BASIS OF PREPARATION

**2.1 Statement of compliance**

These condensed interim financial information have been presented in condensed form in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. They do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Fund as at and for the year ended 30 June 2012.

These condensed interim financial information comprise of condensed interim statement of assets and liabilities as at September 30, 2012 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement, and notes thereto, for the first quarter ended September 30, 2012.

These condensed interim financial information are 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).

### 2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest rupee in thousand.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of this condensed interim financial statements are the same as those applied in preparing the financial statements for the ended 30 June 2012.

### 4. ESTIMATES

The preparation of condensed interim financial statement requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2012.

### 5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2012.

| | **(Unaudited) September 30, 2012** | (Audited) June 30, 2012 |
|---|---|---|
| **6. BANK BALANCES** | **(Rupees in '000)** | |
| Balances with banks in: | | |
| - profit and loss saving accounts | **518** | 1,325 |
| - current accounts | **634** | 634 |
| | **1,152** | 1,959 |

**7. INVESTMENTS**

**Available for Sale - listed equity securities**

(Ordinary shares have a face value of Rs 10 each unless stated otherwise)

| Name of the investee | Holding at beginning of the period 1 July 2012 | Acquired during the period | Bonus / right shares received during the period | Disposed during the period | Holding at end of the period September 30, 2012 | Cost as of the period ended September 30, 2012 | Carrying value (before revaluation as of the period ended 30 Sep 2012) | Market value as of the period ended 30 Sep 2012 (revised carrying value) | Unrealised appreciation/ (diminution) for the period | Percentage in relation to Total market value of Investment | Percentage in relation to Net assets of the Fund |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | < - - - - - - - - - - Number of Share | | | | - - - - - - - - - - > | < - - - - - - - - - Rupees in '000' | | | - - - - - - - - - > | | |
| **Oil and Gas** | | | | | | | | | | | |
| Attock Refinery Limited | 4,919 | 200 | - | 100 | 5,019 | 553 | 617 | 638 | 21 | 0.31 | 0.30 |
| National Refinery Limited | 4,660 | - | - | - | 4,660 | 996 | 1,078 | 1,096 | 18 | 0.53 | 0.52 |
| Attock Petroleum Limited | 4,050 | 100 | - | 100 | 4,050 | 1,140 | 1,923 | 2,121 | 198 | 1.03 | 1.01 |
| Pakistan State Oil Company Limited | 10,005 | 100 | 2,021 | - | 12,126 | 2,331 | 2,385 | 2,634 | 249 | 1.28 | 1.26 |
| Shell Pakistan Limited | 4,961 | 100 | - | - | 5,061 | 552 | 647 | 656 | 9 | 0.32 | 0.31 |
| Mari Gas Company Limited | 5,354 | - | - | - | 5,354 | 338 | 502 | 522 | 20 | 0.25 | 0.25 |
| Oil and Gas Development Company Limited | 249,822 | 2,800 | - | - | 252,622 | 28,298 | 40,569 | 45,315 | 4,746 | 21.99 | 21.62 |
| Pakistan Oil Field Limited | 13,554 | - | - | - | 13,554 | 3,173 | 4,974 | 5,874 | 900 | 2.85 | 2.80 |
| Pakistan Petroleum Limited | 76,314 | 600 | 19,229 | - | 96,142 | 9,995 | 14,498 | 16,914 | 2,416 | 8.21 | 8.07 |
| BYCO Petroleum Limited | 56,934 | 1,000 | - | - | 57,934 | 403 | 488 | 474 | (14) | 0.23 | 0.23 |
| | | | | | | **47,779** | **67,681** | **76,244** | **8,563** | | |
| **Chemicals** | | | | | | | | | | | |
| Dawood Hercules Corporation Limited | 28,046 | 500 | - | - | 28,546 | 940 | 940 | 1,019 | 79 | 0.49 | 0.49 |
| Engro Corporation Limited | 29,794 | 100 | - | - | 29,894 | 2,154 | 3,044 | 3,192 | 148 | 1.55 | 1.52 |
| Fauji Fertilizer Bin Qasim Limited | 54,451 | - | - | - | 54,451 | 1,553 | 2,223 | 1,945 | (278) | 0.94 | 0.93 |
| Fauji Fertilizer Company Limited | 74,150 | 200 | - | - | 74,350 | 3,921 | 8,258 | 8,310 | 52 | 4.03 | 3.96 |
| ICI Pakistan Limited | 8,023 | - | - | 2,685 | 5,338 | 777 | 700 | 875 | 175 | 0.42 | 0.42 |
| Lotte Pakistan PTA Limited | 87,452 | - | - | - | 87,452 | 615 | 615 | 621 | 6 | 0.30 | 0.30 |
| Clariant Pakistan Limited | 1,990 | - | - | - | 1,990 | 271 | 352 | 433 | 81 | 0.21 | 0.21 |
| Arif Habib Corporation Limited | 24,034 | - | 2,403 | - | 26,437 | 557 | 743 | 704 | (39) | 0.34 | 0.34 |
| Fatima Fertilizer Company Limited * | 116,934 | 5,500 | - | - | 122,434 | 1,749 | 3,018 | 2,958 | (60) | 1.44 | 1.41 |
| Engro Polymer & Chemicals Limited | 38,673 | - | - | - | 38,673 | 286 | 381 | 366 | (15) | 0.18 | 0.17 |
| | | | - | | | **12,823** | **20,274** | **20,423** | **149** | | |
| **Industrial Metal and Mining** | | | - | | | | | | | | |
| Aisha Steel Mills Ltd (Conv.pref.shares) | 2,418 | - | - | 2,000 | **418** | **-** | **4** | **4** | **-** | 0.00 | 0.00 |
| **Construction and Materials (Cement)** | | | | | | | | | | | |
| D.G. Khan Cement Company Limited | 25,537 | 500 | - | - | 26,037 | 514 | 1,030 | 1,310 | 280 | 0.64 | 0.62 |
| Lucky Cement Limited | 18,848 | - | - | - | 18,848 | 1,293 | 2,175 | 2,509 | 334 | 1.22 | 1.20 |
| Akzo Nobel Pakistan Limited | - | 2,684 | - | 2,500 | 184 | 24 | 24 | 17 | (7) | 0.01 | 0.01 |
| Bestway Cement Limited | 23,943 | 3,000 | - | - | 26,943 | 335 | 672 | 824 | 152 | 0.40 | 0.39 |
| Fauji Cement Company Limited | 50,000 | 27,500 | - | - | 77,500 | 502 | 455 | 494 | 39 | 0.24 | 0.24 |
| Attock Cement Pakistan Limited | 5,063 | - | - | - | 5,063 | 246 | 412 | 548 | 136 | 0.27 | 0.26 |
| | | | | | | **2,914** | **4,768** | **5,702** | **934** | | |
| **General Industrials** | | | | | | | | | | | |
| Siemens Pakistan Engineering Company Limited | 478 | - | - | - | 478 | 357 | 357 | 382 | 25 | 0.19 | 0.18 |
| Packages Limited | 4,917 | - | - | - | 4,917 | 407 | 490 | 576 | 86 | 0.28 | 0.27 |
| Ghani Glass Limited | 6,078 | - | - | - | 6,078 | 249 | 347 | 310 | (37) | 0.15 | 0.15 |
| TRI-Pack Films Limited | 1,779 | - | - | - | 1,779 | 320 | 374 | 328 | (46) | 0.16 | 0.16 |
| Thal Limited (Face value Rs. 5/- each) | 4,292 | - | - | - | 4,292 | 265 | 399 | 559 | 160 | 0.27 | 0.27 |
| | | | | | | **1,598** | **1,967** | **2,155** | **188** | | |

| Name of the investee | Holding at beginning of the period 1 July 2012 | Acquired during the period | Bonus / right shares received during the period | Disposed during the period | Holding at end of the period September 30, 2012 | Cost as of the period ended September 30, 2012 | Carrying value (before revaluation as of the period ended 30 Sep 2012) | Market value as of the period ended 30 Sep 2012 (revised carrying value) | Unrealised appreciation/ (diminution) for the period | Percentage in relation to Total market value of Investment | Percentage in relation to Net assets of the Fund |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | <- - - - - - - - - - Number of Share | | | | - - - - - - - - - -> | <- - - - - - - - - Rupees in '000' | | | - - - - - - - - -> | | |
| **Engineering** | | | | | | | | | | | |
| Al-Ghazi Tractors Limited (Face value Rs. 5/- each) | 2,534 | - | - | - | 2,534 | 471 | 520 | 520 | - | 0.25 | 0.25 |
| Millat Tractors Limited | 2,134 | - | - | - | 2,134 | 662 | 1,030 | 1,031 | 1 | 0.50 | 0.49 |
| | | | | | | **1,133** | **1,550** | **1,551** | **1** | | |
| **Industrial Transportation** | | | | | | | | | | | |
| Pakistan International Container Terminal Limited | 6,438 | - | - | - | 6,438 | 506 | 940 | 953 | 13 | 0.46 | 0.45 |
| Pakistan International Bulk Terminal Limited | 3,369 | - | - | - | 3,369 | - | 34 | 34 | - | 0.02 | 0.02 |
| | | | | | | **506** | **974** | **987** | **13** | | |
| **Support Services** | | | | | | | | | | | |
| TRG Pakistan Limited | 19,161 | 5,000 | - | - | **24,161** | **36** | **83** | **88** | **5** | 0.04 | 0.04 |
| **Automobile and Parts** | | | | | | | | | | | |
| Indus Motor Company Limited | 4,577 | - | - | - | 4,577 | 747 | 1,122 | 1,167 | 45 | 0.57 | 0.56 |
| Pak Suzuki Motors Company Limited | 4,710 | - | - | - | 4,710 | 283 | 451 | 464 | 13 | 0.23 | 0.22 |
| Atlas Honda Limited | 4,979 | - | - | - | 4,979 | 478 | 573 | 674 | 101 | 0.33 | 0.32 |
| | | | | | | **1,508** | **2,146** | **2,305** | **159** | | |
| **Food Producers** | | | | | | | | | | | |
| Nestle Pakistan Limited | 2,691 | - | - | - | 2,691 | 3,374 | 10,804 | 11,302 | 498 | 5.48 | 5.39 |
| Unilever Pakistan Limited (Face value Rs. 50/- each) | 792 | - | - | - | 792 | 1,712 | 5,606 | 7,682 | 2,076 | 3.73 | 3.66 |
| Engro Foods Limited | 43,800 | 500 | - | - | 44,300 | 2,125 | 2,858 | 3,103 | 245 | 1.51 | 1.48 |
| Rafhan Maize Products Company Limited | 576 | - | - | - | 576 | 847 | 1,811 | 2,406 | 595 | 1.17 | 1.15 |
| Tandlianwala Sugar Mills Limited | 4,604 | - | - | - | 4,604 | 236 | 352 | 377 | 25 | 0.18 | 0.18 |
| JDW Sugar Mills Limited | 2,500 | 1,000 | - | - | 3,500 | 306 | 354 | 359 | 5 | 0.17 | 0.17 |
| Unilever Pakistan Foods Limited | 361 | - | - | - | 361 | 399 | 946 | 1,264 | 318 | 0.61 | 0.60 |
| | | | | | | **8,999** | **22,731** | **26,493** | **3,762** | | |
| **Personal Goods (Textile)** | | | | | | | | | | | |
| Nishat Mills Limited | 20,447 | - | - | - | 20,447 | 831 | 973 | 1,159 | 186 | 0.56 | 0.55 |
| Ibrahim Fibres Limited | 18,033 | - | - | - | 18,033 | 492 | 902 | 886 | (16) | 0.43 | 0.42 |
| Bata (Pakistan) Limited | 423 | - | - | - | 423 | 216 | 297 | 429 | 132 | 0.21 | 0.20 |
| Colgate Palmolive (Pakistan) Limited | 2,125 | - | 425 | - | 2,550 | 895 | 2,082 | 2,933 | 851 | 1.42 | 1.40 |
| | | | | | | **2,434** | **4,254** | **5,407** | **1,153** | | |
| **Tobacco** | | | | | | | | | | | |
| Phillip Morris Pakistan Limited | 3,703 | - | - | - | 3,703 | 446 | 627 | 471 | (156) | 0.23 | 0.22 |
| Pakistan Tobacco Company Limited | 14,890 | - | - | - | 14,890 | 694 | 787 | 908 | 121 | 0.44 | 0.43 |
| | | | | | | **1,140** | **1,414** | **1,379** | **(35)** | | |
| **Pharma and Bio Tech** | | | | | | | | | | | |
| Abbott Laboratories (Pakistan) Limited | 5,625 | 200 | - | 100 | 5,725 | 514 | 695 | 1,212 | 517 | 0.59 | 0.58 |
| GlaxoSmithKline (Pakistan) Limited | 15,259 | - | - | - | 15,259 | 789 | 965 | 1,051 | 86 | 0.51 | 0.50 |
| | | | | | | **1,303** | **1,660** | **2,263** | **603** | | |
| **Travel and Leisure** | | | | | | | | | | | |
| Dreamworld Limited | 2,069 | - | - | 12 | 2,057 | 905 | 905 | 860 | (45) | 0.42 | 0.41 |
| Pakistan International Airlines Corporation Limited "A" | 149,327 | 20,000 | - | - | 169,327 | 345 | 377 | 411 | 34 | 0.20 | 0.20 |
| | | | | | | **1,250** | **1,282** | **1,271** | **(11)** | | |

| Name of the investee | Holding at beginning of the period 1 July 2012 | Acquired during the period | Bonus / right shares received during the period | Disposed during the period | Holding at end of the period September 30, 2012 | Cost as of the period ended September 30, 2012 | Carrying value (before revaluation as of the period ended 30 Sep 2012) | Market value as of the period ended 30 Sep 2012 (revised carrying value) | Unrealised appreciation/ (diminution) for the period | Percentage in relation to | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Total market value of Investment | Net assets of the Fund |
| | < - - - - - - - - - - Number of Share | | | - - - - - - - - - - > | | < - - - - - - - - - Rupees in '000' | | - - - - - - - - - > | | | |
| **Electricity** | | | | | | | | | | | |
| Hub Power Company Limited | 219,957 | 500 | - | - | 220,457 | 2,304 | 3,018 | 4,275 | 1,257 | 2.07 | 2.04 |
| Kot Addu Power Company Limited | 67,441 | 57,500 | - | 57,000 | 67,941 | 2,910 | 3,056 | 3,185 | 129 | 1.55 | 1.52 |
| Karachi Electric Supply Company Limited | 51,304 | - | - | - | 51,304 | 1,911 | 2,309 | 2,478 | 169 | 1.20 | 1.18 |
| (Face value Rs. 3.5/- each) | 130,648 | 2,500 | - | - | 133,148 | 221 | 435 | 851 | 416 | 0.41 | 0.41 |
| Nishat Chunian Power Limited | 21,165 | - | - | - | 21,165 | 300 | 314 | 353 | 39 | 0.17 | 0.17 |
| Nishat Power Limited | 20,630 | 500 | - | 500 | 20,630 | 315 | 304 | 324 | 20 | 0.16 | 0.15 |
| | | | | | | **5,657** | **6,418** | **7,191** | **773** | | |
| **Multiutilities (Gas and water)** | | | | | | | | | | | |
| Sui Northern Gas Pipelines Limited | 33,428 | 500 | - | - | 33,928 | 516 | 574 | 701 | 127 | 0.34 | 0.33 |
| Sui Southern Gas Company Limited | 51,343 | - | - | - | 51,343 | 605 | 1,001 | 1,131 | 130 | 0.55 | 0.54 |
| | | | | | | **1,121** | **1,575** | **1,832** | **257** | | |
| **Commercial Banks** | | | | | | | | | | | |
| Allied Bank Limited | 54,949 | 500 | - | - | 55,449 | 2,378 | 3,563 | 3,561 | (2) | 1.73 | 1.70 |
| Askari Bank Limited | 47,384 | 500 | - | - | 47,884 | 390 | 650 | 732 | 82 | 0.36 | 0.35 |
| Bank Al Habib Limited | 58,891 | 500 | - | - | 59,391 | 1,078 | 1,691 | 1,681 | (10) | 0.82 | 0.80 |
| Bank Al-Falah Limited | 78,305 | 1,000 | - | - | 79,305 | 779 | 1,356 | 1,234 | (122) | 0.60 | 0.59 |
| Faysal Bank Limited | 48,038 | - | - | - | 48,038 | 327 | 526 | 458 | (68) | 0.22 | 0.22 |
| Habib Bank Limited | 70,654 | 300 | - | - | 70,954 | 6,617 | 8,007 | 7,571 | (436) | 3.67 | 3.61 |
| Habib Metropolitan Bank Limited | 61,068 | - | - | - | 61,068 | 1,196 | 1,054 | 1,072 | 18 | 0.52 | 0.51 |
| MCB Bank Limited | 53,337 | 500 | - | - | 53,837 | 8,136 | 8,957 | 10,015 | 1,058 | 4.86 | 4.78 |
| Meezan Bank Limited | 52,651 | - | - | - | 52,651 | 616 | 1,523 | 1,448 | (75) | 0.70 | 0.69 |
| National Bank of Pakistan | 107,342 | 1,000 | - | - | 108,342 | 4,064 | 4,718 | 4,760 | 42 | 2.31 | 2.27 |
| NIB Bank Limited | 594,336 | 4,500 | - | - | 598,836 | 1,051 | 1,193 | 1,539 | 346 | 0.75 | 0.73 |
| Silk Bank Limited | 125,000 | 35,000 | - | - | 160,000 | 371 | 339 | 374 | 35 | 0.18 | 0.18 |
| Soneri Bank Limited | 52,271 | 500 | - | - | 52,771 | 185 | 390 | 365 | (25) | 0.18 | 0.17 |
| Standard Chartered Bank (Pakistan) Limited | 225,598 | 500 | - | - | 226,098 | 1,808 | 2,591 | 2,528 | (63) | 1.23 | 1.21 |
| United Bank Limited | 71,190 | 500 | - | - | 71,690 | 4,154 | 5,621 | 5,288 | (333) | 2.57 | 2.52 |
| | | | | | | **33,150** | **42,179** | **42,626** | **447** | | |
| **Non Life Insurance** | | | | | | | | | | | |
| Adamjee Insurance Company Limited | 7,309 | - | - | - | 7,309 | 384 | 426 | 475 | 49 | 0.23 | 0.23 |
| EFU General Insurance Limited | 7,282 | - | - | - | 7,282 | 231 | 510 | 583 | 73 | 0.28 | 0.28 |
| Jubilee General Insurance Company Limited | 6,915 | - | - | - | 6,915 | 231 | 373 | 448 | 75 | 0.22 | 0.21 |
| Pakistan Reinsurance Company Limited | 17,326 | - | - | - | 17,326 | 270 | 296 | 360 | 64 | 0.17 | 0.17 |
| IGI Insurance Limited | 6,452 | - | - | - | 6,452 | 332 | 420 | 497 | 77 | 0.24 | 0.24 |
| | | | | | | **1,448** | **2,025** | **2,363** | **338** | | |
| **Life Insurance** | | | | | | | | | | | |
| EFU Life Assurance Limited | 4,917 | - | - | - | **4,917** | **270** | **375** | **379** | **4** | 0.18 | 0.18 |
| **Real Estate Investment And Services** | | | | | | | | | | | |
| Pace (Pakistan) Limited | 13,039 | 8,500 | - | - | **21,539** | **22** | **43** | **68** | **25** | 0.03 | 0.03 |
| **Financial Services** | | | | | | | | | | | |
| Jahangir Siddiqui & Company Limited | 44,503 | - | - | - | **44,503** | **179** | **552** | **599** | **47** | 0.29 | 0.29 |
| **Equity Investment Instruments** | | | | | | | | | | | |
| PICIC Growth Fund | 16,512 | - | - | - | **16,512** | **211** | **202** | **215** | **13** | 0.10 | 0.10 |

| Name of the investee | Holding at beginning of the period 1 July 2012 | Acquired during the period | Bonus / right shares received during the period | Disposed during the period | Holding at end of the period September 30, 2012 | Cost as of the period ended September 30, 2012 | Carrying value (before revaluation as of the period ended 30 Sep 2012) | Market value as of the period ended 30 Sep 2012 (revised carrying value) | Unrealised appreciation/ (diminution) for the period | Percentage in relation to Total market value of Investment | Percentage in relation to Net assets of the Fund |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | < - - - - - - - - - - Number of Share | | | | - - - - - - - - - - > | < - - - - - - - - - Rupees in '000' | | | - - - - - - - - - > | | |
| **Forestry (Paper and Board)** | | | | | | | | | | | |
| Security Paper Limited | 1,000 | - | - | - | **1,000** | **39** | **44** | **51** | **7** | 0.02 | 0.02 |
| **Beverages** | | | | | | | | | | | |
| Murree Brewery Company Limited | 999 | - | - | - | **999** | **64** | **100** | **140** | **40** | 0.07 | 0.07 |
| **Software And Computer Services** | | | | | | | | | | | |
| Netsol Technologies Limited | 3,990 | - | - | - | **3,990** | **30** | **55** | **87** | **32** | 0.04 | 0.04 |
| ***September 30, 2012*** | | | | | | **127,918** | **187,374** | **206,098** | **18,724** | | |
| ***June 30, 2012*** | | | | | | **125,443** | **179,055** | **185,705** | **6,650** | | |

* These are physical shares of Pakistan International Bulk Terminal Limited (PIBTL), received as specie dividend from Pakistan International Container Terminal Limited (PICTL), in the ratio of one share for every two shares of PICTL held by the Fund on 27 July 2011. The shares of PIBTL are valued at Rs. 10 which is approximately equal to its fair value. While in the NBFC Regulations, the Fund is not allowed to invest in unlisted securities, PIBTL had applied for lising on Karachi Stock Exchange. Besides the management is of the view that it did not on its own self invested in the shares of the above company as it received specie dividend from investee company.

* This includes 200,000 shares of Oil & Gas Development Company Limited amounting to Rs. 35.876 million which at the year end were pledged with National Clearing Company of Pakistan Limited.

**7.3** Details of surplus on revaluation of available for sale investments are as follows:

| | **Unaudited September 30 2012** | Audited June 30 2012 |
|---|---|---|
| Balance as of 01 July | **60,259** | 51,121 |
| Unrealised gain for the year | **18,724** | 6,650 |
| Impairment loss transferred to the profit and loss account | **-** | 7,663 |
| Unrealised (gain) / loss recognised in the income statement on sale | **(803)** | (5,175) |
| Balance as of period / year end recognised directly into unit holders' fund (difference of column a and b above) | **78,180** | 60,259 |

## 8. PROVISION FOR WORKERS' WELFARE FUND

The Scheme has maintained provisions against Workers' Welfare Fund liability to the tune of Rs 0.841 million, if the same were not made, the NAV per unit / return would have been higher by Re 0.04 per unit (0.41%).

## 9. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part 1 of the Second Schedule of 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. The Fund is also exempt from the provision of section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. No provision has been made in these condensed interim financial information due to loss for the period.

## 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AKD Investment Management Limited (AKDIML), being the asset management company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited 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, 2012.

Remuneration payable to the management company and trustee is determined in accordance with the provisions of the NBFC Regulations and Trust Deed respectively. Other transactions with connected persons are at agreed rates.

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

| | | Unaudited September 30, 2012 | 2011 |
|---|---|---|---|
| 10.1 | **Transactions during the period** | (Rupees in '000) | |
| | **AKD Investment Management Limited - Management Company of the Fund** | | |
| | Remuneration | **384** | 331 |
| | Sales Load | **-** | 1 |
| | **Mr. Aqeel Karim Dhedhi** | | |
| | Issue of bonus units - 15 (2011: Nil) units | **1** | - |
| | **Directors of the management company (Key management personnel)** | | |
| | Issue of bonus units - 2,322 (2011: Nil) units | **20** | - |
| | Redemption of units - 31,983 units (2011: Nil) units | **300** | - |
| | **AKD Investment Management Limited Staff Provident Fund** | | |
| | Issue of bonus units - 1,692 (2011: Nil) units | **15** | - |
| | Units Issued - 212,691 (2011: Nil) units | **2,000** | - |
| | **Central Depository Company of Pakistan Limited - Trustee** | | |
| | Remuneration | **176** | 176 |
| | Central Depository Service charges | **2** | 1 |

| | | Unaudited September 30 2012 | Audited June 30 2012 |
|---|---|---|---|
| 10.2 | **Balances outstanding at the period end** | (Rupees in '000) | |
| | **AKD Investment Management Limited** | | |
| | Remuneration payable | **129** | 115 |
| | Sindh sales tax on Management Company's remuneration | **21** | 18 |
| | **Payable to Central Depository Company of Pakistan - Trustee** | | |
| | Remuneration | **57** | 57 |
| | CDS charges | **1** | 1 |
| | **National Bank of Pakistan Employees Pension Fund** | | |
| | Number of units outstanding - 18,908,264 (2011: 17,951,399) (Sep 30, 2012 : 88.48%) (June 30, 2012 : 88.37%) | **185,479** | 166,724 |
| | **Mr. Aqeel Karim Dhedhi** | | |
| | Number of units outstanding - 294 (June 30, 2012: 279) units | **3** | 3 |
| | **Directors of the management company (Key management personnel)** | | |
| | Number of units outstanding - 13,903 units (June 30, 2012: 43,564) | **136** | 405 |
| | **AKD Investment Management Limited Staff Provident Fund** | | |
| | Number of units outstanding - 246,131 units (2012: 31,748) | **2,414** | 295 |

**11. GENERAL**

**11.1** These condensed interim financial information are unaudited.

**11.2** Other expense includes Sindh Government sales tax of Rs.0.06 million charged on the management remuneration, effective from 01 July 2011.

**11.3** These condensed interim financial information were authorised for issue on October 31, 2012 by the Board of Directors of the Management Company.

**For AKD Investment Management Limited**
**(Management Comapany)**

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

**AKD Investment Management Ltd.**

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

7th Sky Enterprise Ph: 32624198