Funds Managed by:

AKD Investment Management Ltd.

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



quarterly report

AKD OPPORTUNITY FUND

AKD INDEX TRACKER FUND

AKD CASH FUND

AKD AGGRESSIVE INCOME FUND

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

TABLE OF CONTENTS

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Abdul Karim Memon

Director & Chief Executive Officer
Mr. Imran Motiwala

Directors
Mr. Ali Wahab Siddiqui
Mr. Hasan Ahmed
Mr. Saim Mustafa Zuberi
Ms. Aysha Ahmed
Mr. Nadeem Saulat Siddiqui

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT OF THE MANAGEMENT COMPANY

Ms. Noureen Nadir Ali

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

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

RATING

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

CORPORATE INFORMATION

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

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

AKD Index Tracker Fund (AKDITF)

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

AKD Cash Fund (AKDCF)

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

AKD Aggressive Income Fund (AKDAIF)

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

MACRO PERSPECTIVE

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

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

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

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

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

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

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

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

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

- Country's successful completion of IMF program.

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

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

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

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

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

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

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

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

MONEY MARKET REVIEW

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

FUTURE OUTLOOK

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

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

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

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

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

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

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: April 27, 2017

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

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

فنڈز کی مالیاتی کارکردگی:

اے کے ڈی اپر چونیٹی فنڈ (AKDOF)

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

اے کے ڈی انڈیکس ٹریکر فنڈ (AKDITF)

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

اے کے ڈی کیش فنڈ (AKDCF)

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

اے کے ڈی ایگریسو انکم فنڈ (AKDAIF)

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

میکرو پرسپیکٹو:

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

سی پی آئی (CPI) افراطِ زر 9MFY17 میں سال بہ سال بنیاد پر 4.00% رہا جو کہ اسی مدت کیلئے گزشتہ سال 2.65% تھا۔ 9MFY17 کے دوران افراط زر اسٹیٹ بینک کے 4.5%-5.5% کے ہدف میں رہا جس کی وجہ سے اسٹیٹ بینک پاکستان (SBP) نے اپنا پالیسی ریٹ 5.75% رکھا۔

زیر جائزہ دورانیہ کیلئے OPEC کی تیل کی پیداوار میں کمی کے فیصلے کی وجہ سے تیل کی بین الاقوامی قیمتوں میں بہتری نظر آئی جو کہ 45-55 USD کے درمیان ہے۔ OPEC کی اگلی میٹنگ مئی 2017 میں ہے جس میں تیل کی سپلائی میں کمی کا فیصلہ مستقبل میں تیل کی قیمتوں پر گہرا اثر ڈالے گی۔

ہمارا یہ بھی خیال ہے کہ 4QFY17 میں افراط زر میں رمضان اور عیدالفطر کے باعث اور تیل کی قیمتوں کی وجہ سے اضافے کا رجحان رہے گا۔ ہمیں یقین ہے کہ کنزیومر پرائس انڈکس (CPI) FY17 میں اسٹیٹ بینک کے 4.5%-5.5% کے ہدف میں رہے گا۔ FY17 میں معاشی پالیسی میں واپسی کا امکان کم نظر آتا ہے کیونکہ اسٹیٹ بینک پاکستان سرمایہ کاری میں اضافہ اور نجی شعبے میں قرضے کے اوپر توجہ دے رہی ہے۔

اسٹیٹ بینک کے مطابق کرنٹ اکاؤنٹ میں خسارہ 9MFY17 میں 6.13 بلین ڈالر (GDP کا 2.6%) تک جا پہنچا جبکہ گذشتہ سال کے اسی دورانیے کیلئے یہ خسارہ 2.35 بلین ڈالر (GDP کا 1.1%) تھا اس کی وجہ 9MFY17 میں ترسیلات زر میں کمی اور 22.94 بلین ڈالر کا (26.8%) کا تجارتی خسارہ ہے۔

سال بہ سال بنیاد پر درآمدات میں 12% کا اضافہ ہوا ہے جس کی وجہ سی پیک (CPEC) منصوبوں سے متعلق مشینری و آلات کی طلب میں اضافہ ہے۔ اسی اثنا برآمدات میں بھی 2% کی کمی واقع ہوئی ہے جسکی وجہ دیگر علاقائی ممالک کے مقابلے میں پاکستان روپے کی قدر میں اضافہ جو ہمارے برآمدات سے متعلق صنعتوں کو نقصان پہنچانے کا سبب بنا حکومت نے اس حوالے سے ٹیکسٹائل کی صنعت کو اپنی گرتی برآمدات کو سنبھالنے کیلئے ترغیبی پیکج کا اعلان کیا ہے۔ حکومت نے کچھ چیزوں کی درآمدات کیلئے 100% کیش بیلنس کی بھی پابندی لگائی ہے تاکہ کچھ مخصوص چیزوں کی درآمدات کی حوصلہ شکنی کی جا سکے۔

9MFY17 کے اختتام پر پاکستان کے کل بیرونی زرمبادلہ کے ذخائر اکتوبر 2016 کے بلند ترین سطح کے مقابلے میں 21.55 بلین ڈالر ہوگیا۔ ہمارے خیال میں ذخائر پر مزید دباؤ تب آئے گا جب بیرونی ادائیگیاں (مجموعی طور پر 1.5 بلین ۔1.75 بلین ڈالر) جن میں یورو بونڈ، پیرس کلب اور چائنا سیف (SAFE) ریٹائرمنٹ JUNFY17 میں شروع ہونگی جبکہ IMF کی ادائیگیوں کا FY18 میں آغاز ہوگا۔ ان متوقع ادائیگیوں کی تلافی کے طور پر ہم کچھ فنڈز کی آمد (یورو بونڈ کا اجراء، ملٹی لیٹرل Multilateral اور CPEC قرضے) کی بھی توقع کر رہے ہیں۔

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

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

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

ایکوٹی مارکیٹ کا جائزہ:

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

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

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

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

۳) ملک میں IMF پروگرام کی کامیابی کی تکمیل۔

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

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

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

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

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

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

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

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

منی مارکیٹ کا جائیزہ(Money Market Review):

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

مستقبل کی شکل:

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

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

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

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

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

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

برائے و منجانب بورڈ

عمران موتی والا
چیف ایگزیکیٹو آفیسر

کراچی 27 اپریل 2017

AKD Index Tracker Fund
Financial Information - Third Quarter FY17

Contents

AKD Index Tracker Fund

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
Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Faysal Bank Limited
Habib Metropolitan 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
Finox (Pvt.) Limited
4 Sight Investments

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.

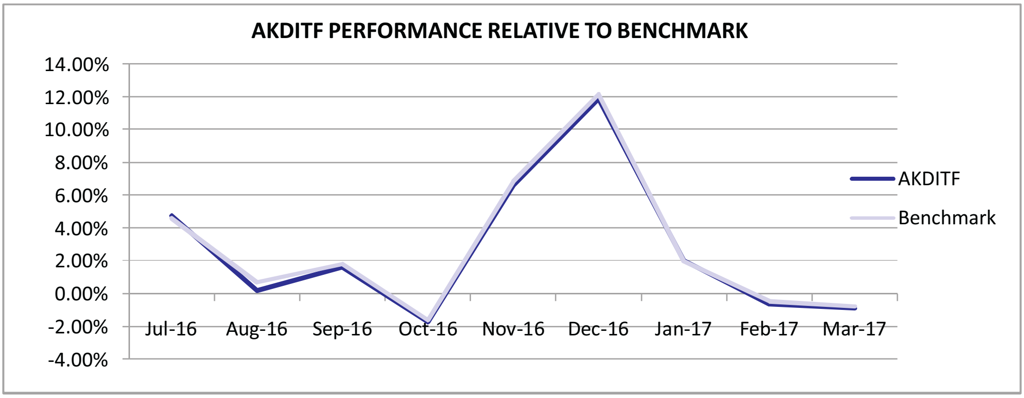
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
AKDITF	4.75%	0.19%	1.62%	-1.74%	6.59%	11.88%	1.99%	-0.65%	-0.92%
Benchmark	4.62%	0.71%	1.84%	-1.60%	6.84%	12.16%	1.99%	-0.46%	-0.78%

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)	31-Mar-17	31-Dec-16
Equities	97.73%	97.77%
Cash	1.06%	1.53%
Other Assets	1.21%	0.70%

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

9MFY17 Return	25.47%
Benchmark	27.45%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
31-Mar-17	31-Dec-16		31-Mar -17	31-Dec-16
(Rupees in 000)			Rs.	Rs.
540,453	535,486	0.93%	17.89	17.82

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

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

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

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

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

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

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

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

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

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

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

Equity Market

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

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

- Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy.
- Renewed investor confidence due to Morgan Stanley Capital International (MSCI)'s re-classification of Pakistan in to Emerging Market Index.
- Country's successful completion of IMF program.

- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years.
- Sales uptick in Pakistan auto sector, on the back of renewed consumer spending and rise in consumer financing.
- S&P raising Pakistan's sovereign credit rating to B from B-.
- Announcement of a PKR 180 billion Export/Textile package to boost exports.
- 40% stake sale in the management of PSX, a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company (PCIC), and Habib Bank Ltd. (HBL) submitted the highest bid of PkR28/share for the 40% strategic stake.
- FBR's Revaluation of properties and regularization of real estate sector to increase tax net, as many investors switched from real estate to equity markets.
- SECP's crack-down on In-house lending activities of brokerage houses.
- Supreme Court's proceedings and un-disclosed verdict on Panama case.

Future Outlook

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

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

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

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

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

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

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	635
10,000 - 49,999	18
50,000 - 99,999	3
100,000 - 499,999	5
500,000 and above	1
	662

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 MARCH 31, 2017

	Note	31 March 2017 (Unaudited)	30 June 2016 (Audited)
		(Rupees in '000)	
Assets			
Bank balances	5	**5,790**	17,156
Investments	6	**533,697**	441,698
Receivable against sale of investments (subsequently received)		**444**	47
Dividend, prepayments, markup and other receivables		**3,580**	1,498
Security deposits		**2,600**	2,600
Total assets		**546,111**	462,999
Liabilities			
Remuneration payable to the Management Company	12.2	**349**	267
Remuneration payable to the Trustee	12.2	**92**	70
Annual fee payable to the Securities and Exchange Commission of Pakistan		**360**	383
Payable against purchase of investments (Subsequently Paid)		**571**	2,183
Accrued expenses and other liabilities	7	**2,280**	5,058
Provision for Workers' Welfare Fund	9	**-**	2,679
Provision for Sindh Workers' Welfare Fund	9	**1,384**	-
Unclaimed dividend		**622**	622
Total liabilities		**5,658**	11,262
Contingencies and commitments	10		
Net assets		**540,453**	451,737
Unit holders' fund (as per statement attached)		**540,453**	451,737
		(Number of units)	
Number of units in issue		**30,208,414**	31,681,047
		(Rupees)	
Net assets value per unit (face value per unit Rs. 10/-)		**17.89**	14.26

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

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

	Note	Nine months period ended 31 March		Three months period ended 31 March	
		2017	2016	**2017**	2016
		(Rupees in '000)			
Income					
Gain on sale of 'available for sale investments' - net		**20,256**	8,153	**10,928**	2,252
Dividend income from available for sale investments		**17,781**	18,962	**5,639**	7,469
Profit on bank balances		**254**	335	**90**	196
		38,291	27,450	**16,657**	9,917
Expenses					
Remuneration to the Management Company		**2,843**	2,244	**1,031**	709
Remuneration to the Trustee		**758**	598	**275**	189
Annual fee to the Securities and Exchange Commission of Pakistan		**360**	284	**130**	90
Auditors' remuneration		**226**	188	**61**	62
Other expenses		**1,283**	1,344	**432**	428
		5,470	4,658	**1,929**	1,478
Net income from operating activities		**32,821**	22,792	**14,728**	8,439
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		**(355)**	(1)	**(61)**	1,343
Provision for Sindh Workers' Welfare Fund		**(1,384)**	-	**(1,384)**	-
Reversal of Provision for Workers' Welfare Fund	9	**2,678**	-	**2,678**	-
Net income for the period before taxation		**33,760**	22,791	**15,961**	9,782
Taxation	11	**-**	-	**-**	-
Net income for the period after taxation		**33,760**	22,791	**15,961**	9,782

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

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

	Nine months period ended 31 March		Three months period ended 31 March	
	2017	2016	**2017**	2016
	(Rupees in '000)			
Net income for the period	**33,760**	22,791	**15,961**	9,782
Other comprehensive income for the period				
Items that will be reclassified subsequently to income statement				
- Unrealized appreciation / (diminution) during the period in the fair value of investments classified as 'available for sale' - net	**94,915**	(35,362)	**(6,070)**	(4,333)
-Appreciation / (diminution) in fair value of 'available for sale' investment transferred to profit and loss account on sale - net	**(17,312)**	(8,923)	**(6,978)**	(3,476)
Total comprehensive income / (loss) for the period	**111,363**	(21,494)	**2,913**	1,973

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

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

	Nine months period ended 31 March		Three months period ended 31 March	
	2017	2016	**2017**	2016
	(Rupees in '000)			
Deficit at beginning of the period - realized	**(65,392)**	(71,519)	**(49,073)**	(57,408)
Element of loss and capital losses - net included in prices of units sold less those in units redeemed - amount representing unrealised loss that form part of the unit holders' fund	**(1,647)**	(159)	**(167)**	(1,261)
Net income for the period	**33,760**	22,791	**15,961**	9,782
	32,113	22,632	**15,794**	8,521
Deficit at end of the period - realized	**(33,279)**	(48,887)	**(33,279)**	(48,887)

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

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

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

	Nine months period ended 31 March		Three months period ended 31 March	
	2017	2016	**2017**	2016
	(Rupees in '000)			
Net assets at beginning of the period	**451,737**	411,297	**535,486**	391,940
Amount received on issue of 2,540,181 (2016: 542,181) units.	**45,136**	7,498	**39,408**	208
Amount paid on redemption of 4,012,814 (2016: 416,952) units	**(68,138)**	(5,861)	**(37,415)**	(1,337)
	(23,002)	1,637	**1,993**	(1,129)
Element of (income) / loss and capital (gains) / losses in prices of units sold less those in units redeemed - amount representing (income) / loss and realised capital (gains) / losses transferred to income statement	**355**	1	**61**	(1,343)
Total comprehensive (loss) / income for the period	**111,363**	(21,494)	**2,913**	1,973
Net assets at end of the period	**540,453**	391,441	**540,453**	391,441
	(Rupees)			
Net assets value / Ex-distribution net asset value per unit at beginning of the period	**14.26**	14.33	**17.82**	13.55
Net assets value per unit at end of the period	**17.89**	13.57	**17.89**	13.57

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

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

	Nine months period ended 31 March		Three months period ended 31 March	
	2017	2016	**2017**	2016
	----------------- (Rupees in '000) -----------------			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the period	**33,760**	22,791	**15,961**	9,782
Adjustments for:				
Element of (income) / loss and capital (gains) / losses - included in prices of units sold less those in units redeemed - net	**355**	1	**61**	(1,343)
	34,115	22,792	**16,022**	8,439
Decrease / (increase) in assets				
Investments	**(14,396)**	(5,012)	**(17,029)**	5,815
Receivable against sale of securities	**(397)**	2,434	**(295)**	-
Dividend, prepayments, markup and other receivables	**(2,082)**	(5,653)	**(2,506)**	(5,768)
	(16,875)	(8,231)	**(19,830)**	47
(Decrease) / increase in liabilities				
Remuneration payable to the Management Company	**82**	(9)	**22**	(4)
Remuneration payable to the Trustee	**22**	(2)	**6**	-
Annual fee payable to the Securities and Exchange Commission of Pakistan	**(23)**	(87)	**130**	90
Payable against purchase of investment	**(1,612)**	(397)	**309**	-
Payable against redemption of units	**-**	119	**-**	119
Provision for Workers' Welfare Fund	**(2,679)**	-	**(2,679)**	-
Provision for Sindh Workers' Welfare Fund	**1,384**	-	**1,384**	-
Accrued expenses and other liabilities	**(2,778)**	138	**164**	160
	(5,604)	(238)	**(664)**	365
Net cash generated from / (used in) operating activities	**11,636**	14,323	**(4,472)**	8,851
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received on issuance of units	**45,136**	7,498	**39,408**	208
Cash paid on redemption of units	**(68,138)**	(5,861)	**(37,415)**	(1,337)
Net cash (used in) / generated from financing activities	**(23,002)**	1,637	**1,993**	(1,129)
Net increase / (decrease) in cash and cash equivalents during the period	**(11,366)**	15,960	**(2,479)**	7,722
Cash and cash equivalents at beginning of the period	**17,156**	1,933	**8,269**	10,171
Cash and cash equivalents at end of the period	**5,790**	17,893	**5,790**	17,893

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

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

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 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 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.

1.3 The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange Limited (formerly 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. Title to the assets of Fund is held in the name of Central Depository Company Limited as a trustee of the Fund.

1.4 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 PSX-100 index (formerly 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 uninvested 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 PREPARATION

These condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of /or directives issued by the SECP have been followed.

2.1 This 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.

2.2 This 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 this 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 year ended 30 June 2016.

5. BANK BALANCES	*Note*	**31 March 2017 (Unaudited)**	30 June 2016 (Audited)
		(Rupees in '000)	
Saving Accounts	*5.1*	**5,401**	16,764
Current accounts		**389**	392
		5,790	17,156

5.1 These represent profit and loss sharing accounts maintained with various banks carrying profit rates ranging from 3.75% to 4.75% (30 June 2016: 3.75% to 5.5%) per annum.

6. INVESTMENTS

Investments in securities classified as 'available for sale'

Listed equity securities	*6.1*	**533,697**	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 during the period	Disposed during the period	Holding at the period end 31 Mar 2017	Cost as of the period ended 31 Mar 2017	Carrying value (before revaluation as of the period ended 30 June 2016)	Market value as of 31 Mar 2017	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	2,191	4,586	0.85	0.86	0.01
Indus Motor Company Limited	3,369	-	-	500	2,869	579	2,696	4,566	0.84	0.86	0.00
Millat Tractors Limited	4,043	1,000	-	200	4,843	2,042	2,766	6,375	1.18	1.19	0.01
Pak Suzuki Motor Company Limited (Note 6.4)	4,670	250	-	200	4,720	385	1,809	2,926	0.54	0.55	0.01
						4,405	**9,462**	**18,453**			
AUTOMOBILE PARTS & ACCESSORIES											
Thal Limited (Face value Rs. 5/- each)	7,021	-	-	50	6,971	813	1,973	3,694	0.68	0.69	0.00
						813	**1,973**	**3,694**			
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited	45,375	12,000	-	3,600	53,775	3,198	3,584	4,952	0.92	0.93	0.06
						3,198	**3,584**	**4,952**			
CEMENT											
Attock Cement Pakistan Limited	-	500	-	-	500	171	171	170	0.03	0.03	0.00
Bestway Cement Limited	-	6,000	-	1,000	5,000	1,331	1,332	1,401	0.26	0.26	0.00
Cherat Cement Company Limited	25,796	-	-	4,000	21,796	1,154	2,606	4,168	0.77	0.78	0.02
D.G. Khan Cement Company Limited (Note 6.4)	52,387	5,000	-	4,000	53,387	3,086	10,313	12,407	2.30	2.32	0.01
Fauji Cement Company Limited	169,850	13,000	-	23,000	159,850	2,008	5,805	6,822	1.26	1.28	0.12
Kohat Cement Company Limited	10,500	-	-	1,000	9,500	1,167	2,488	2,502	0.46	0.47	0.01
Lucky Cement Limited (Note 6.4)	29,183	1,800	-	2,750	28,233	5,730	18,681	23,642	4.37	4.43	0.01
Maple Leaf Cement Factory Limited (Note 6.4)	51,000	7,400	-	5,500	52,900	2,099	5,711	6,563	1.21	1.23	0.01
Pioneer Cement Limited	27,500	500	-	1,900	26,100	1,765	2,809	3,732	0.69	0.70	0.02
						18,511	**49,916**	**61,407**			
CHEMICAL											
Colgate Palmolive (Pakistan) Limited	1,016	-	-	-	1,016	324	1,550	2,093	0.39	0.39	0.00
ICI Pakistan Limited (Note 6.4)	2,838	200	-	-	3,038	619	1,469	3,390	0.63	0.64	0.00
						943	**3,019**	**5,483**			
CLOSE - END MUTUAL FUND											
PICIC Growth Fund	56,012	-	-	-	56,012	937	1,333	1,955	0.36	0.37	0.02
						937	**1,333**	**1,955**			

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 during the period	Disposed during the period	Holding at the period end 31 Mar 2017	Cost as of the period ended 31 Mar 2017	Carrying value (before revaluation as of the period ended 30 June 2016)	Market value as of 31 Mar 2017	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 ----------		
COMMERCIAL BANKS											
Allied Bank Limited	38,862	-	-	1,700	37,162	2,245	3,343	3,493	0.65	0.65	0.00
Askari Bank Limited	86,313	-	-	5,500	80,813	1,175	1,510	1,632	0.30	0.31	0.01
Bank Al Habib Limited (Note 6.4)	163,332	13,000	-	19,000	157,332	4,499	6,904	8,425	1.56	1.58	0.01
Bank Al-Falah Limited (Note 6.4)	153,305	16,000	-	8,500	160,805	2,556	4,263	5,811	1.08	1.09	0.01
Faysal Bank Limited	89,952	-	8,545	-	98,497	605	1,179	1,970	0.36	0.37	0.01
Habib Bank Limited (Note 6.4)	149,983	12,200	-	18,000	144,183	27,036	29,341	38,873	7.19	7.28	0.01
Habib Metropolitan Bank Limited	105,568	-	-	4,000	101,568	2,057	2,881	3,208	0.59	0.60	0.01
MCB Bank Limited (Note 6.4)	101,228	7,500	-	12,000	96,728	15,574	21,454	21,996	4.07	4.12	0.01
Meezan Bank Limited	21,032	11,000	-	-	32,032	993	1,654	2,290	0.42	0.43	0.00
National Bank of Pakistan (Note 6.4)	114,738	8,500	-	10,000	113,238	4,471	6,716	8,455	1.56	1.58	0.01
Soneri Bank Limited (Note 6.4)	68,447	7,500	-	3,000	72,947	562	1,034	1,167	0.22	0.22	0.01
Standard Chartered Bank (Pakistan) Limited	41,098	-	-	250	40,848	327	974	1,040	0.19	0.19	0.00
The Bank Of Punjab	140,159	-	-	-	140,159	1,444	1,127	2,024	0.37	0.38	0.03
United Bank Limited (Note 6.4)	111,329	8,700	-	13,300	106,729	15,388	19,441	24,295	4.50	4.55	0.01
						78,932	**101,821**	**124,679**			
ENGINEERING											
Crescent Steel & Allied Products Limited (Note 6.4)	-	8,500	-	-	8,500	1,327	1,327	2,128	0.39	0.40	0.01
International Steels Limited (Note 6.4)	40,500	1,500	-	4,000	38,000	771	1,446	4,900	0.91	0.92	0.01
						2,098	**2,773**	**7,028**			
FERTILIZER											
Arif Habib Corporation Limited	28,437	-	-	-	28,437	780	1,122	1,217	0.23	0.23	0.01
Dawood Hercules Corporation Limited (Note 6.4)	72,996	8,900	-	6,500	75,396	4,955	11,264	9,991	1.85	1.87	0.02
Engro Corporation Limited	59,474	4,100	-	7,000	56,574	7,870	18,853	20,820	3.85	3.90	0.03
Engro Fertilizer Limited (Note 6.4)	75,575	69,700	-	11,500	133,775	9,489	8,908	8,382	1.55	1.57	0.01
Fatima Fertilizer Company Limited	91,234	9,000	-	6,500	93,734	2,419	3,192	3,655	0.68	0.68	0.00
Fauji Fertilizer Bin Qasim Limited (Note 6.4)	73,951	3,000	-	4,500	72,451	2,465	3,842	3,784	0.70	0.71	0.01
Fauji Fertilizer Company Limited	158,850	11,700	-	19,000	151,550	14,006	17,376	15,701	2.91	2.94	0.01
						41,984	**64,557**	**63,550**			
FOOD & PERSONAL CARE PRODUCTS											
Engro Foods Limited	24,691	7,500	-	15,517	16,674	1,597	2,774	2,709	0.50	0.51	0.00
Murree Brewery Company Limited	2,317	-	-	-	2,317	323	1,432	1,784	0.33	0.33	0.01
National Foods Limited (Face value of Rs. 5/- each) (Note 6.4)	10,000	500	-	350	10,150	2,125	2,850	3,417	0.63	0.64	0.01
Nestle Pakistan Limited (Note 6.4)	1,009	-	-	20	989	4,621	7,220	8,995	1.66	1.69	0.00
Rafhan Maize Products Co. Limited	112	-	-	60	52	135	375	385	0.07	0.07	0.00
						8,801	**14,651**	**17,290**			

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 during the period	Disposed during the period	Holding at the period end 31 Mar 2017	Cost as of the period ended 31 Mar 2017	Carrying value (before revaluation as of the period ended 30 June 2016)	Market value as of 31 Mar 2017	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		
GLASS & CERAMICS											
Ghani Glass Mills Limited	14,070	-	-	-	14,070	935	1,328	1,767	0.33	0.33	0.01
						935	**1,328**	**1,767**			
INSURANCE											
Adamjee Insurance Company Limited (Note 6.4)	55,240	6,000	-	3,000	58,240	1,699	3,068	4,405	0.82	0.83	0.02
EFU General Insurance Limited	25,437	1,500	-	1,000	25,937	1,268	3,089	4,493	0.83	0.84	0.02
EFU Life Assurance Limited	7,184	-	-	7,184	-	-	-	-	0.00	0.00	0.00
IGI Insurance Limited	8,797	-	-	1,000	7,797	524	1,488	2,811	0.52	0.53	0.01
IGI Life Insurance Limited	-	1,000	-	1,000	-	-	-	-	0.00	0.00	0.00
Jubilee General Insurance Company Limited	8,144	-	-	-	8,144	235	814	957	0.18	0.18	0.01
Jubilee Life Insurance Company Limited	3,100	-	247	500	2,847	814	1,303	1,993	0.37	0.37	0.00
						4,540	**9,762**	**14,659**			
INV. BANKS / INV. COS. / SECURITIES COS.											
Jahangir Siddiqui & Company Limited	59,203	-	-	-	59,203	661	1,172	1,569	0.29	0.29	0.01
						661	**1,172**	**1,569**			
JUTE											
Associated Services Limited	150	-	-	150	-	-	-	-	0.00	0.00	0.00
Crescent Jute Products Limited	-	1,000	-	-	1,000	6	6	6	0.00	0.00	0.00
						6	**6**	**6**			
LEASING COMPANIES											
Orix Leasing Pakistan Limited	8,570	-	-	-	8,570	548	424	420	0.08	0.08	0.01
						548	**424**	**420**			
LEATHER & TANNERIES											
Bata Pakistan Limited	377	-	-	-	377	192	1,537	1,655	0.31	0.31	0.00
Service Industries Limited (Note 6.4)	1,288	-	-	100	1,188	977	1,050	1,743	0.32	0.33	0.01
						1,169	**2,587**	**3,398**			
MISCELLANEOUS											
Pakistan Services Limited (Note 6.4)	6,200	-	-	-	6,200	1,917	4,183	5,822	1.08	1.09	0.02
Shifa International Hospital Limited	3,454	1,000	-	-	4,454	622	1,340	1,178	0.22	0.22	0.01
						2,539	**5,523**	**7,000**			
MODARABAS											
Allied Rental Modaraba (Note 6.4)	11,500	-	-	-	11,500	443	265	277	0.05	0.05	0.01
						443	**265**	**277**			

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 during the period	Disposed during the period	Holding at the period end 31 Mar 2017	Cost as of the period ended 31 Mar 2017	Carrying value (before revaluation as of the period ended 30 June 2016)	Market value as of 31 Mar 2017	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 ------------		
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited	4,681	350	-	250	4,781	561	4,365	7,269	1.34	1.36	0.01
Oil and Gas Development Company Limited (Note 6.2)	146,437	9,000	-	15,700	139,737	17,328	19,517	20,724	3.83	3.88	0.00
Pakistan Oilfields Limited (Note 6.4)	24,579	1,000	-	1,900	23,679	8,004	8,413	10,538	1.95	1.97	0.01
Pakistan Petroleum Limited	109,224	7,700	-	12,600	104,324	11,319	16,386	16,161	2.99	3.03	0.01
						37,212	**48,681**	**54,692**			
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited (Note 6.4)	4,450	-	-	800	3,650	1,039	1,597	2,317	0.43	0.43	0.00
Hascol Petroleum Limited (Note 6.4)	9,500	4,000	-	400	13,100	2,302	2,685	3,929	0.73	0.74	0.01
Pakistan State Oil Company Limited (Note 6.4)	28,656	1,700	-	3,000	27,356	5,158	10,347	11,586	2.14	2.17	0.01
Shell Pakistan Limited (Note 6.4)	4,751	-	-	-	4,751	469	1,379	3,099	0.57	0.58	0.01
Sui Northern Gas Pipelines Limited (Note 6.4)	40,670	9,000	-	1,000	48,670	1,405	2,155	6,949	1.29	1.30	0.01
Sui Southern Gas Company Limited	57,343	-	-	515	56,828	978	1,564	2,099	0.39	0.39	0.01
						11,351	**19,727**	**29,979**			
PAPER & BOARD											
Cherat Packaging Limited	4,000	-	-	-	4,000	1,217	1,367	1,186	0.22	0.22	0.01
Packages Limited	7,039	-	-	250	6,789	1,524	4,319	5,893	1.09	1.10	0.01
						2,741	**5,686**	**7,079**			
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited	4,465	4,550	-	4,500	4,515	3,499	3,652	4,242	0.78	0.79	0.00
Ferozsons Laboratories Limited	2,200	350	-	-	2,550	2,129	2,638	1,436	0.27	0.27	0.01
GlaxoSmithKline Pakistan Limited	11,273	-	-	200	11,073	603	2,293	2,498	0.46	0.47	0.00
GlaxoSmithKline Consumer Healthcare Pakistan Limited (Note 6.3)	3,231	-	-	-	3,231	-	32	281	0.05	0.05	0.03
The Searle Company Limited	10,916	3,300	2,876	850	16,242	3,867	7,463	10,264	1.90	1.92	0.03
						10,098	**16,078**	**18,721**			
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited	164,241	15,500	-	17,000	162,741	8,936	19,693	21,329	3.95	4.00	0.01
K-Electric Limited. (Face value Rs. 3.5/- each)	614,148	20,000	-	35,000	599,148	3,260	4,856	4,901	0.91	0.92	0.00
Kot Addu Power Company Limited (Note 6.4)	96,779	12,000	-	7,000	101,779	6,687	9,013	8,164	1.51	1.53	0.01
Lalpir Power Limited	33,000	-	-	33,000	-	-	-	-	0.00	0.00	0.00
Nishat Chunian Power Limited (Note 6.4)	38,665	-	-	200	38,465	944	2,022	1,846	0.34	0.35	0.01
Nishat Power Limited (Note 6.4)	34,070	2,000	-	1,500	34,570	759	1,755	1,765	0.33	0.33	0.01
Pakgen Power Limited	38,000	-	-	38,000	-	-	-	-	0.00	0.00	0.00
Saif Power Limited	39,500	-	-	-	39,500	1,157	1,186	1,296	0.24	0.24	0.01
						21,743	**38,525**	**39,301**			

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 during the period	Disposed during the period	Holding at the period end 31 Mar 2017	Cost as of the period ended 31 Mar 2017	Carrying value (before revaluation as of the period ended 30 June 2016)	Market value as of 31 Mar 2017	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 ------------		
REAL ESTATE INVESTMENT TRUST											
Dolmen City REIT	120,000	-	-	-	120,000	1,245	1,296	1,344	0.25	0.25	0.01
						1,245	**1,296**	**1,344**			
REFINERY											
Attock Refinery Limited (Note 6.4)	7,219	500	-	300	7,419	1,138	2,091	3,330	0.62	0.62	0.01
National Refinery Limited	5,443	450	-	400	5,493	1,317	2,640	3,916	0.72	0.73	0.01
						2,455	**4,731**	**7,246**			
SUGAR & ALLIED INDUSTRIES											
JDW Sugar Mills Limited (Note 6.4)	6,650	-	-	800	5,850	641	2,276	3,123	0.58	0.59	0.01
						641	**2,276**	**3,123**			
SYNTHETICS AND RAYON											
Ibrahim Fibres Limited	3,000	-	-	-	3,000	216	170	237	0.04	0.04	0.00
						216	**170**	**237**			
TECHNOLOGY & COMMUNICATION											
Hum Network Limited (Face value of Rs. 1/- each)	96,100	32,000	-	8,500	119,600	810	1,303	1,483	0.27	0.28	0.01
Pakistan Telecommunication Company Limited "A"	127,017	-	-	-	127,017	1,451	1,909	2,054	0.38	0.38	0.00
TRG Pakistan Limited	103,355	-	-	3,500	99,855	3,103	3,350	5,200	0.96	0.97	0.03
						5,364	**6,562**	**8,737**			
TEXTILE COMPOSITE											
Kohinoor Textile Mills Limited	48,128	-	-	2,000	46,128	1,331	3,692	5,166	0.96	0.97	0.04
Nishat (Chunian) Limited	26,330	-	-	500	25,830	877	915	1,565	0.29	0.29	0.01
Nishat Mills Limited (Note 6.4)	39,847	-	-	1,500	38,347	2,209	4,138	6,335	1.17	1.19	0.01
						4,417	**8,745**	**13,066**			
TEXTILE SPINNING											
Indus Dyeing & Manufacturing Company Limited	550	-	-	-	550	514	285	402	0.07	0.08	0.00
						514	**285**	**402**			
TEXTILE WEAVING											
Feroze 1888 Mills Limited (Note 6.4)	20,500	16,700	-	33,200	4,000	1,366	1,211	528	0.10	0.10	0.01
						1,366	**1,211**	**528**			
TOBACCO											
Pakistan Tobacco Company Limited (Note 6.4)	2,640	140	-	40	2,740	372	3,441	4,150	0.77	0.78	0.00
Philip Morris (Pakistan) Limited	-	580	-	-	580	974	974	1,573	0.29	0.29	0.00
						1,346	**4,415**	**5,723**			

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 during the period	Disposed during the period	Holding at the period end 31 Mar 2017	Cost as of the period ended 31 Mar 2017	Carrying value (before revaluation as of the period ended 30 June 2016)	Market value as of 31 Mar 2017	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		
TRANSPORT											
Pakistan International Bulk Terminal Limited (Note 6.4)	156,075	14,500	-	17,673	152,902	4,445	4,920	4,335	0.80	0.81	0.02
Pakistan International Bulk Terminal Limited (LoR)	-	-	26,446	26,446	-	-	-	-	0.00	0.00	0.00
Pakistan International Container Terminal Limited (Note 6.4)	4,900	-	-	1,300	3,600	1,180	1,211	1,458	0.27	0.27	0.00
						5,625	**6,131**	**5,793**			
VANASPATI & ALLIED INDUSTRIES											
Punjab Oil Mills Limited	300	-	-	-	300	80	80	102	0.02	0.02	0.01
						80	**80**	**102**			
WOOLLEN											
Bannu Woollen Mills Limited	500	-	-	-	500	24	27	37	0.01	0.01	0.01
						24	**27**	**37**			
Total as at 31 Mar 2017						**277,901**	**438,782**	**533,697**			
Total as at 30 June 2016						**263,505**	**439,585**	**441,698**			

6.2 These include 100,000 shares having market value of Rs. 14.83 million of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan Limited as on 31 March 2017.

6.3 Glaxo Smith Kline Pakistan Limited Demerger took place on 11 April 2016 into Glaxo Smith Kline Pakistan Limited and GlaxoSmithKline Consumer Healthcare Pakistan Limited into 3:10 ratio

6.4 These investments held by the Fund exceeded the maximum limit prescribed by the regulation 55(6) of the NBFC regulations. Arrangements are being made to adjust these investments with the weight prescribed in the NBFC regulations.

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

		31 March 2017 (Unaudited)	30 June 2016 (Audited)
		(Rupees in '000)	
Balance as of 1 July 2016		**178,193**	186,425
Unrealised appreciation in the value of investments during the period		**94,915**	2,113
Gain / (loss) recognized in the income statement on sale - net		**(17,312)**	(10,345)
Balance as of period / year end recognised directly in the unit holders' fund		**255,796**	178,193

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		**192**	200
Sindh Sales Tax on Management remuneration	*7.1*	**45**	43
Federal Excise Duty on Management remuneration	*7.2*	**1,357**	1,357
Allocated expenses by the Management Company	*7.3*	**181**	36
Payable to Management Company against expenses		**76**	76
Sind Sales Tax on Trustee Fee		**12**	10
Withholding tax payable		**7**	2,833
Zakat Payable		**95**	95
Other Liabilities		**315**	408
		2,280	5,058

7.1 During the period, an amount of Rs. 0.37 million was charged on account of sales tax on Management fee levied through Sindh Sales Tax on Services Act, 2011 and 0.10 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 0.045 million and on trustee remuneration & CDS charges amounting Rs 0.012 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 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED was not justified.

On September 04, 2013, a constitutional petition was filed in Sindh High Court (SHC) jointly by various asset management companies, together with Collective Investment Schemes through their trustees, challenging the levy of FED.

The SHC vide its Order dated June 30, 2016 has disposed of the petition by referring its judgment dated June 02, 2016 whereby it rendered the FED on certain services to be 'Ultra Vires' in the presence of Sindh Sales Tax Act 2011. However, the Federal Board of Revenue (FBR) has filed an appeal in the Supreme Court of Pakistan against this judgment of the SHC.

Further, the Federal Government vide Finance Act 2016 has excluded asset management companies and other non-banking finance companies from charge of FED on their services.

In view of the abovementioned facts and the pending decision by the Supreme Court of Pakistan, the Management Company has not made any further provision for FED in the books of accounts of the Fund with effect from July 1, 2016 and decided to retain the provision for FED already made in the books of accounts of the Fund which aggregated to Rs. 1.357 million as at December 31, 2016. (June 30, 2016: Rs. 1.357 million). Had this provision not been made, the NAV of the Fund would have been higher by Re. 0.045 per unit.

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 million is charged and Rs million payable is related to reimburseable expnese as per regulation 60.

8 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the current period ended March 31, 2017 is 1.22% which includes 0.3% representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations.

9. REVERSAL OF WORKERS' WELFARE FUND AND PROVISION FOR SINDH WORKERS' WELFARE FUND

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

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

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

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

"In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds. MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and

- the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, the provision for SWWF is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds. Accordingly, the Fund has recorded these adjustments in its books on 12 January 2017.

Had the SWWF provision not been made, the NAV of the Fund would have been higher by Re. 0.046 per unit.

10. CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments at the March 31, 2017 and June 30, 2016.

11. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I 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. 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 has not recorded any tax liability in respect of the income relating to current period as the management intends to distribute at least 90% of the income earned by the year ending 30 June 2017 as reduced by capital gains (whether realised or unrealised) 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.

12. 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, associated companies of the Management Company / holding company of the management company and other associates, 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 31 March 2017. 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.

	For the nine months period ended	
12.1 Transactions during the period	**31 March 2017 (Un-audited)**	31 March 2016 (Un-audited)
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration	**2,843**	2,244
Sindh Sales tax on Management Company's Remuneration*	**370**	364
Reimbursable expenses	**379**	73
Federal excise duty on Management Company's Remuneration*	**-**	359
Sales Load	**48**	4

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

AKD Securities Limited - Brokerage House		
Commission expenses	**10**	6
AKD Investment Management Limited Staff Provident Fund		
Issue of units : 275,248 (2016: 512,876) units	**5,003**	7,100
Redemption of units - 541,400 (2016: 255,093) units	**9,379**	3,647
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	**758**	598
Central Depository Service charges	**11**	7
Sindh Sales Tax on Trustee Fee and CDS Charges	**100**	85

12.2 Balances outstanding at the period end / year end	31 March 2017 (Unaudited)	30 June 2016 (Audited)
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration payable	349	267
Allocated expenses by management company payable	181	36
Sindh sales tax payable on Management Company`s remuneration*	45	43
Federal Excise Duty payable on Management Company`s remuneration*	1,357	1,357
Sales Load payable	23	-
Payable to Central Depository Company of Pakistan - Trustee		
Remuneration payable	92	70
Security deposit	100	100
CDS charges payable	1	1
Sales tax CDS charges & Trustee Fee payable	12	10

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

Mr. Aqeel Karim Dhedhi - Chairman of the Group		
Units outstanding - 390 (30 June 2016: 390) units	7	6
AKD Investment Management Limited Staff Provident Fund		
Units outstanding : Nil (30 June 2016: 266,152) units	-	3,793
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)		
Units outstanding : 27,607,443 units (91.39% of the total units in issue as at the period end) {(30 June 2016: 27,607,443 units) 87.14% of the total units in issue as at year end}	493,897	393,406
AKD Securities Limited - Brokerage House		
Brokerage payable	-	4

13 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13 has not affected the condensed interim financial information.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyse financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	As at March 31, 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	(Rupees in '000)			
Investment in securities - Available for sale				
- Listed Equity securities	**533,697**	**-**	**-**	**533,697**
	533,697	**-**	**-**	**533,697**

	As at June 30, 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	(Rupees in '000)			
Investment in securities - Available for sale				
- Listed Equity securities	441,698	-	-	441,698
	441,698	-	-	441,698

14. GENERAL

14.1 This condensed interim financial information is unaudited

14.2 This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest of rupees.

15 DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorised for issue on 27 April 2017 by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon	**Imran Motiwala**
Chairman	Chief Executive Officer

Printed by : Kodwavi 32214433

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

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

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

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