Funds Managed by:

AKD Investment Management Ltd.

3rd Quarter Report
March 31, 2014
(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.

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CORPORATE INFORMATION

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Abdul Karim Memon*

Director & Chief Executive Officer
Mr. Imran Motiwala

Directors
Mr. Ali Wahab Siddiqui*
Mr. M. Ramzan Sheikh
Mr. Hasan Ahmed*
Mr. Ahmed Abdul Sattar*
Mr. Nadeem Saulat Siddiqui

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Mr. Abdul Qadir Sultan

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

Mr. M. Ramzan Sheikh (Chairman)
Mr. Hasan Ahmed (Member)
Mr. Ali Wahab Siddiqui (Member)
Mr. Abdul Qadir Sultan (Secretary)

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR & R)

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

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

* Approval pending from SECP.

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited, the Management Company of **AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF)** and **AKD Aggressive Income Fund (AKDAIF)** is pleased to present its interim report along with the Funds' accounts for the 3rd Quarter ended March 31, 2014.

Funds' Financial Performance

AKD Opportunity Fund (AKDOF)

For the nine months period of FY14, the return of AKD Opportunity Fund stood at 41.46% compared to the benchmark KSE-100 index return of 29.30%, thus outperforming the benchmark by 12.16%.

AKD Index Tracker Fund (AKDITF)

For the nine months period of FY14, the return of AKD Index Tracker Fund stood at 25.68% compared to the benchmark KSE-100 index return of 29.30%, thus underperforming the benchmark by 3.62%.

AKD Cash Fund (AKDCF)

For the nine months period of FY14, the annualized return of AKD Cash Fund stood at 8.52% compared to the benchmark return of 8.33%, thus outperforming the benchmark by 0.19%.

AKD Aggressive Income Fund (AKDAIF)

For the nine months period of FY14, the annualized return of AKD Aggressive Income Fund stood at 4.76% compared to the benchmark return of 10.06%, thus underperforming the benchmark by 5.3%.

Macro Perspective

During the 3rd Quarter of FY14, major improvements were witnessed in the overall macro economic conditions of the country. Since coming into power, the new Government has taken numerous steps to bring the country's economy back on track as some of their economic reform initiatives have started to reap benefits to the broader economy. The security situation remained better during the quarter due to a ceasefire for one month from both sides subsequent to initiation of negotiations between the Government and Taliban. However, no conclusion has as yet been agreed upon and negotiations continue.

The most crucial development during the quarter has been the improved foreign reserves position, which at March 31, 2014 stood at USD 10.074 billion, an increase of 21.18% during the quarter. This was due to USD 1.5 billion assistance provided by Saudi Arabia coupled with the release of another tranche of USD 555.6 million by IMF from its USD 6.8 billion support program approved in September 2013. The FX position is expected to improve further in the coming months as the Government has raised USD 2 billion from the sale of sovereign Eurobonds issued in the beginning of April. Furthermore, the auction of 3G & 4G licenses scheduled in the month of April will propel the foreign reserves further.

On the back of improved FX position, the Pakistani Rupee has, against all expectations, appreciated by an unprecedented 8.32% against the US Dollar since the beginning of the current year. This appreciation has, on one hand, appeased the general public welcoming a decline in inflationary pressures but on the other hand, casting doubts over the benefits the textile sector will be able to derive from export primarily from the GSP Plus status gained recently.

The Consumer Price Index (CPI)-based inflation increased by 8.53% for the period ended March 2014, driven by higher prices of food items and reversing a decline over the previous three months. The State Bank of Pakistan prudently decided to keep the discount rate unchanged at 10% even though some market participants were expecting a cut in the discount rate due to improved current account balance position and better macroeconomic conditions.

Reviews conducted by both the World Bank (WB) and the International Monetary Fund (IMF) at the beginning of April 2014 brought relief to the Government as both institutions were satisfied with the pace of progress of economic development and raised their expectations of GDP growth for FY14. IMF predicted a GDP growth rate of 3.2% whereas WB has increased its GDP forecast from 3.4% to 4%. It is worth mentioning here that the government GDP target is 4.4%. This review helps build the investors' confidence witnessing improved investment activity going forward.

The trade deficit fell to USD 13.931 billion for 9MFY14 from USD 14.740 billion in the corresponding period last year, narrowing the deficit by 5%. The export proceeds witnessed a growth of over 6% while imports witnessed a growth of less than 1% during the period under review over the same period last year. Pakistan's current account deficit till February 2014 swelled to over USD 2 billion as opposed to a deficit of USD 831 million in July-February of 2012-13. Shown as a percentage of the Gross Domestic Product (GDP), the current account deficit widened to 1.2% in July-February as opposed to 0.5% in the same period last year. On the other hand, an impressive growth of over 6% in Large Scale Manufacturing (LSM) has been recorded during seven months (July-January) of the current financial year which shows that the business environment of the country is improving and businesses are willing to invest for the longer term. This sector growth is important as industrial sector has a 20.9% share in Pakistan GDP while LSM being a sub-sector of manufacturing has 10.6% share. On the other hand, credit to private sector has shown an increase of 9.47% from June 2013, implying that banks are painstakingly slowly but gradually lending money to the private sector as well.

The Government is going all out to address the infrastructural problems plaguing the country and impeding growth. The energy crisis is the biggest issue impacting both the common man and industries alike and the Government has started focusing all its resources into addressing this issue. Numerous new mega energy projects are being planned and the finances for those have been secured, Dasu power plant being one of them. Renewed efforts are being made to improve the energy mix by adding coal based plants and wind power plants.

Equity Market

Oil and gas sector witnessed major rally during the quarter as investors' interest increased due to impeding privatization of Government stakes in OGDCL. Textile and Banking sectors also remained in the limelight due to USD depreciation and aggressive participation by banks in PIBs auction. Top performing sectors during the quarter included Technology Hardware & Equipment (206.1%), Tobacco (141.95%), Household Goods (74.23%) and Beverages (62.12%). On the contrary, Electric and Electrical Goods (-6.03%), Health Care Equipment & Services (-12.15%) and Software & Computer Services (-14.76%) were the major losers during the quarter.

Money Market

Money market during the 3rd quarter of the year remained illiquid due to excessive Government borrowing which resulted in crowding out effect. Record participation was witnessed in the Government bond auctions held during this quarter. During the January 2014 auction of PIBs, the State Bank accepted bids of PKR 199.6 billion against the bids of PKR 204.6 billion. In the auction of PIBs conducted in February 2014, SBP received bids of PKR 279 billion against a target of PKR 60 billion, and accepted PKR 279 billion. The same case was observed in the PIB auction held in the month of March, target was set at PKR 60 billion while bids received were of PKR 543 billion. The State Bank accepted PKR 532 billion creating an acute shortage of liquidity in the market. Almost a similar scenario was witnessed in the auctions of T-bills held by SBP. Interestingly, participation was higher in the longer tenure bonds of 10 and 15 years as they offered higher yields.

The central bank had to conduct open market operations in both the months to alleviate the liquidity crunch. This record breaking participation by the market participants demonstrates increased confidence in the future of the country and stability in the interest rate scenario.

Future Outlook

Going forward, the macro outlook is expected to be stable to positive with foreign institutional inflows to remain forefront drivers of the market. While the index continues to touch new highs, in terms of valuations it is still far from its record P/E multiples. In the last quarter of the fiscal year, two major developments are expected which will further improve the foreign reserves situation of the country and strengthen PKR. These developments include the long awaited auction of 3G & 4G licenses and the initiation of the privatization of Government entities in line with the IMF agreement. An unprecedented overwhelming response from the global community for Pakistan's Eurobond offer endorses our point of view of foreign appetite for Pakistani securities and further priority on resolving overall law & order situation and social issues and underlying commitment to reforms warrants an eventual positive re-rating of Pakistan.

The renewed efforts of Government to resolve the energy crisis by investing heavily in mega energy projects are expected to reap benefits in the near future thus curing the biggest problem impeding the overall economic progress of the country. Resolution of this crisis will, on one hand, increase the productivity of the firms thus improving their profitability and on the other hand it will reduce the import bill of the country leading to improved foreign reserve position.

The Pakistani market is still trading at very low multiples as compared to its regional peers and with the improving economic outlook; the index is expected to continue to move to new highs. We will continue to strive to provide better returns in line with the improving fundamentals of the broader economy.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: April 21, 2014

AKD Index Tracker Fund
Financial Information - Third Quarter FY14

Contents

AKD Index Tracker Fund

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

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

BANKERS
Bank Alfalah Limited
Bank Al-Habib Limited
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

AKD Index Tracker Fund is an open-end scheme investing in equity securities of KSE-100.

Investment Objective

The Objective of the Index Tracker Fund is to track the return of the KSE-100 Index with up to 85% accuracy, providing investors with a high quality, in-depth diversification instrument.

Strategy Investment Policy and Asset Allocation

The performance of AKD Index Tracker Fund is linked directly to the performance to KSE-100 Index. The Fund Manager of AKD Index Tracker Fund manages the fund with aim to closely track the returns of the KSE -100 Index. The Fund Manager attempts to completely mirror the weightages of the respective stock of the Index. Hence, this is a passively style managed portfolio.

Economy

The quarter continued to exceed expectations of the broader market. To everyone's surprise, the Government was able to generate foreign funds inflow to meet targets as defined in the agreement signed between the IMF and the Government. The Government's efforts were not just concentrated in increasing the foreign exchange reserves, they also continued their efforts to resolve the energy crisis including the gas and electricity shortfalls and eradicating the menace of insurgency.

The Government has taken concrete steps towards addressing energy shortfalls and in this regard mega long-term projects have been announced and construction work on quite a few projects have already commenced.

Government seems all set to address the menace of insurgency and in this regard committees have been formed on both sides to harness continuing peace in the country.

The Government has continued to work on building foreign exchange reserves and in this regard the Government was able to generate support of USD 1.5 billion from friendly countries, while after a gap of seven years the Government was able to float USD 1 billion Eurobond of 5 and 10 years each. The Government expects to get further inflows of USD 1.2 billion from the auction of 3G and 4G licenses and another USD 800 million from Etisalat as underlying properties the center of the dispute is expected to be amicably resolved. This is in addition to the inflows that have already resulted in the Foreign Exchange Reserves to reach USD 10.074 billion as of March 2014 from USD 11.019 billion as at the start of the current fiscal year and a low of USD 7.988 billion as at January 2014.

Other economic factors have also contributed in boosting up investor's confidence in the Pakistani capital markets including the recent growth in the large scale manufacturing sector and increase in private sector credit. On the other hand, unprecedented participation by banks and corporates in longer tenor papers via Pakistan Investment Bonds would indicate imminent liquidity issues in the short-term and less availability for the private sector going forward. When we talk about a country's balance of payment problems it is important to understand that if something can help the country maintain its position, it has to be reliance on a continuous financial inflow rather than one-off grants like those received from Saudi Arabia and loan tranches from the IMF. Needless to say, economic independence will be more achievable when our energy needs are self-reliant.

Even though the increased foreign reserves have resulted in an appreciation of the rupee against the dollar by 8.32% in the first three months of 2014 alone, this is not a welcoming news for the export sector as the rising rupee would make our exports expensive, thereby stopping the country from reaping the benefits that it planned to obtain from the grant of the GSP Plus status. On the contrary, the same would ensure inflation is kept in check and the general public enjoys stability in prices as compared to constant price hikes.

Under the period in concern, Pakistan's economic performance was praised by both the IMF and the World Bank in their reviews of the Country's performance. Such good was the performance that both these supranational bodies increased their expectations of GDP growth of the country. Worth mentioning here is the fact that the Pakistani Government's GDP target for FY14 stood at 4.4% whereas IMF's target was 3.2% and World Bank's 4%.

As far as the money market is concerned, a fundamental shift was witnessed in the recent PIB auction where investors shifted their positions from investing in short term T-Bills to long term Pakistan Investment Bonds. This was majorly a result of contained inflation along with improvement in the overall market sentiment. This would also help Government in its long-term planning where the Government would not need to worry for refinancing in the short-term.

Equity Market Performance

In 3QFY14, a major rally was observed in the oil and gas sector as investors' attention increased towards the sector owing to impeding privatization of Government's stakes in OGDCL. Textile and Banking sectors additionally stayed in the limelight owing to USD depreciation. Top performing sectors across the quarter included Technology Hardware & Equipment (206.1%), Tobacco (141.95%), Household Goods (74.23%) and Beverages (62.12%). On the contrary, Electronic & Electrical Goods (-6.03%), Health Care Equipment & Services (-12.15%) and Software & Computer Services (-14.76%) were the main losers during the quarter.

Future Outlook

As we look ahead, KSE is anticipated to perform well with major dependence being on the strategy of foreign institutional investors. Even though the Index is at the peak of its performance, there still remains a lot to be extracted out of it as it is still trading at multiples which are far below from its regional peers. The major factors that would determine the direction of the KSE-100 Index in the coming quarters include, but are not limited to, the proceeds from the auction of 3G/4G spectrum and the privatization of State Owned Entities in line with the IMF agreement. However, it is pertinent to mention that the image of Pakistan as an investment destination is improving internationally as record participation was witnessed in Pakistan's first Eurobond issue in over 7 years, mostly from intuitional investors. Security conditions of the country along with lack of infrastructure and energy resources are the only points of concern deterring investors from investing in Pakistan.

With Pakistani stocks trading at multiples way cheaper than its regional counterparts, along with an improving economic outlook, the stage seems to be all set for the KSE-100 Index to reach its all-time high. We expect the KSE to perform better in the future and generate higher returns in line with the improving fundamentals of the economy.

Break down of unit holdings by size:

Range (Units)	No. of Investors
0.1 - 9,999	695
10,000 - 49,999	19
50,000 - 99,999	5
100,000 - 499,999	2
500,000 and above	1
	722

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2014

	Note	(Unaudited) March 31, 2014	(Audited) June 30 2013
		(Rupees in '000')	
ASSETS			
Bank balances	5	**6,864**	17,361
Investments	6	**328,708**	253,172
Receivable against sale of securities		**-**	2,990
Dividend and other receivable		**3,617**	393
Security deposits		**2,600**	2,600
Total Assets		**341,789**	276,516
LIABILITIES			
Remuneration payable to the Management Company	11.2	**215**	176
Remuneration payable to the Trustee	11.2	**59**	57
Annual fee payable to the Securities and Exchange Commission of Pakistan		**222**	217
Accrued expenses and other liabilities	7	**711**	410
Provision for Workers' Welfare fund	8	**2,160**	1,807
Unclaimed dividend		**622**	622
Total Liabilities		**3,989**	3,289
Contigencies and commitments	9		
NET ASSETS		**337,800**	273,227
Unit holders' fund (as per statement attached)		**337,800**	273,227
		.......Number of Units.......	
Number of units in issue		**25,106,586**	21,089,664
		..........(Rupees)........	
Net assets value per unit (face value per unit Rs. 10/-)		**13.45**	12.96

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

	Note	Nine months period ended March 31,		Quarter ended March 31,	
		2014	2013	2014	2013
		----------------(Rupees in '000')----------------			
INCOME					
Gain on sale of 'available for sale investment' - net		**5,187**	29,422	**1,735**	7,624
Dividend income		**14,139**	11,895	**5,508**	6,189
Profit on bank balances		**663**	78	**205**	22
		19,989	41,395	**7,448**	13,835
EXPENSES					
Remuneration to the Management Company		**1,754**	1,216	**620**	423
Remuneration to the Trustee		**525**	525	**172**	172
Annual fee to the Securities and Exchange Commission of Pakistan		**222**	154	**78**	54
Auditors' remuneration		**244**	244	**62**	71
Provision for Workers' Welfare Fund	8	**353**	787	**150**	262
Others		**950**	527	**303**	158
		4,048	3,453	**1,385**	1,140
Net income from operating activities		**15,941**	**37,942**	**6,063**	**12,695**
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed-net		1,342	638	**1,279**	150
Net income for the period before taxation		**17,283**	38,580	**7,342**	12,845
Taxation	10	**-**	-	**-**	-
Net income for the period after taxation		**17,283**	38,580	**7,342**	12,845

The annexed notes from 1 to 13 form an integral part of these condensed interim financial Information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	--------------(Rupees in '000')--------------			
Net income for the period	**17,283**	38,580	**7,342**	12,845
Other comprehensive income for the period				
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	**(2,773)**	(1,136)	**(2,510)**	(322)
Net unrealized appreciation in the value of investments classified as 'available for sale investments'	**57,801**	33,388	**15,133**	6,172
Net appreciation in fair value of 'available for sale' investment transferred to profit and loss account on sale	**(3,289)**	(21,149)	**(937)**	(4,980)
	51,739	11,103	**11,686**	870
Total comprehensive income for the period	**69,022**	49,683	**19,028**	13,715

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	---------------(Rupees in '000')---------------			
Deficit at beginning of the period - realized	**(37,095)**	(77,193)	**(74,869)**	**(61,819)**
Bonus units issued for the year ended June 30, 2013 @ Rs. 2.25 per unit distributed on 08 July 2013	**(47,452)**	(9,547)	**-**	-
(2012 : Bonus units issued for the year ended June 30, 2012 @ Rs. 0.47 per unit distributed on 09 July 2012				
Element of income / (loss) and capital gain / (losses) - net included in prices of units sold less those in units redeemed - amount representing unrealised gain / (loss) that form part of the unit holder's fund	**(2,773)**	(1,136)	**(2,510)**	(322)
Net income for the period	**17,283**	38,580	**7,342**	12,845
	(32,942)	27,897	**4,832**	12,523
Deficit at the end of the period - realized	**(70,037)**	(49,296)	**(70,037)**	(49,296)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

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

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	----------------(Rupees in '000')----------------			
Net assets at beginning of the period	**273,227**	188,660	**323,056**	222,662
Amount received on issue of 5,121,289 units (2013 : 1,338,439 units) *	**8,334**	2,404	**4,748**	-
Amount paid on redemption of 1,104,367 units (2013: 573,136 units)	**(14,214)**	(5,701)	**(10,263)**	(1,005)
	(5,880)	(3,297)	**(5,515)**	(1,005)
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	**(1,342)**	(638)	**(1,279)**	(150)
- amount representing unrealised capital losses / (gains) transferred directly to comprehensive income	**2,773**	1,136	**2,510**	322
	1,431	498	**1,231**	172
Total comprehensive income for the period	**69,022**	49,683	**19,028**	13,715
Net assets at end of the period	**337,800**	**235,544**	**337,800**	**235,544**
	-----------------Rupees-----------------			
Net asset value per unit at beginning of the period	**12.96**	9.29	**12.67**	10.52
Net asset value per unit at end of the period	**13.45**	11.17	**13.45**	11.17

* This includes 4,432,464 (2013: 1,082,757) units issued as bonus units.

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	---------------(Rupees in '000')---------------			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the period	**17,283**	38,580	**7,342**	12,845
Adjustments for:				
Profit on Bank Balances	**(663)**	(78)	**(205)**	(22)
Element of (income) / loss and capital (gains) / losses - net included in prices of units sold less those in units redeemed - net	**(1,342)**	(638)	**(1,279)**	(150)
	15,278	37,864	**5,858**	12,673
Decrease / (increase) in assets				
Investments	**(21,024)**	(29,454)	**(2,484)**	(4,794)
Receivable against sale of investment	**2,990**	-	**3,934**	-
Profit received on bank balances	**711**	75	**219**	12
Dividend and other receivables	**(3,272)**	(4,188)	**(2,757)**	(4,315)
	(20,595)	(33,567)	**(1,088)**	(9,097)
(Decrease) / increase in liabilities				
Remuneration payable to the Management Company	**39**	58	**10**	32
Remuneration payable to the Trustee	**2**	4	**-**	2
Annual fee payable to the Securities and Exchange Commission of Pakistan	**5**	(19)	**78**	54
Payable against purchase of Investment	**-**	-	**(2,921)**	-
Payable against redemption of units	**-**	-	**-**	(6)
Accrued expenses and other liabilities	**301**	(10)	**155**	(108)
Provision for Worker's Welfare Fund	**353**	787	**150**	262
	700	820	**(2,528)**	236
Net cash (used in) / generated from operating activities	**(4,617)**	5,117	**2,242**	3,812
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issuance of units	**8,334**	2,404	**4,748**	-
Amount paid on redemption of units	**(14,214)**	(5,701)	**(10,263)**	(1,005)
Net cash used in financing activities	**(5,880)**	(3,297)	**(5,515)**	(1,005)
Net decrease in cash and cash equivalents during the period	**(10,497)**	**1,820**	**(3,273)**	2,807
Cash and cash equivalents at beginning of the period	**17,361**	1,959	**10,137**	972
Cash and cash equivalents at end of the period	**6,864**	3,779	**6,864**	3,779

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

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 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 (i.e. KSE-100 index), however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subsets during the year based on monthly average investment calculated on daily basis. The 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information for the nine months period ended March 31, 2014 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). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance 1984, the NBFC Rules and the NBFC Regulations have been followed.

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 2013.

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).

2.2 Judgments and estimates

In preparing the condensed interim financial information, the management make judgements, estimates and assumptions that affects 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 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

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 2013.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund.

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 2013.

		(Unaudited) March 31, 2014	(Audited) June 30, 2013
5. BANK BALANCES		**(Rupees in '000)**	
Balances with banks in:			
- profit and loss sharing accounts	5.1	**6,230**	16,723
- current accounts		**634**	638
		6,864	17,361

5.1 These represent profit and loss sharing accounts maintained with various banks carrying mark-up rates ranging from 7.0% to 8.5% (30 June 2013: 8% to 10.5%) per annum.

6. INVESTMENTS			
Investments in securities 'available for sale'			
Listed equity securities	*6.1*	**328,708**	253,172
		328,708	253,172

6.1 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 2013	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at end of the period March 31, 2014	Cost as of the period ended Mar 31, 2014	Market Value / Carrying Value as at March 31, 2014	Percentage in relation to total market value of value of Investment
						(a)	(b)	
	< - - - - - - - - - - - Number of Share			- - - - - - - - - - - >		< - - - Rupees in '000'	- - - - >	
Oil and Gas								
Attock Refinery Limited	7,019	300	-	500	6,819	924	1,506	0.46
National Refinery Limited	5,960	300	-	-	6,260	1,343	1,432	0.44
Attock Petroleum Limited	3,250	-	650	-	3,900	915	2,110	0.64
Pakistan State Oil Company Limited	27,051	1,500	-	1,000	27,551	4,842	11,756	3.58
Shell Pakistan Limited	3,961	-	-	-	3,961	432	1,066	0.32
Mari Petroleum Company Limited	4,354	-	-	-	4,354	275	948	0.29
Oil and Gas Development Company Ltd. - note 6.1 and 6.3	151,522	7,300	-	5,500	153,322	18,289	36,971	11.25
Pakistan Oil Field Limited - note 6.3	25,854	1,200	-	800	26,254	8,600	14,287	4.35
Pakistan Petroleum Limited - note 6.3	81,742	4,600	16,908	3,500	99,750	9,232	22,320	6.79
						44,852	**92,396**	
Chemicals								
Agritech Limited	-	10,000	-	-	10,000	118	114	0.03
Dawood Hercules Corporation Limited	40,046	2,000	-	1,500	40,546	1,416	3,474	1.06
Engro Corporation Limited	60,994	4,000	-	9,400	55,594	5,036	10,367	3.15
Engro Fertilizer Limited	-	5,559	-	-	5,559	-	332	0.10
Fauji Fertilizer Bin Qasim Limited	77,951	4,000	-	3,000	78,951	2,519	3,398	1.03
Fauji Fertilizer Company Limited	167,850	8,300	-	6,900	169,250	15,042	18,760	5.71
ICI Pakistan Limited	3,238	-	-	-	3,238	471	1,177	0.36
Archroma Pakistan Limited	1,690	-	-	-	1,690	230	499	0.15
Lotte Chemical Pakistan Limited	87,452	-	-	-	87,452	615	618	0.19
Arif Habib Corporation Limited	21,437	5,000.00	-	-	26,437	570	725	0.22
Fatima Fertilizer Company Limited	75,434	-	-	-	75,434	1,078	2,375	0.72
			-			**27,095**	**41,839**	
Health Care Equipment & Services								
Shifa International Hospital Limited	2,000	1,400.00	-	-	3,400	268	**377**	0.11
Construction and Materials (Cement)								
Attock Cement Pakistan Limited	4,597	-	689	-	5,286	211	748	0.23
Cherat Cement Company Limited	14,500	-	1,450	-	15,950	726	1,184	0.36
D.G. Khan Cement Company Limited	57,537	3,000	-	2,500	58,037	2,210	5,341	1.62
Fauji Cement Company Limited	175,500	6,000	-	3,500	178,000	1,340	3,042	0.93
Javedan Corporation Limited	2,500	-	-	-	2,500	225	188	0.06
Lafarge Pakistan Limited	94,000	-	-	-	94,000	581	1,047	0.32
Lucky Cement Limited - note 6.3	30,848	1,500	-	1,000	31,348	3,172	9,936	3.02
Kohat Cement Company Limited	-	10,500	-	-	10,500	1,091	1,229	0.37
Maple Leaf Cement Factory Limited	-	43,500	-	-	43,500	1,149	1,280	0.39
						10,705	**23,995**	

Name of the investee	Holding at beginning of the period 1 July 2013	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at end of the period March 31, 2014	Cost as of the period ended Mar 31, 2014	Market Value / Carrying Value as at March 31, 2014	Percentage in relation to total market value of value of Investment
						(a)	(b)	
	<- - - - - - - - - - Number of Share - - - - - - - - - ->					<- - - Rupees in '000' - - - ->		
General Industrials								
Siemens (Pakistan) Engineering Company Limited	578	-	-	60	518	381	648	0.20
Packages Limited	6,917	300	-	1,500	5,717	627	1,965	0.60
Ghani Glass Limited	8,185	-	409	-	8,594	390	475	0.14
Tri-Pack Films Limited	2,079	-	-	-	2,079	377	412	0.13
Thal Limited (Face value Rs. 5/- each)	5,721	1,000	-	-	6,721	513	1,141	0.35
						2,288	**4,641**	
Engineering								
Millat Tractors Limited	3,767	150	376	-	4,293	1,438	2,000	0.61
						1,438	**2,000**	
Industrial Transportation								
Pakistan International Containers Limited	1,238	-	-	-	1,238	97	337	0.10
Pakistan International Bulk Terminal Limited	3,369	-	-	3,369	-	-	-	-
						97	**337**	
Support Services								
TRG Pakistan Limited	84,161	7,000	-	1,000	90,161	**587**	**1,260**	0.38
Automobile and Parts		-						
Agriauto Industries Limited	3,000	-	-	-	3,000	261	213	0.06
Indus Motor Company Limited	4,577	-	-	-	4,577	747	1,826	0.56
Pak Suzuki Motors Company Limited	5,110	-	-	-	5,110	329	1,044	0.32
						1,337	**3,083**	
Food Producers								
Nestle Pakistan Limited	531	-	-	-	531	666	4,472	1.36
Engro Foods Limited	27,300	1,000	-	409	27,891	1,405	3,279	1.00
Rafhan Maize Products Company Limited	95	-	-	-	95	140	865	0.26
National Foods Limited	3,400	-	850	1,000	3,250	886	1,790	0.54
JDW Sugar Mills Limited	7,050	-	-	-	7,050	661	1,340	0.41
						3,758	**11,746**	
Personal Goods (Textile)								
Nishat Mills Limited	41,447	2,500	-	1,500	42,447	2,309	4,947	1.51
Nishat (Chunian) Limited	19,000	-	1,900	-	20,900	728	990	0.30
Azgard Nine Limited	68,000	-	-	-	68,000	514	493	0.15
Kohinoor Textile Mills Limited	-	45,000	-	-	45,000	1,334	1,153	0.35
Bata (Pakistan) Limited	406	-	-	-	406	207	1,111	0.34
Colgate Palmolive (Pakistan) Limited	1,042	-	104	-	1,146	366	1,839	0.56
						5,458	**10,533**	
Household Goods								
Feroze 1888 Mills Limited	-	500	-	-	500	35	35	0.01
						35	**35**	

Name of the investee	Holding at beginning of the period 1 July 2013	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at end of the period March 31, 2014	Cost as of the period ended Mar 31, 2014	Market Value / Carrying Value as at March 31, 2014	Percentage in relation to total market value of value of Investment
						(a)	(b)	
	<- - - - - - - - - - - Number of Share - - - - - - - - - - ->					<- - - Rupees in '000' - - - ->		
Tobacco								
Pakistan Tobacco Company Limited	2,840	-	-	-	2,840	132	3,623	1.10
						132	**3,623**	
Pharma and Bio Tech								
Abbott Laboratories (Pakistan) Limited	4,625	200	-	-	4,825	491	2,022	0.62
GlaxoSmithKline (Pakistan) Limited	10,712	-	-	-	10,712	503	1,742	0.53
						994	**3,764**	
Travel and Leisure								
Pakistan Services Limited	3,400	100	-	-	3,500	718	998	0.30
						718	**998**	
Fixed Line Telecommunication								
Pakistan Telecommunication Limited "A" - note 6.3	139,457	8,000	-	4,000	143,457	1,632	4,385	1.33
Electricity								
Hub Power Company Limited	193,941	19,500	-	4,000	209,441	9,634	11,136	3.39
Kohinoor Energy Limited	16,000	-	-	-	16,000	375	562	0.17
Kot Addu Power Company Limited	304	108,000	-	-	108,304	6,845	6,442	1.96
K-Electric Limited (Face Value Rs.3.5) - note 6.3	661,148	30,000	-	18,000	673,148	3,487	4,335	1.32
Nishat Chunian Power Limited	35,165	2,000	-	1,000	36,165	685	1,305	0.40
Nishat Power Limited	33,630	2,000	-	1,500	34,130	607	1,079	0.33
						21,633	**24,859**	
Multiutilities (Gas and Water)								
Sui Northern Gas Pipelines Limited	29,670	8,000	-	-	37,670	587	844	0.26
Sui Southern Gas Company Limited	41,343	-	-	-	41,343	487	1,186	0.36
						1,074	**2,030**	
Commercial Banks								
Allied Bank Limited	24,693	-	2,469	-	27,162	963	2,633	0.80
Askari Bank Limited	24,557	80,000	38,256	60,500	82,313	1,133	1,428	0.43
Bank Islami Pakistan Limited	56,000	-	-	56,000	-	-	-	-
Bank of Khyber	16,000	27,000	4,781	47,781	-	-	-	-
The Bank of Punjab - note 6.3	119,718	102,941	-	58,000	164,659	1,773	1,727	0.53
JS Bank Limited	76,500	-	-	1,000	75,500	363	331	0.10
JS Bank Limited-Preference Shares (LoR)	-	-	10,699	10,699	-	-	-	-
Bank Al Habib Limited - note 6.3	144,891	7,000	14,789	4,000	162,680	3,733	6,037	1.84
Bank Al-Falah Limited - note 6.3	161,305	8,000	-	5,000	164,305	2,195	4,390	1.34
Faysal Bank Limited	76,542	4,000	10,067	2,500	88,109	589	1,237	0.38
Habib Bank Limited - note 6.3	31,849	1,500	3,234	1,000	35,583	2,860	6,202	1.89

Name of the investee	Holding at beginning of the period 1 July 2013	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at end of the period March 31, 2014	Cost as of the period ended Mar 31, 2014	Market Value / Carrying Value as at March 31, 2014	Percentage in relation to total market value of value of Investment
						(a)	(b)	
	< - - - - - - - - - - Number of Share			- - - - - - - - - - >		< - - - Rupees in '000'	- - - - >	
Habib Metropolitan Bank Limited - note 6.3	100,068	14,500	-	-	114,568	2,276	3,058	0.93
MCB Bank Limited	97,080	4,800	9,778	4,100	107,558	15,315	27,021	8.22
Meezan Bank Limited - note 6.3	24,032	500	-	-	24,532	271	970	0.30
National Bank of Pakistan - note 6.3	120,918	6,000	-	4,000	122,918	4,165	6,645	2.02
NIB Bank Limited - note 6.3	367,336	10,000	-	1,000	376,336	670	866	0.26
Soneri Bank Limited - note 6.3	190,725	11,500	20,222	6,000	216,447	1,150	2,816	0.86
Standard Chartered Bank (Pakistan) Limited	45,598	-	-	-	45,598	365	961	0.29
United Bank Limited	73,190	15,500	-	2,201	86,489	6,377	13,997	4.26
						44,198	**80,319**	
Non Life Insurance								
Adamjee Insurance Company Limited - note 6.3	20,309	1,000	38,981	500	59,790	1,352	2,807	0.85
EFU General Insurance Limited	15,782	-	4,418	-	20,200	973	2,005	0.61
Jubilee General Insurance Company Limited	7,952	-	-	-	7,952	231	702	0.21
Pakistan Reinsurance Company Limited	33,826	-	-	-	33,826	687	1,124	0.34
IGI Insurance Limited	8,952	-	-	-	8,952	590	1,662	0.51
						3,833	**8,300**	
Life Insurance								
EFU Life Assurance Limited	5,784	-	-	-	5,784	**270**	**604**	0.18
Real Estate Investment And Services								
Pace (Pakistan) Limited	31,539	-	-	-	31,539	**63**	**144**	0.04
Financial Services								
Jahangir Siddiqui & Company Limited	99,503	-	-	-	99,503	**958**	**1,091**	0.33
Equity Investment Instruments								
PICIC Growth Fund	54,012	-	-	-	54,012	**837**	**1,521**	0.46
JS Growth Fund	30,000	3,000	-	33,000	-	-	-	-
						837	**1,521**	
Forestry (Paper and Board)								
Century Paper and Board Mills Limited	-	10,000	-	-	10,000	**591**	**551**	0.17
Security Paper Limited	3,500	-	700	4,200	-	-	-	-
						591	**551**	
Beverages								
Murree Brewery Company Limited	2,198	-	219	-	2,417	**273**	**1,932**	0.59

Name of the investee	Holding at beginning of the period 1 July 2013	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at end of the period March 31, 2014	Cost as of the period ended Mar 31, 2014	Market Value / Carrying Value as at March 31, 2014	Percentage in relation to total market value of value of Investment
						(a)	(b)	
	<- - - - - - - - - - Number of Share - - - - - - - - - ->					<- - - Rupees in '000' - - - ->		
Software And Computer Services								
Netsol Technologies Limited	3,990	-	399	-	4,389	**30**	**151**	0.05
Technology Hardware & Equipment								
TPL Trakker Limited	10,000	-	-	-	10,000	**81**	**88**	0.03
Electronic and Electrical Goods								
Pakistan Cables Limited	1,500	-	-	-	1,500	**107**	**117**	0.04
Industrial Metal and Mining								
International Industries Limited	11,500	-	-	100	11,400	**371**	**653**	0.20
International Steel Limited	25,000	8,000	-	-	33,000	**492**	**812**	0.25
						863	**1,465**	
Media								
Hum Network Limited	4,000	-	1,600	-	5,600	**110**	**524**	0.16
March 31, 2014						**176,315**	**328,708**	
June 30, 2013						**155,291**	**253,172**	

6.2 Shares having market value of Rs. 24.11 million of Oil and Gas Development Company Limited are pledged with National Clearing Company of Pakistan Limited as on March 31, 2014

6.3 These investments held by the Fund exceeded the maximum limit prescribed by the regulation No.55(6) of the NBFC regulations. Regulation No. 55(6) of the NBFC Regulations allows to regularize the breach within three months from the date of breach unless extension up to another three months is acquired from SECP.

6.4 Unrealised gain / (loss) on revaluation of 'available for sale' investments are as follows:

	(Unaudited) March 31, 2014	(Audited) June 30 2013
Balance at beginning of period / year	**97,881**	60,259
Unrealised appreciation in the value of investments for the period / year	**57,801**	62,761
Appreciation in the value of investments recognised in the profit & loss account on sale	**(3,289)**	(25,139)
Balance as of period / year end recognised directly into unit holders' fund	**152,393**	97,881

7. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	(Unaudited) March 31, 2014	(Audited) June 30 2013
Auditors' remuneration		**278**	250
Brokerage payable		**12**	11
Sindh Sales Tax on Management remuneration	*7.1*	**40**	31
Federal Excise Duty on Management remuneration	*7.2*	**297**	17
Others		**84**	101
		711	410

7.1 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 16% on the remuneration of the Management Company and sales through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2011. This amount is payable to the Management Company who then pays it to the Government of Sindh.

7.2 The Finance Act 2013 introduced an amendment to Federal Excise Act 2005 where by Federal Excise Duty (FED) has been imposed at the rate of 16% of the services rendered by assets management companies. However the MUFAP has filed a petition in the Sindh High Court (SHC) challenging the levy of FED on assets mangement services. The SHC in its short order of September 2013 directed the FBR not to take any coercive action against the petitioners pursuant to impugned notices till next date of hearing. In view of uncertainty regarding the applicability of FED on asset management services, the management, as a matter of abundant caution, has decided to retain and continue with the provision of FED in this condensed interim financial information which aggregates Rs. 0.297 million as at 31 March 2014. Had the said provision of FED not been recorded in the books of account of the Fund, the NAV of the Fund would have been higher by Re. 0.012 per unit (30 June 2013: Re. 0.001 per unit).

8. WORKERS' WELFARE FUND

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

During the year 2011, a single bench of the Lahore High Court (LHC) in a constitutional petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. However, in the month of March 2013, a larger bench of the Sindh High Court (SHC) in various constitutional petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity and overruled a single-member LHC bench judgement issued in August 2011.

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

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 2.16 million upto 31 March 2014.

Had the above recognition not been made, the net assets value per unit of the Fund would be higher by Re. 0.09 / 0.64% (30 June 2013: Re. 0.09 / 0.66%).

9. CONTINGENCIES AND COMMITMENTS

The Fund had no contingency or commitment at the period end.

10. 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 unrealised 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 2014 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.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include AKD Investment Management Limited (AKDIML), being the asset management company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited, 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, 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 2014. It also includes staff retirement funds of the above connected persons / related parties.

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.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

11.1 Transactions during the period	Unaudited March 31, 2014	Unaudited March 31, 2013
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration	**1,754**	1,216
Sindh Sales tax on Management Company's remuneration	**326**	195
Federal excise duty	**281**	-
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)		
Issue of bonus units - 3,973,994 (2013: 956,865) units	**42,561**	8,437
Mr. Aqeel Karim Dhedhi		
Issue of bonus units - 62 (2013: 15) units	**1**	1
AKD Securities Limited - Brokerage House		
Commission expenses	**6**	4
Directors of the management company (Key management personnel)		
Issue of bonus units - Nil (2013: 2,322) units	**-**	20
Redemption of units - Nil units (2013: 45,886) units	**-**	444
Gain by the related party on redemption of units - net	**-**	73
Spouse - Chief Executive Officer		
Units Issued - Nil Unit (2013: 42,990) units	**-**	404
Redemption of units - Nil units (2013: 42,990) units	**-**	442
Gain by the related party on redemption of units - net	**-**	42
Golden Arrow Selected Stocks Fund Limited		
Sale of Investment	**63**	-
Gain on sale (recognised in the income statement)	**29**	-
AKD Investment Management Limited-Staff Provident Fund		
Issue of bonus units - 51,730 (2013 : 1692) units	**554**	15
Units issued - 668,107 units (2013: 212,691) units	**8,061**	2,000
Redemption of units - 965,969 units (2013: Nil) units	**12,508**	-
Gain by the related party on redemption of units - net	**1,483**	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	**525**	525
Central Depository Service charges	**7**	10

	(Unaudited) March 31, 2014	(Audited) June 30 2013
11.2 Balances outstanding at the period end	(Rupees in '000)	
AKD Investment Management Limited		
Remuneration payable	**215**	176
Sindh sales tax on Management Company's remuneration	**40**	31
Federal Excise Duty Payable Management Company's remuneration	**297**	17
Payable to Central Depository Company of Pakistan - Trustee		
Remuneration	**59**	57
Security Deposit	**100**	100
CDS charges	**1**	1
Mr. Aqeel Karim Dhedhi		
Number of units outstanding - 356 (June 30, 2013: 294) units	**5**	4
AKD Investment Management Limited Staff Provident Fund		
Number of units outstanding - Nil units (2013: 246,132)	**-**	3,189
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)		
Number of units outstanding - 22,882,258 units (91.14% of the total units in issue as at the period end) {(30 June 2013 : 18,908,264) 89.66% of the total units in issue as at year end}	**307,766**	244,966
AKD Securities Limited - Brokerage House		
Brokerage payable	**-**	1

12. GENERAL

12.1 These condensed interim financial information are unaudited.

12.2 These condensed interim financial information are 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.

13. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial information were authorised for issue on April 21, 2014 by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

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

AKD Investment
Management Ltd.

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