Funds Managed by:

AKD Investment Management Ltd.

2017

annual 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

Abdul Karim
Chairman

Imran Motiwala
Chief Executive Officer

Hasan Ahmed
Director

Nadeem Saulat Siddiqui
Director

Ali Wahab Siddiqui
Director

Aysha Ahmed
Director

Saim Mustafa Zuberi
Director

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

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 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 (Chairman)
Mr. Imran Motiwala (Member)
Mr. Saim Mustafa Zuberi (Member)

RATING

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

Vision

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

Mission Statement

AKD Funds shall continuously strive to:

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

Key Management Profile

Imran Motiwala- Chief Executive Officer

Mr. Motiwala became the CEO of AKD Investment Management Limited in April 26, 2011 and has also been serving as the CEO of Golden Arrow Selected Stocks Fund Limited since April 26, 2011. Mr. Motiwala had been designated as the Chief Operating Officer when he joined AKD Investment Management Limited in 2006 besides serving on the board of the Company from 2007. While at AKD Investment Management Limited he has undertaken several executive roles instrumental in building the Company's business besides serving as an Investment Committee member for the funds under management of the Company. Mr. Motiwala has almost 23 years experience of the capital markets from securities broking to asset management. Mr. Motiwala has had the honor of working with several leading reputable companies from his career beginnings with Ali Hussain Rajabali to serving institutional clients at JP Morgan based in Karachi, Pakistan. Mr. Motiwala then moved over to the buy-side and joined ABAMCO Limited (JS Investments Limited) in 2002 as a fund manager and was assigned the launching and managing of a fixed income fund. He later then joined Crosby Asset Management (Pakistan) Limited in 2003 as Head of Fund Management undertaking the entire asset management business. Mr. Motiwala graduated with Marketing major from the Southeastern University (Karachi Campus) in 1994.

Nadeem Saulat Siddiqui - Executive Director

Mr. Nadeem Saulat Siddiqui is currently serving as an Executive Director on the Board of AKD Investment Management Limited. He joined the company back in October 2009 as General Manager Marketing and Sales, a position that required him to be actively involved in the boosting up the company's sales along with focusing on its marketing strategies. Prior to joining AKD Investment Management Limited, Mr. Siddiqui led Shaukat Khanum Memorial Cancer Hospital & Research Centre's fund collection drive as he held the position of Incharge South - Manager Marketing & Resource Development there. Mr. Siddiqui holds an MBA in Marketing from College of Business Administration Lahore.

Anum Dhedhi - Chief Investment Officer

Ms. Anum Dhedhi is currently working as a Chief Investment Officer at AKD Investment Management Limited. She has previously worked as an Economist at AKD Securities Limited and worked under various capacities of research. At a very young age she has attained significant accomplishments in her career. She is also serving as a Director on the Board of Golden Arrow Selected Stocks Fund Limited. She holds a B.Sc (Hon) in Financial Economics Degree from the City University of London, United Kingdom. She has also been certified by the Institute of Financial Markets of Pakistan for Fundamentals of Capital Markets, Pakistan's Market Regulations, and Mutual Fund Distributors.

Muhammad Yaqoob - Chief Operating Officer & Company Secretary

Mr. Muhammad Yaqoob is currently working as the Chief Operating Officer and Company Secretary at AKD Investment Management Limited. He joined AKD Investment in the year 2005 and has worked in various capacities including Research, Product Development, Business Development and Fund Management. He participated in the launch of AKD Index Tracker Fund, AKD Opportunity Fund and AKD Aggressive Income Fund (formerly AKD Income Fund). He also participated in the conversion of AKD Index Tracker Fund from a closed-end scheme to an open-end scheme. He holds a Masters in Business Administration majors in Finance and also cleared CFA Level III. He is also serving as a Director on the Board of BIAFO Industries Limited. He is also serving as a member of Audit Committee and Human Resource & Remuneration Committee at BIAFO Industries Limited. He has previously served as a Director on the Board of Pak Datacom Limited and Golden Arrow Selected Stocks Fund Limited.

Muhammad Munir Abdullah - Chief Financial Officer

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

Noureen Nadir Ali - Head of Internal Audit

Ms. Noureen Nadir Ali has more than seven years work experience in the auditing services. She is a Chartered Accountant (ACA) from ICAP, and holds Master's degree in Economics from the University of Karachi. Prior to joining AKDIML, she has served in USAID as Compliance and Finance Manager, Deloitte Pakistan and Deloitte Middle East. Currently she is reporting to Audit Committee and Chief Executive Officer for developing a flexible risk based annual internal audit plan using risk based models & methodologies to ensure its full implementation and carry out independent evaluations and appraisals of the effectiveness of the internal controls, policies, rules and procedures. She has strong analytical and evaluation skills and in-depth knowledge of International Financial Reporting Standards, International Standards on Auditing and other regulations.

Rashid Ahmed - Head of Compliance

Mr. Rashid Ahmed has more than 21 years of working experience in the financial sector. He has been associated with AKD Investment Management Limited since September 2004. Prior to taking over as the Head of Compliance, Mr. Ahmed was working in the Finance Department in the capacity of Senior Manager Accounts. His current duties include looking after pre and post compliance of all applicable rules and regulations, dealing with matters regarding taxation and application of new and existing laws to the Company. Mr. Rashid is a Commerce Graduate from the University of Karachi. He has also been certified by the Institute of Financial Markets of Pakistan for Fundamentals of Capital Markets and Pakistan's Market Regulations.

Carrow Michael - Head of Administration & Human Resource

Mr. Carrow Michael started his career with AKD Investment Management Limited in 2006 as an Operations Officer and since then he has served at different positions in Operations Department, He has also served as Head of Risk Management and as member of Investment Committee. He is currently serving as Head of Administration & Human Resource. Mr. Michael holds a Master's Degree in Business Administration in Finance from Khadim Ali Shah Bukhari Institute of Technology, Karachi. His areas of expertise include system development, customer support and information technology. He has also been certified by the Institute of Financial Markets of Pakistan for Fundamentals of Capital Markets, Pakistan's Market Regulations, Mutual Fund Distributors and Risk Management.

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 Annual report along with the Funds' audited financial statements for the year ended June 30, 2017.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the FY17, the return of AKD Opportunity Fund stood at 35.56% compared to the benchmark KSE-100 Index return of 23.24%, thus significantly outperforming the benchmark by 12.32%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs. 13.00 per unit to unitholders during the year ended June 30, 2017.

AKD Index Tracker Fund (AKDITF)

For the FY17, the return of AKD Index Tracker Fund stood at 20.77% compared to the benchmark KSE-100 Index return of 23.24%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Re. 0.90 per unit to unitholders during the year ended June 30, 2017.

AKD Cash Fund (AKDCF)

For the FY17, the return of AKD Cash Fund stood at 6.34% compared to benchmark return of 5.21%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs. 3.06283 per unit to unitholders during the year ended June 30, 2017.

AKD Aggressive Income Fund (AKDAIF)

For the FY17, the return of AKD Aggressive Income Fund stood at 6.45% compared to the benchmark return of 6.40%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs. 3.28917 per unit to unitholders during the year ended June 30, 2017.

MACRO PERSPECTIVE

Pakistan's real GDP growth accelerated and reached a decade high of 5.3% in FY17 up from 4.5% in FY16. This growth was led by private sector credit growth, higher foreign investment, improving agricultural output and subdued inflation. At the same time, China Pakistan Economic Corridor (CPEC); improved law and order; and removal of supply side bottlenecks also added to the growth. The large scale manufacturing sector exhibited a growth of 5.6% during July-May 17 as opposed to 3.4% during the same period last year. This was particularly led by growth in steel, cement, automobiles, electronics, sugar and pharmaceutical sectors.

The performance of the agricultural sector has been encouraging in FY17 as it achieved its target growth rate of 3.5% with larger area under cultivation. On the contrary, the service sector performance has largely remained lackluster at 6% YoY in FY17.

Consumer Price Index (CPI) during FY17 clocked in at 4.20% as compared to 2.90% in FY16. The FY17 CPI remained within the SBP target range of 4.5%-5.5% and consequently State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75% during this period. International oil prices (WTI) dwelled in the range of $42-$53 per barrel during FY17, positively impacted by production cuts announced by OPEC. The next OPEC meeting will take place in November 2017 where key decisions of supply cuts will have a significant impact on the oil prices in future.

According to SBP, the current account deficit (CAD) clocked in at USD 12.1 billion (4% of GDP) in FY17 against USD 4.9 billion (1.7% of GDP) in corresponding period last year. This substantial increase is mainly due to imports growth, up 17.7% YoY, with sectors including automobiles, minerals, food, and equipment demand from CPEC related projects.

That said exports posted a decline of 1.4% in FY17 owing to lack of competitiveness with a strong PKR-USD parity against regional currencies. In this regard, we expect the Government of Pakistan's (GoP) incentive package for textile may provide some cushion to dwindling exports. At the same time the Government has also imposed restriction to maintain 100% cash balance on the import of certain items to curb imports.

Remittances on the other hand were discouraging in FY17 and stood at USD 19.3 billion, down 3.08% YoY from increase of 6.39% YoY in FY16 mainly due to the economic slowdown in the Gulf region. The total liquid foreign exchange reserves of Pakistan reached USD 21.4 billion (4.2 months import cover) by FY17 end, from its all-time high level of USD 24.02 billion in October 2016. Going forward, we see pressure on the reserves emanating from external repayments (cumulative USD 3.5-4.5 billion) under Eurobond, Paris Club, IMF and China SAFE debt retirement, which will commence from FY18. The external account is expected to worsen and reach 7% of GDP from current 6% due to upcoming repayments and poor trade balance.

Due to improved law and order situation, better availability of energy and initiation of mega projects under CPEC, FDI in FY17 has grown by 4.6% YoY to reach USD 2.4 billion against USD 2.3 billion in FY16. Among the sectors, Power and Cement have witnessed the highest net inflow of FDI of USD 795.4 million and USD 467.7 million respectively. Other major increase came from CPEC driven investments worth USD 1,234 million and from Netherlands under the acquisition of ENGRO Foods by Friesland Campina worth USD 456.3 million.

CPEC investments will continue to play a major role in attracting investment in Pakistan to provide a much needed support to the deteriorating external account. That said, any deterioration on the external front (increase in oil prices, decline in remittances, worsening trade balance) pose a major risk to PKR-USD parity in our view.

On the fiscal front, Federal Board of Revenue (FBR) has collected total tax revenue of PKR 3.38 trillion in FY17 but failed to achieve its revised target of PKR 3.5 trillion in FY17. The Government has set tax collection target of PKR 4 trillion for FY18 and intends to implement structural measures including tax amnesty schemes for Real Estate and offshore accounts to improve tax collection.

Furthermore, the circular debt situation has reached alarming levels again in the power sector and will need concrete steps to arrest its rise. Moreover, fiscal deficit is targeted to be 3.8% of GDP in FY18. The target seems ambitious in our opinion and would need additional tax measures and spending controls which can be difficult to implement during the election year.

EQUITY MARKET REVIEW

FY 17 has been quite an eventful year for Pakistani equity market. The KSE100 index started the year at 37,887.84 points and reached a high of 52,876 points, up 46% in May FY'17, whereas it ended the year at 46,565.29 points, posting a return of 23.24% for the fiscal year.

In addition to company and sector specific developments, the broader equity market was driven by major economic, structural and political themes throughout the year; that will continue to shape the future of our capital markets going forward.

Successful completion of IMF's three year Extended Fund Facility (EFF)-supported program ushered in a new era of optimism on the economic front. Under the program the country's GDP growth increased, fiscal deficit was curtailed with structural reforms initiated and foreign currency reserves recovered. However the optimism was short lived as the GoP started to deviate from the policy of fiscal consolidation leading to the re-emergence of macroeconomic vulnerabilities and circular debt in power sector.

Furthermore

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

- Pakistan's inclusion into MSCI EM index, increased the visibility of Pakistani equities to global portfolio managers;
- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years;
- 40% stake sale in the management of PSX to a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company and Habib Bank;

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

- A PKR 180 billion package to boost exports;

All of these factors renewed investors confidence, which resulted in increased volumes and index reaching new high in 1HFY17. However, in 2HFY17 political uncertainties dominated the scene.

Following the Supreme Court's verdict on Panama Papers Case, the Prime Minister was disqualified under article 62 and 63 of the Constitution of Pakistan. However, it is pertinent to mention that despite disqualification of the PM, the ruling party (PML-N) stays in power.

Uncertainty of any sort, adversely affects the capital markets, because of its impact on the confidence of investors in the socio-economic policy. The second half of FY'17 experienced decline in volumes and index due to such phenomenon.

MONEY MARKET REVIEW

During FY17, The State Bank of Pakistan (SBP) carried out 26 T-bills auctions where the government managed to raise PKR 7.54 trillion. During this period, weighted average yield on 3, 6, and 12 months T-bills were at 5.92%, 5.94% and 5.95% respectively down from 6.36%, 6.38% and 6.38% during the corresponding period last year.

SBP also conducted 12 auctions of PIB's and managed to raise PKR 893.67 billion during FY17. The PIB auctions followed suit where weighted average maturities yield on 3, 5 and 10 years PIB declined to 6.30%, 6.81% and 7.87% respectively from 6.90%, 7.71% and 7.85% in the corresponding period last year.

The Government announced Monetary Policy Statement on May 20, 2017, where the committee decided to keep the policy rate unchanged at 5.75%. State Bank of Pakistan conducted 80 open market operations (OMOs) of different maturities and injected average amount of PKR 732 billion per OMOs at an average cut off yield of 5.80%.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

(c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments.

(d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;

(e) The system of internal control is sound in design and has effectively implemented and monitored.

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

(g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

(h) Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.

(i) The statement showing the attendance of Directors in BOD meetings and Audit Committee meeting is as under:

S.No.	Name of Director	MEETINGS ATTENDANCE					
		28-Sep-16	22-Oct-16	24-Feb-17	27-Apr-17	Attended	Leave
1	**Mr. Abdul Karim**	✔	✔	✔	✔	4	0
2	**Mr. Imran Motiwala**	✔	✔	✔	✔	4	0
3	**Mr. Ali Wahab Siddiqui**	✔	✔	✔	✔	4	0
4	**Mr. Saim Mustafa Zuberi**	✔	✔	✔	✔	4	0
5	**Mr. Hasan Ahmed**	✔	✔	✔	✔	4	0
6	**Mr. Nadeem Saulat Siddiqui**	✔	✔	✔	✕	3	1
7	**Ms. Aysha Ahmed**	✔	✔	✔	✔	4	0

S.No.	Name of Director	MEETINGS ATTENDANCE					
		28-Sep-16	22-Oct-16	23-Feb-17	27-Apr-17	Attended	Leave
1	**Mr. Ali Wahab Siddiqui**	✔	✔	✔	✔	4	0
2	**Mr. Hasan Ahmed**	✔	✔	✔	✔	4	0
3	**Mr. Saim Mustafa Zuberi**	✔	✔	✔	✔	4	0

(k) There have been no trades in the units of the Funds carried out by the Directors, CEO, CFO, CIO, COO, Company Secretary and their spouses and minor children of the Management Company other than as disclosed below and in the note to the financial statements:

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
AKD Opportunity Fund				
1.	Mr. Imran Motiwala	CEO	20,279	-
2.	Ms. Sehr Imran Motiwala	Spouse - CEO	486,543	401,402
3.	Mr. Abdul Karim	Director & Chairman	594	-
4.	Mr. Ali Wahab Siddiqui	Director	1,829	-
5.	Mr. Hasan Ahmed	Director	59,329	37,944
6.	Ms. Anum Dhedhi	CIO	11,578	-
7.	Mr. Muhammad Yaqoob	COO & Company Secretary	11,537	-

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
AKD Aggressive Income Fund				
1.	Ms. Sehr Imran Motiwala	Spouse - CEO	1,436,617	1,436,617
2.	Mr. Hasan Ahmed	Director	82,106	82,106
3.	Mr. Muhammad Munir	CFO	6,953	-

RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset manager rating of 'AM3++' (AM Three Plus Plus) to AKD Investment Management Limited (AKDIML) on June 08, 2017.

RATING OF THE FUNDS

AKD OPPORTUNITY FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 5-STAR performance ranking in long term and 3-Star in short term to AKD Opportunity Fund (AKDOF) based on performance for the period ended December 31, 2016 (trailing 12 months for 1 Year ranking, trailing 36 months for 3 Year ranking and trailing 60 months for 5 Year ranking) on May 08, 2017.

AKD CASH FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of 'AA+ (f)' (Double A plus ; fund stability rating) to AKD Cash Fund (AKDCF) on July 12, 2017.

AKD AGGRESSIVE INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned stability rating of "BBB+(f)" (Triple B Plus ; fund stability rating) to AKD Aggressive Income Fund (AKDAIF) on July 12, 2017.

PATTERN OF UNIT HOLDING

The detailed pattern of unit holding as required by the Companies Act, 2017 and the Code of Corporate Governance is enclosed.

APPOINTMENT OF AUDITORS

The Board re-appointed M/s A.F. Ferguson & Co. Chartered Accountants as the statutory auditors for AKD Aggressive Income Fund (AKDAIF) and AKD Cash Fund (AKDCF) for the year 2017-2018 as recommended by the Audit Committee.

The Board re-appointed M/s Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants as the statutory auditors for AKD Index Tracker Fund (AKDITF) and AKD Opportunity Fund (AKDOF) for the year 2017-2018 as recommended by the Audit Committee.

The Board re-appointed M/s Grant Thornton Anjum Rahman, Chartered Accountants as statutory auditors of AKD Investment Management Limited for the year 2017-2018 as recommended by the Audit Committee.

FUTURE OUTLOOK

Annual GDP growth averaged at 3% under the previous political regime, the current government has delivered average growth of 4.4% in the last 4 years with FY17 GDP growth of 5.3% the highest since FY07. IMF projects a GDP growth of 5.5% in FY'18 mainly owing to resolution of supply side bottlenecks and materialization of CPEC projects.

Pakistani equity market, in our opinion, offer selective opportunities for value seeking investors and 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, and increasing business confidence.

The KSE-100 index currently trades at a forward PE of ~8.03x with a dividend yield of 6.55%, which offers a significant discount compared to MSCI Emerging Markets Index (~14x) and regional economies (~14x-17x).

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: September 29, 2017

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
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 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:

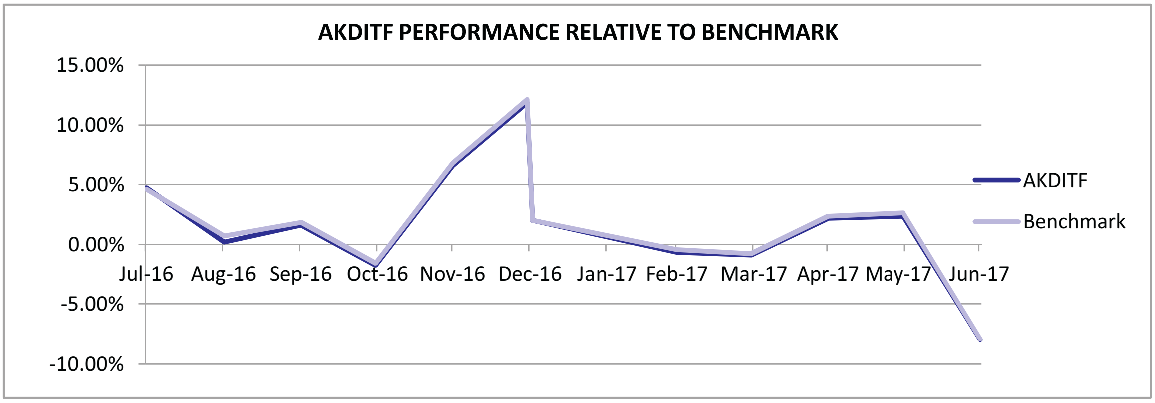
For the FY17, the return of AKD Index Tracker Fund stood at 20.77% compared to the benchmark KSE-100 Index return of 23.24%

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	Apr-17	May-17	Jun-17
AKDITF	4.75%	0.19%	1.62%	-1.74%	6.59%	11.88%	1.99%	-0.65%	-0.92%	2.20%	2.37%	-7.99%
Benchmark	4.62%	0.71%	1.84%	-1.60%	6.84%	12.16%	1.99%	-0.46%	-0.78%	2.38%	2.62%	-7.96%



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

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

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

Asset Allocation (% of Total Asset)	30-Jun-17	31-Mar-17
Equities	97.15%	97.73%
Cash	1.14%	1.06%
Other Assets	1.71%	1.21%

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

FY17 Return	20.77%
Benchmark	23.24%

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

Net Assets Value			NAV Per Unit	
30-Jun -17	31-Mar-17	Change in Net Assets	30-Jun -17	31-Mar-17
(Rupees in "000")			Rs.	Rs.
519,951	540,453	-3.79%	16.30	17.89

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

MACRO PERSPECTIVE

Pakistan's real GDP growth accelerated and reached a decade high of 5.3% in FY17 up from 4.5% in FY16. This growth was led by private sector credit growth, higher foreign investment, improving agricultural output and subdued inflation. At the same time, China Pakistan Economic Corridor (CPEC); improved law and order; and removal of supply side bottlenecks also added to the growth. The large scale manufacturing sector exhibited a growth of 5.6% during July-May 17 as opposed to 3.4% during the same period last year. This was particularly led by growth in steel, cement, automobiles, electronics, sugar and pharmaceutical sectors.

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Consumer Price Index (CPI) during FY17 clocked in at 4.20% as compared to 2.90% in FY16. The FY17 CPI remained within the SBP target range of 4.5%-5.5% and consequently State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75% during this period. International oil prices (WTI) dwelled in the range of \$42-\$53 per barrel during FY17, positively impacted by production cuts announced by OPEC. The next OPEC meeting will take place in November 2017 where key decisions of supply cuts will have a significant impact on the oil prices in future.

According to SBP, the current account deficit (CAD) clocked in at USD 12.1 billion (4% of GDP) in FY17 against USD 4.9 billion (1.7% of GDP) in corresponding period last year. This substantial increase is mainly due to imports growth, up 17.7% YoY, with sectors including automobiles, minerals, food, and equipment demand from CPEC related projects.

That said exports posted a decline of 1.4% in FY17 owing to lack of competitiveness with a strong PKR-USD parity against regional currencies. In this regard, we expect the Government of Pakistan's (GoP) incentive package for textile may provide some cushion to dwindling exports. At the same time the Government has also imposed restriction to maintain 100% cash balance on the import of certain items to curb imports.

Remittances on the other hand were discouraging in FY17 and stood at USD 19.3 billion, down 3.08% YoY from increase of 6.39% YoY in FY16 mainly due to the economic slowdown in the Gulf region. The total liquid foreign exchange reserves of Pakistan reached USD 21.4 billion (4.2 months import cover) by FY17 end, from its all-time high level of USD 24.02 billion in October 2016. Going forward, we see pressure on the reserves emanating from external repayments (cumulative USD 3.5-4.5 billion) under Eurobond, Paris Club, IMF and China SAFE debt retirement, which will commence from FY18. The external account is expected to worsen and reach 7% of GDP from current 6% due to upcoming repayments and poor trade balance.

Due to improved law and order situation, better availability of energy and initiation of mega projects under CPEC, FDI in FY17 has grown by 4.6% YoY to reach USD 2.4 billion against USD 2.3 billion in FY16. Among the sectors, Power and Cement have witnessed the highest net inflow of FDI of USD 795.4 million and USD 467.7 million respectively. Other major increase came from CPEC driven investments worth USD 1,234 million and from Netherlands under the acquisition of ENGRO Foods by Friesland Campina worth USD 456.3 million.

CPEC investments will continue to play a major role in attracting investment in Pakistan to provide a much needed support to the deteriorating external account. That said, any deterioration on the external front (increase in oil prices, decline in remittances, worsening trade balance) pose a major risk to PKR-USD parity in our view.

On the fiscal front, Federal Board of Revenue (FBR) has collected total tax revenue of PKR 3.38 trillion in FY17 but failed to achieve its revised target of PKR 3.5 trillion in FY17. The Government has set tax collection target of PKR 4 trillion for FY18 and intends to implement structural measures including tax amnesty schemes for Real Estate and offshore accounts to improve tax collection.

Furthermore, the circular debt situation has reached alarming levels again in the power sector and will need concrete steps to arrest its rise. Moreover, fiscal deficit is targeted to be 3.8% of GDP in FY18. The target seems ambitious in our opinion and would need additional tax measures and spending controls which can be difficult to implement during the election year.

EQUITY MARKET REVIEW

FY17 has been quite an eventful year for Pakistani equity market. The KSE-100 index started the year at 37,887.84 points and reached a high of 52,876 points, up 46% in May FY'17, whereas it ended the year at 46,565.29 points, posting a return of 23.24% for the fiscal year.

In addition to company and sector specific developments, the broader equity market was driven by major economic, structural and political themes throughout the year; that will continue to shape the future of our capital markets going forward.

Successful completion of IMF's three year Extended Fund Facility (EFF)-supported program ushered in a new era of optimism on the economic front. Under the program the country's GDP growth increased, fiscal deficit was curtailed with structural reforms initiated and foreign currency reserves recovered. However the optimism was short lived as the GoP started to deviate from the policy of fiscal consolidation leading to the re-emergence of macroeconomic vulnerabilities and circular debt in power sector.

Furthermore,

- Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy;
- Pakistan's inclusion into MSCI EM index, increased the visibility of Pakistani equities to global portfolio managers;
- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years;
- 40% stake sale in the management of PSX to a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company and Habib Bank;
- Sales uptick in Pakistan auto sector, on the back of renewed consumer spending and rise in consumer financing;
- A PKR 180 billion package to boost exports;

All of these factors renewed investors confidence, which resulted in increased volumes and index reaching new high in 1HFY17. However, in 2HFY17 political uncertainties dominated the scene.

Following the Supreme Court's verdict on Panama Papers Case, the Prime Minister was disqualified under article 62 and 63 of the Constitution of Pakistan. However, it is pertinent to mention that despite disqualification of the PM, the ruling party (PML-N) stays in power.

Uncertainty of any sort, adversely affects the capital markets, because of its impact on the confidence of investors in the socio-economic policy. The second half of FY'17 experienced decline in volumes and index due to such phenomenon.

FUTURE OUTLOOK

Annual GDP growth averaged at 3% under the previous political regime, the current government has delivered average growth of 4.4% in the last 4 years with FY17 GDP growth of 5.3% the highest since FY07. IMF projects a GDP growth of 5.5% in FY'18 mainly owing to resolution of supply side bottlenecks and materialization of CPEC projects.

Pakistani equity market, in our opinion, offer selective opportunities for value seeking investors and 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, and increasing business confidence.

The KSE-100 index currently trades at a forward PE of ~8.03x with a dividend yield of 6.55%, which offers a significant discount compared to MSCI Emerging Markets Index (~14x) and regional economies (~14x-17x).

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	630
10,000 - 49,999	24
50,000 - 99,999	3
100,000 - 499,999	5
500,000 and above	1
	663

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.

DETAILS OF PATTERN OF HOLDING (UNITS)

As At June 30, 2017

	No. of Unitholders	Units Held	% of Total
Associated Companies	-	-	-
Directors and CEO	-	-	-
Individuals	654	2,066,874	6.48%
Insurance Companies	-	-	-
Banks/DFIs	-	-	-
Retirement funds	2	29,268,037	91.75%
Public Limited Companies	1	17,740	0.06%
Others	6	546,380	1.71%
	663	**31,899,031**	**100.00%**

TRUSTEE REPORT TO THE UNIT HOLDERS

AKD INDEX TRACKER FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Index Tracker Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2017 in accordance with the provisions of the following:

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

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

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 28, 2017

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Regulation No. 5.19 of the listing regulations of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Board of Directors ("the Board") of AKD Investment Management Limited ("the Management Company"), an un-listed public company, manages the affairs of AKD Index Tracker Fund ("the Fund"). The Fund, being a unit trust open ended scheme, does not have its own Board of Directors. The Management Company has applied the principles contained in the Code to the Fund, whose units are listed as a security on the Pakistan Stock Exchange Limited, in the following manner:

1. The Management Company encourages representation of independent, non-executive directors. At June 30, 2017 the Board includes:

Category	**Names**
Independent Directors	Ms. Aysha Ahmed Mr. Hasan Ahmed Mr. Ali Wahab Siddiqui
Executive Directors	Mr. Imran Motiwala - Chief Executive Officer Mr. Nadeem Saulat Siddiqui
Non Executive Directors	Mr. Abdul Karim Mr. Saim Mustafa Zuberi

   The independent directors meet the criteria of independence under clause 5.19.1. (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including the Management Company.

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

4. No casual vacancy occurred on the Board of Directors of the Management Company during the year.

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

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

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

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

9. The Board remained fully compliant with the provision with regard to their training program as mentioned in proviso to clause 5.19.7 of the Pakistan Stock Exchange Regulations. As at June 30, 2017, five directors have obtained certification under the Directors Training Program. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.

10. There was no new appointment of the Chief Financial Officer (CFO), Company Secretary, or Head of Internal Audit during the year.

11. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' report, pattern of unit holding and notes to the financial statements.

14. The Management Company has complied with all the significant corporate and financial reporting requirements of the Code relevant to the Fund.

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

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

17. The Board has formed a Human Resource and Remuneration Committee. The Committee comprises of three members, of whom two are non-executive directors including the Chairman of the Committee.

18. The Board has set up an effective Internal Audit function managed by qualified and experienced professionals who are conversant with the policies and procedures of the Management Company.

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

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

21. The "closed period, prior to the announcement of interim / final results, and business decisions, which may materially affect the unit price of Fund, was determined and intimated to directors, employees and stock exchange.

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

23. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and has maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

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

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: September 29, 2017

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of **AKD Investment Management Limited** (the Management Company) of **AKD Index Tracker Fund** (the Fund) for the year ended June 30, 2017 to comply with the requirements of Rule 5.19 of the Rule book of the Pakistan Stock Exchange where the Fund is listed.

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

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Management Company for the year ended June 30, 2017.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Engagement Partner: Ahsan Elahi Vohra-FCA

Karachi: September 29, 2017

AUDITORS' REPORT TO THE UNIT HOLDERS

Report on Financial Statements

We have audited the accompanying financial statements of **AKD Index Tracker Fund ("the Fund"),** which comprise of the statement of assets and liabilities as at June 30, 2017 and the related income statement, statement of comprehensive income, distribution statement, cash flow statement and statement of movement in Unit Holders' Fund for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the financial statements

Management Company of the Fund is responsible for the preparation and fair presentation of financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2017 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Report on other legal and regulatory requirements

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

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Engagement Partner: Ahsan Elahi Vohra-FCA

Karachi: September 29, 2017

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2017

	Note	2017	2016
		(Rupees in '000)	
Assets			
Bank balances	4	**6,020**	17,156
Investments	5	**514,080**	441,698
Receivable against sale of investment (subsequently cleared)		**-**	47
Dividend and other receivables	6	**6,444**	1,498
Security deposits	7	**2,600**	2,600
Total Assets		**529,144**	462,999
Liabilities			
Remuneration payable to the Management Company	8	**329**	267
Remuneration payable to the Trustee	9	**87**	70
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	**491**	383
Payable against purchase of investment (subsequently paid)		**-**	2,183
Payable against redemption of units		**273**	-
Accrued expenses and other liabilities	11	**7,391**	7,737
Unclaimed dividend		**622**	622
Total Liabilities		**9,193**	11,262
Contingencies and Commitments	20		
Net Assets		**519,951**	451,737
Unit holders' fund (as per statement attached)		**519,951**	451,737
		(Number of Units)	
Number of units in issue	13	**31,899,031**	31,681,047
		(Rupees)	
Net assets value per unit (face value per unit Rs. 10/-)		**16.30**	14.26

The annexed notes from 1 to 21 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017	2016
		(Rupees in '000)	
Investment income			
Gain on sale of 'available for sale investments' - net		**23,567**	9,804
Dividend income from available for sale investments		**24,597**	23,529
Profit on bank balances		**319**	502
Reversal of provision against workers welfare fund	11.4	**2,679**	-
		51,162	33,835
Expenses			
Remuneration to the Management Company	8	**3,874**	3,022
Remuneration to the Trustee	9	**1,033**	806
Annual fee to the Securities and Exchange Commission of Pakistan	10	**491**	383
Bank charges		**3**	10
Auditors' remuneration	14	**289**	260
Provision against Sindh Workers' Welfare Fund	11.4	**1,557**	-
Other expenses	15	**1,653**	1,969
		8,900	6,450
Net income from operating activities		**42,262**	27,385
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		**(56)**	2,199
Net income for the year before taxation		**42,206**	29,584
Taxation	16	-	-
Net income for the year after taxation		**42,206**	29,584

The annexed notes from 1 to 21 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017	2016
		(Rupees in '000)	
Net income for the year after taxation		**42,206**	29,584
Other comprehensive income for the year			
Items that will be reclassified subsequently to income statement			
- Unrealised appreciation during the year in the fair value of investments classified as 'available for sale' - net	5.3	**68,333**	2,113
- Appreciation in fair value of 'available for sale' investments transferred to profit and loss account on sale - net	5.3	**(19,301)**	(10,345)
Total comprehensive income for the year		**91,238**	21,352

The annexed notes from 1 to 21 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in '000)	
Deficit at beginning of the year (realised)	**(65,392)**	(71,519)
Distribution:		
Interim distribution during the year		
- Cash dividend for the year ended 30 June 2017 At the rate of Re. 0.90 (2016: 0.75) per unit distributed on 22 June 2017	**(27,161)**	(22,780)
	(27,161)	(22,780)
Element of (loss) / income and capital (losses) /gains included in prices of units sold less those in units redeemed - amount representing unrealised capital (losses) / gains that form part of the unit holders' fund	**1,029**	(677)
Net income for the year after taxation	**42,206**	29,584
Deficit at end of the year (realised)	**(49,318)**	(65,392)

The annexed notes from 1 to 21 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in '000)	
Net assets at beginning of the year	**451,737**	411,297
Amount received on issue of 4,733,000 (2016: 3,725,351) units	**81,465**	54,838
Amount paid on redemption of 4,515,016 (2016: 755,695) units	**(77,384)**	(10,771)
	4,081	44,067
Element of (gain) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - amount representing element of (gain) / loss and realised capital (gains) / losses transferred to income statement	**56**	(2,199)
Interim distribution: cash dividend for the year ended June 30, 2017 at the rate of Re. 0.90 per unit distributed on June 22, 2017 (2016: @ Re. 0.75 per unit distributed on June 24, 2016)	**(27,161)**	(22,780)
Total comprehensive income for the year	**91,238**	21,352
Net assets at end of the year	**519,951**	451,737
	----------- (Rupees) ----------	
Ex-distribution net asset value per unit as at the beginning of the year	**14.26**	14.33
Net asset value per unit as at the end of the year (face value per unit Rs. 10/-)	**16.30**	14.26

The annexed notes from 1 to 21 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year after taxation	**42,206**	29,584
Adjustments for non cash items:		
Element of (gain) / loss and capital (gains)/ losses included in prices of units sold less those in units redeemed - net	**56**	(2,199)
	42,262	27,385
(Increase) / decrease in assets		
Investments - net	**(23,350)**	(40,135)
Receivable against sale of securities	**47**	2,387
Dividend and other receivables	**(4,946)**	(799)
	(28,249)	(38,547)
Increase / (decrease) in liabilities		
Remuneration payable to the Management Company	**62**	12
Remuneration payable to the Trustee	**17**	3
Annual fee payable to the Securities and Exchange Commission of Pakistan	**108**	12
Payable against redemption of units	**273**	-
Payable against purchase of investment	**(2,183)**	1,786
Accrued expenses and other liabilities	**(346)**	3,285
	(2,069)	5,098
Net cash generated from / (used in) operating activities	**11,944**	(6,064)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received on issuance of units	**81,465**	54,838
Cash paid on redemption of units	**(77,384)**	(10,771)
Distribution to unit holders' in cash	**(27,161)**	(22,780)
Net cash flows (used in) / generated from financing activities	**(23,080)**	21,287
Net cash (used in) / generated from cash and cash equivalents during the year	**(11,136)**	15,223
Cash and cash equivalents at beginning of the year	**17,156**	1,933
Cash and cash equivalents at end of the year	**6,020**	17,156

The annexed notes from 1 to 21 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange Limited (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.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager rating of "AM3++" to the Management Company dated June 8, 2017. Due to specialised nature of the Fund, performance ranking has not been taken, as comparable benchmark is not available.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the requirements of the Rules, the Regulations and the directives issued by the SECP shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments are measured at fair values.

2.3 Functional and presentation currency

These financial statements 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 thousand rupees.

2.4 Use of judgments and estimates

In preparing these financial statements, management has made judgements and assumptions that affects the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

- Note 3.1 - Classification of investments

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ending June 30, 2017 is included in the following notes:

- Note 3.1 - Valuation of investments
- Note 3.10 and 3.17 - Impairment of financial instruments and other assets
- Note 11.1 - Sindh Sales tax on management company remuneration
- Note 11.2 - Federal Excise Duty on management company remuneration
- Note 11.4 - Recognition of provision for Sindh Workers' Welfare Fund
- Note 3.7 and 16 - Taxation
- Note 3.3 - Element of income / loss

2.5 Amendments / interpretations to existing standards and forthcoming requirements

Standards, amendments or interpretations which became effective during the year

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2016 but are considered not to be relevant or to have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.6 Standards, Interpretations and Amendments	**Effective date (accounting period beginning on or after**
- IFRS-9 Financial Instruments	January 1, 2018
- IFRS-15 Revenue from contracts with customers	January 1, 2018
- IFRS-16 Leases	January 1, 2019

2.7 The Companies Act, 2017 (the Act) has been enacted on May 30, 2017, superseding the Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended June 30, 2017.

2.8 The SECP vide its SRO 756(1) / 2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations, 2008 which will be applicable on the financial statements of the Fund from the accounting year ending on June 30, 2018. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (Amount distributable to unit holders) of the NBFC Regulations, 2008. In addition there are certain changes in the disclosure requirements relating to the Income Statement and the Statement of Movement in Unit Holders' Fund. The management is currently in the process of assessing the impact of these changes on the financial statements.

2.9 The impact of standards, interpretations and amendments to published approved accounting standards that are not yet effective is yet to be determined by the Management Company of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies has been consistently applied to all the periods presented in the preparation of these financial statements and are set out below:

3.1 Investments

3.1.1 All investments are initially recorded at cost, being the fair value of the consideration given including the transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the income statement.

3.1.2 The Fund classifies its investments in the following category:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

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

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.1.3 Trade date accounting

All regular way of purchases and sales of investments are recognised on the trade date i.e. the date the Fund commits to purchase / sell the investments.

3.2 Derecognition

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

3.3 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.4 Issue and redemption of units

Units are allocated at the offer price prevalent on the day on which applications for the purchase of units are received. The offer price represents the net assets value of units at the end of the day plus the allowable sales load, if any. The sales load is payable to the Distribution Companies and the Management Company as processing fee.

Units redeemed are recorded at the redemption price prevalent on the day on which the units are redeemed. The redemption price represents the net assets value at the end of the day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.5 Element of income / loss and capital gains / losses in prices of units sold less those in units redeemed

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

The element of income and capital gains included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the year is recognised in the income statement and unrealized appreciation / (diminution) arising during the year on available for sale securities is included in the distribution statement.

3.6 Payables and accruals

Payables and accruals are carried at cost which is the fair value of the consideration to be paid in the future for the services received, whether billed or not to the Fund.

3.7 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

3.8 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities of the Fund is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

3.9 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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.

3.10 Offsetting of financial instruments

Financial assets and liabilities are only off set and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to off set the recognised amounts and the Fund intends either to settle on a net basis, or realize the assets and settle the liabilities simultaneously.

3.11 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Fund ceases to be a party to such contractual provisions of the instrument. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. The particular recognition method adopted for measurement of financial liabilities investments subsequent to initial recognition is disclosed in the individual policy statement associated with each item.

3.12 Impairment of Financial assets

The carrying amount of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events has had a negative effect on the estimated future cash flows of the asset. If such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement for the year except as described below.

For available-for-sale financial investments, the company assesses at each balance sheet date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement, is removed from equity and recognised in the income statement for the year. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in equity.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in income statement for the year.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated cash flows discounted at the original effective interest rate.

3.13 Dividend distributions and appropriations

Dividend distributions (including the bonus units) are recorded in the period in which the distributions are approved. 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 by way of dividend.

3.14 Revenue recognition

- Gains and losses arising on sale of investments are included in the income statement for the period in which the transaction takes place.

- Unrealised gains / (losses) arising on revaluation of investments classified as 'available for sale' are included in the other comprehensive income in the period in which they arise.

- Dividend income is recognised in the income statement for the year when the right to receive the dividend is established. For quoted equity securities this is the ex-dividend date.

- Mark up on bank deposits are recognised on time proportionate basis at the implicit rate of return.

3.15 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of balances with the banks and deposits with banks having original maturities of three months or less.

3.16 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.17 Earnings per unit

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

3.18 Other assets

Other assets are stated at cost less impairment losses, if any.

3.19 Regular way contracts

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

4. BANK BALANCES

	Note	2017	2016
		(Rupees in '000)	
Profit and loss sharing accounts	4.1	5,631	16,764
Current accounts		389	392
		6,020	17,156

4.1 These represents profit and loss sharing accounts maintained with various banks carrying profit at the rate ranging from 3.75% to 4.75% (30 June 2016: ranging from 3.75% to 5.5%) per annum.

5. INVESTMENTS

	Note	2017	2016
Investments in securities classified as 'available for sale'		(Rupees in '000)	
Listed equity securities	5.1	514,080	441,698

5.1 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 year July 01, 2016	Acquired during the year	Bonus / right shares received / Purchased during the year including the splitting of share	Disposed during the year	Holding at end of the year June 30, 2017	Cost as of the year ended June 30, 2017	Carrying value (before revaluation as of the year ended June 30, 2017)	Market value as of June 30, 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
						(a)		(b)			
	---------------------- (Number of Shares) ----------------------					--------- (Rupees in '000) ---------			------------ Percentage ------------		
AUTOMOBILE ASSEMBLER											
Honda Atlas Cars (Pakistan) Limited	6,100	-	-	-	6,100	1,399	2,190	5,293	1.02	1.03	0.00
Indus Motor Company Limited	3,369	-	-	500	2,869	579	2,696	5,146	0.99	1.00	0.00
Millat Tractors Limited (Note 5.2)	4,043	1,400	-	200	5,243	2,572	3,296	7,206	1.39	1.40	0.01
Pak Suzuki Motor Company Limited	4,670	250	-	200	4,720	385	1,808	3,683	0.71	0.72	0.01
						4,935	**9,990**	**21,328**			
AUTOMOBILE PARTS & ACCESSORIES											
Thal Limited (Face value Rs. 5/- each)	7,021	-	-	50	6,971	813	1,973	4,227	0.81	0.82	0.01
						813	**1,973**	**4,227**			
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited	45,375	12,000	-	3,600	53,775	3,198	3,584	5,932	1.14	1.15	0.01
						3,198	**3,584**	**5,932**			
CEMENT											
Attock Cement Pakistan Limited	-	3,500	-	-	3,500	1,186	1,186	1,059	0.20	0.21	0.00
Bestway Cement Limited	-	7,200	-	1,000	6,200	1,659	1,659	1,359	0.26	0.26	0.00
Cherat Cement Company Limited (Note 5.2)	25,796	3,000	-	4,000	24,796	1,722	3,174	4,433	0.85	0.86	0.01
D.G. Khan Cement Company Limited	52,387	5,000	-	4,000	53,387	3,086	10,313	11,380	2.19	2.21	0.01
Fauji Cement Company Limited	169,850	13,000	-	23,000	159,850	2,008	5,805	6,559	1.26	1.28	0.01
Kohat Cement Company Limited	10,500	-	-	1,000	9,500	1,167	2,488	2,178	0.42	0.42	0.01
Lucky Cement Limited	29,183	2,300	-	2,750	28,733	6,211	19,162	24,028	4.62	4.67	0.01
Maple Leaf Cement Factory Limited	51,000	7,400	-	5,500	52,900	2,100	5,710	5,891	1.13	1.15	0.01
Pioneer Cement Limited	27,500	500	-	1,900	26,100	1,765	2,809	3,393	0.65	0.66	0.01
						20,904	**52,307**	**60,280**			
CHEMICAL											
Colgate Palmolive (Pakistan) Limited	1,016	-	-	-	1,016	324	1,549	2,339	0.45	0.45	0.00
ICI Pakistan Limited	2,838	200	-	-	3,038	619	1,469	3,325	0.64	0.65	0.00
						943	**3,018**	**5,664**			
CLOSE - END MUTUAL FUND											
PICIC Growth Fund	56,012	-	-	-	56,012	937	1,333	1,736	0.33	0.34	0.02
						937	**1,333**	**1,736**			
COMMERCIAL BANKS											
Allied Bank Limited	38,862			1,700	37,162	2,244	3,343	3,330	0.64	0.65	0.00
Askari Bank Limited	86,313		-	5,500	80,813	1,175	1,510	1,630	0.31	0.32	0.01
Bank Al Habib Limited	163,332	13,000	-	19,000	157,332	4,499	6,904	8,930	1.72	1.74	0.01
Bank Al-Falah Limited	153,305	16,000	-	45,500	123,805	1,968	3,282	4,977	0.96	0.97	0.01
Faysal Bank Limited (Note 5.2)	89,952	-	8,545	-	98,497	605	1,179	2,216	0.43	0.43	0.01
Habib Bank Limited	149,983	16,200	-	20,000	146,183	27,834	30,108	39,343	7.57	7.65	0.01
Habib Metropolitan Bank Limited	105,568	-	-	4,000	101,568	2,057	2,881	3,357	0.65	0.65	0.01
MCB Bank Limited	101,228	7,500	-	22,000	86,728	13,964	19,236	18,250	3.51	3.55	0.01

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year July 01, 2016	Acquired during the year	Bonus / right shares received / Purchased during the year including the splitting of share	Disposed during the year	Holding at end of the year June 30, 2017	Cost as of the year ended June 30, 2017	Carrying value (before revaluation as of the year ended June 30, 2017)	Market value as of June 30, 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
						(a)		(b)			
	----------------------- (Number of Shares) -----------------------					---------- (Rupees in '000) ----------			------------ Percentage ------------		
Meezan Bank Limited (Note 5.2)	21,032	11,000	-	-	32,032	993	1,654	2,531	0.49	0.49	0.00
National Bank of Pakistan Limited	114,738	8,500	-	10,000	113,238	4,471	6,716	6,682	1.29	1.30	0.01
Soneri Bank Limited	68,447	7,500	-	3,000	72,947	562	1,035	1,071	0.21	0.21	0.01
Standard Chartered Bank (Pakistan) Limited	41,098	-	-	250	40,848	326	974	960	0.18	0.19	0.00
The Bank of Punjab -Letter of Right	-	-	98,111	-	98,111	-	-	3	0.00	0.00	
The Bank of Punjab	140,159	-	-	-	140,159	1,444	1,127	1,651	0.32	0.32	0.01
United Bank Limited (Note 5.2)	111,329	11,700	-	13,300	109,729	16,172	20,225	25,843	4.97	5.03	0.01
						78,314	**100,174**	**120,774**			
ENGINEERING											
Crescent Steel and Allied Products Limited	-	8,500	-	-	8,500	1,327	1,327	2,028	0.39	0.39	0.01
International Steels Limited	40,500	1,500	-	4,000	38,000	771	1,446	4,860	0.93	0.95	0.01
						2,098	**2,773**	**6,888**			
FERTILIZER											
Arif Habib Corporation Limited (Note 5.2)	28,437	-	-	-	28,437	780	1,122	1,172	0.23	0.23	0.01
Dawood Hercules Corporation Limited	72,996	8,900	-	6,500	75,396	4,955	11,265	10,281	1.98	2.00	0.02
Engro Corporation Limited	59,474	11,600	-	7,000	64,074	10,722	21,704	20,883	4.02	4.06	0.01
Engro Fertilizer Limited	75,575	69,700	-	11,500	133,775	9,489	8,908	7,390	1.42	1.44	0.01
Fatima Fertilizer Company Limited	91,234	9,000	-	6,500	93,734	2,419	3,192	3,158	0.61	0.61	0.00
Fauji Fertilizer Bin Qasim Limited	73,951	3,000	-	4,500	72,451	2,465	3,842	3,104	0.60	0.60	0.01
Fauji Fertilizer Company Limited	158,850	11,700	-	19,000	151,550	14,005	17,376	12,524	2.41	2.44	0.01
						44,835	**67,409**	**58,512**			
FOOD & PERSONAL CARE PRODUCTS											
Engro Foods Limited	24,691	7,500	-	15,517	16,674	1,597	2,774	2,026	0.39	0.39	0.00
Murree Brewery Company Limited	2,317	-	-	-	2,317	323	1,432	1,788	0.34	0.35	0.01
National Foods Limited (Face value of Rs. 5/- each) (Note 5.2)	10,000	500	-	2,350	8,150	1,706	2,289	2,209	0.42	0.43	0.01
Nestle Pakistan Limited	1,009	-	-	20	989	4,621	7,220	10,088	1.94	1.96	0.00
Rafhan Maize Products Company Limited	112	-	-	112	-	-	-	-	0.00	0.00	-
						8,247	**13,715**	**16,111**			
GLASS & CERAMICS											
Ghani Glass Limited - letter of rights	-	-	12,663	-	12,663	-		893	0.17	0.17	
Ghani Glass Limited	14,070	-	-	-	14,070	935	1,328	1,174	0.23	0.23	0.01
						935	**1,328**	**2,067**			
INSURANCE											
Adamjee Insurance Company Limited	55,240	6,000	-	3,000	58,240	1,699	3,068	3,981	0.77	0.77	0.02
EFU General Insurance Limited (Note 5.2)	25,437	1,500	-	6,000	20,937	1,024	2,494	3,036	0.58	0.59	0.01
EFU Life Assurance Limited	7,184	-	-	7,184	-	-	-	-	0.00	0.00	-
IGI Insurance Limited	8,797	-	-	1,000	7,797	524	1,488	2,470	0.48	0.48	0.01
IGI Life Insurance Limited		1,000		1,000	-	-	-	-	0.00	0.00	-
Jubilee General Insurance Company Limited	8,144	-	1,160	-	9,304	235	814	921	0.18	0.18	0.01
Jubilee Life Insurance Company Limited (Note 5.2)	3,100	500	247	500	3,347	1,176	1,665	2,872	0.55	0.56	0.00
						4,658	**9,529**	**13,280**			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	**Holding at beginning of the year July 01, 2016**	**Acquired during the year**	**Bonus / right shares received / Purchased during the year including the splitting of share**	**Disposed during the year**	**Holding at end of the year June 30, 2017**	**Cost as of the year ended June 30, 2017**	**Carrying value (before revaluation as of the year ended June 30, 2017)**	**Market value as of June 30, 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**
						(a)		**(b)**			
	----------------------- (Number of Shares) -----------------------					**---------- (Rupees in '000) ----------**			**------------ Percentage ------------**		
INV. BANKS / INV. COS. / SECURITIES COS.											
Jahangir Siddiqui & Company Limited	59,203	-	-	-	59,203	661	1,172	1,352	0.26	0.26	0.01
						661	**1,172**	**1,352**			
JUTE											
Associated Services Limited	150	-	-	150	-	-	-	-	0.00	0.00	-
Crescent Jute Products Limited (Note 5.2)	-	1,000		500	500	3	3	2	0.00	0.00	0.00
						3	**3**	**2**			
LEASING COMPANIES											
Orix Leasing Pakistan Limited	8,570	-	-		8,570	548	424	345		0.07	0.01
Orix Leasing Pakistan Limited - letter of rights	-	-	5,964	-	5,964	-	-	17	0.00	0.00	
						548	**424**	**362**			
LEATHER & TANNERIES											
Bata Pakistan Limited	377	-	-	-	377	192	1,537	1,244	0.24	0.24	0.00
Service Industries Limited (Note 5.2)	1,288	-	-	100	1,188	978	1,050	1,638	0.32	0.32	0.01
						1,170	**2,587**	**2,882**			
MISCELLANEOUS											
Pakistan Services Limited (Note 5.2)	6,200	-	-	-	6,200	1,917	4,183	5,595	1.08	1.09	0.02
Shifa International Hospital Limited	3,454	1,000	-	-	4,454	622	1,340	1,470	0.28	0.29	0.01
						2,539	**5,523**	**7,065**			
MODARABAS											
Allied Rental Modaraba	11,500			2,000	9,500	366	219	236	0.05	0.05	0.01
						366	**219**	**236**			
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited	4,681	350	-	250	4,781	561	4,365	7,533	1.45	1.47	0.00
Oil and Gas Development Company Limited (Note 5.2) (Note 5.3)	146,437	14,000	-	15,700	144,737	18,182	20,371	20,363	3.92	3.96	0.00
Pakistan Oilfields Limited	24,579	1,000	-	1,900	23,679	8,004	8,413	10,848	2.09	2.11	0.01
Pakistan Petroleum Limited	109,224	7,700	-	12,600	104,324	11,319	16,386	15,455	2.97	3.01	0.01
						38,066	**49,535**	**54,199**			
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited	4,450	-	-	800	3,650	1,039	1,597	2,286	0.44	0.44	0.00
Hascol Petroleum Limited	9,500	4,000	-	400	13,100	2,302	2,685	4,468	0.86	0.87	0.01
Pakistan State Oil Company Limited (Note 5.2)	28,656	1,700	-	3,000	27,356	5,158	10,347	10,596	2.04	2.06	0.01
Shell Pakistan Limited	4,751	-	-	-	4,751	469	1,379	2,734	0.53	0.53	0.00
Sui Northern Gas Pipelines Limited	40,670	24,000	-	1,000	63,670	3,850	4,600	9,482	1.82	1.84	0.01
Sui Southern Gas Company Limited	57,343	-	-	515	56,828	978	1,564	2,070	0.40	0.40	0.01
						13,796	**22,172**	**31,636**			
PAPER & BOARD											
Cherat Packaging Limited	4,000	-	-	-	4,000	1,217	1,367	951	0.18	0.18	0.01
Packages Limited	7,039	-	-	250	6,789	1,524	4,319	4,722	0.91	0.92	0.01
						2,741	**5,686**	**5,673**			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year July 01, 2016	Acquired during the year	Bonus / right shares received / Purchased during the year including the splitting of share	Disposed during the year	Holding at end of the year June 30, 2017	Cost as of the year ended June 30, 2017	Carrying value (before revaluation as of the year ended June 30, 2017)	Market value as of June 30, 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
						(a)		(b)			
	----------------------- (Number of Shares) -----------------------					---------- (Rupees in '000) ----------			------------- Percentage -------------		
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited	4,465	4,550	-	4,500	4,515	3,499	3,652	4,220	0.81	0.82	0.00
Ferozsons Laboratories Limited (Note 5.2)	2,200	350	-	-	2,550	2,129	2,638	986	0.19	0.19	0.01
GlaxoSmithKline Pakistan Limited	11,273	-	-	200	11,073	603	2,293	2,180	0.42	0.42	0.00
GlaxoSmithKline Consumer Healthcare Pakistan Limited	3,231	-	-	3,231	-	-	-	-	0.00	0.00	-
The Searle Company Limited (Note 5.2)	10,916	3,300	2,876	1,850	15,242	3,629	7,004	7,804	1.50	1.52	0.01
						9,860	**15,587**	**15,190**			
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited	164,241	20,500	-	17,000	167,741	9,598	20,356	19,698	3.79	3.83	0.01
K-Electric Limited (Face value Rs. 3.5/- each)	614,148	20,000	-	35,000	599,148	3,260	4,856	4,134	0.80	0.80	0.00
Kot Addu Power Company Limited	96,779	12,000	-	7,000	101,779	6,687	9,013	7,330	1.41	1.43	0.01
Lalpir Power Limited	33,000	-	-	33,000	-	-	-	-	0.00	0.00	-
Nishat Chunian Power Limited	38,665	-	-	200	38,465	944	2,021	1,714	0.33	0.33	0.01
Nishat Power Limited	34,070	2,000	-	1,500	34,570	759	1,755	1,633	0.31	0.32	0.01
Pakgen Power Limited	38,000	-	-	38,000	-	-	-	-	0.00	0.00	-
Saif Power Limited	39,500	-	-	-	39,500	1,157	1,186	1,192	0.23	0.23	0.01
						22,405	**39,188**	**35,701**			
REAL ESTATE INVESTMENT TRUST											
Dolmen City REIT	120,000		-	-	120,000	1,245	1,296	1,420	0.27	0.28	0.01
						1,245	**1,296**	**1,420**			
REFINERY											
Attock Refinery Limited	7,219	500	-	300	7,419	1,138	2,091	2,838	0.55	0.55	0.01
National Refinery Limited	5,443	450	-	400	5,493	1,317	2,640	3,988	0.77	0.78	0.01
						2,455	**4,731**	**6,826**			
SUGAR & ALLIED INDUSTRIES											
JDW Sugar Mills Limited (Note 5.2)	6,650	-	-	800	5,850	641	2,276	2,398	0.46	0.47	0.01
						641	**2,276**	**2,398**			
SYNTHETICS AND RAYON											
Ibrahim Fibres Limited	3,000	-	-	-	3,000	216	170	206	0.04	0.04	0.00
						216	**170**	**206**			
TECHNOLOGY & COMMUNICATION											
Hum Network Limited (Face value of Rs. 1/- each)	96,100	32,000	-	8,500	119,600	810	1,303	1,404	0.27	0.27	0.01
Pakistan Telecommunication Company Limited "A"	127,017	-	-	-	127,017	1,451	1,909	1,983	0.38	0.39	0.00
TRG Pakistan Limited	103,355	-	-	3,500	99,855	3,103	3,350	4,003	0.77	0.78	0.02
						5,364	**6,562**	**7,390**			
TEXTILE COMPOSITE											
Kohinoor Textile Mills Limited	48,128	-	-	2,000	46,128	1,331	3,691	4,849	0.93	0.94	0.02
Nishat (Chunian) Limited	26,330	-	-	500	25,830	877	915	1,326	0.26	0.26	0.01
Nishat Mills Limited	39,847	-	-	1,500	38,347	2,209	4,138	6,085	1.17	1.18	0.01
						4,417	**8,744**	**12,260**			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	**Holding at beginning of the year July 01, 2016**	**Acquired during the year**	**Bonus / right shares received / Purchased during the year including the splitting of share**	**Disposed during the year**	**Holding at end of the year June 30, 2017**	**Cost as of the year ended June 30, 2017**	**Carrying value (before revaluation as of the year ended June 30, 2017)**	**Market value as of June 30, 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**
						(a)		**(b)**			
	(Number of Shares)					**(Rupees in '000)**			**Percentage**		
TEXTILE SPINNING											
Indus Dyeing & Manufacturing Company Limited	550	-	-	-	550	514	285	351	0.07	0.07	0.00
						514	**285**	**351**			
TEXTILE WEAVING											
Feroze 1888 Mills Limited	20,500	16,700	-	33,200	4,000	1,366	1,211	442	0.09	0.09	0.00
						1,366	**1,211**	**442**			
TOBACCO											
Pakistan Tobacco Company Limited	2,640	140	-	40	2,740	372	3,441	4,644	0.89	0.90	0.00
Phillip Morris Pakistan Limited	-	580	-	-	580	974	974	1,662	0.32	0.32	0.00
						1,346	**4,415**	**6,306**			
TRANSPORT											
Pakistan International Bulk Terminal Limited	156,075	34,500	-	17,673	172,902	5,035	5,510	4,004	0.77	0.78	0.01
Pakistan International Container Terminal Limited	4,900	-	-	1,300	3,600	1,180	1,211	1,253	0.24	0.24	0.00
						6,215	**6,721**	**5,257**			
VANASPATI & ALLIED INDUSTRIES											
Punjab Oil Mills Limited	300	-	-	-	300	80	80	93	0.02	0.02	0.01
						80	**80**	**93**			
WOOLLEN											
Bannu Woollen Mills Limited	500	-	-	-	500	24	27	34	0.01	0.01	0.01
						24	**27**	**34**			
Total as at June 30, 2017						**286,855**	**445,747**	**514,080**			
Total as at June 30, 2016						263,505	439,585	441,698			

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

5.3 These include 100,000 shares having market value of Rs. 14.07 million of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan Limited as on June 30, 2017.

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

	2017	2016
	(Rupees in '000)	
Balance as of 01 July	**178,193**	186,425
Unrealised appreciation in the value of investments during the year	**68,333**	2,113
Gain recognised in the income statement on sale - net	**(19,301)**	(10,345)
Balance as of 30 June, recognised directly into unit holders' fund (difference of column a and b in the above table)	**227,225**	178,193

6. DIVIDEND AND OTHER RECEIVABLES

Dividend receivables	**1,570**	1,432
Profit receivable on bank balances	**20**	47
Others	**24**	19
Receivable from AKD Cash Fund against Conversion of units	**4,830**	-
	6,444	1,498

7. SECURITY DEPOSITS

National Clearing Company of Pakistan Limited	**2,500**	2,500
Central Depository Company of Pakistan Limited	**100**	100
	2,600	2,600

8. REMUNERATION TO THE MANAGEMENT COMPANY

The Management Company is entitled to remuneration for services rendered to the Equity Fund under the provisions of the amended NBFC Regulations dated November 25, 2015 of an amount not exceeding 1.5% percent of the average daily net assets of the Fund. The Management company charged remuneration at the rate of 0.75% per annum of the average daily net assets of the Fund (2016: 0.75% p.a). This amount was settled subsequent to the year end.

	2017	2016
	(Rupees in '000)	
Balance at beginning of the year	**267**	255
Remuneration for the year	**3,874**	3,022
Paid during the year	**(3,812)**	(3,010)
Balance at end of the year	**329**	267

9. REMUNERATION TO THE TRUSTEE

The Trustee is entitled to monthly remuneration for services under the provision of Trust Deed.

Net assets up to Rs. 1 billion

Rs. 0.7 million or 0.20% per annum of the daily average net assets of the Fund, which ever is higher.

Net assets exceeding Rs. 1 billion

Rs. 2 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs. 1 billion.

	2017	2016
	(Rupees in '000)	
Balance at beginning of the year	**70**	67
Remuneration for the year	**1,033**	806
Paid during the year	**(1,016)**	(803)
Balance at end of the year	**87**	70

10. ANNUAL FEE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to the Securities and Exchange Commission of Pakistan (SECP) in accordance with Rule 62 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, whereby the Fund is required to pay annual fee to SECP at the rate of 0.095% of the average daily net assets of the Fund.

	2017	2016
	(Rupees in '000)	
Balance at beginning of the year	**383**	371
Remuneration for the year	**491**	383
Paid during the year	**(383)**	(371)
Balance at end of the year	**491**	383

11. ACCRUED EXPENSES AND OTHER LIABILITIES

		2017	2016
Auditors' remuneration		**254**	200
Sindh Sales tax payable on management company remuneration	*11.1*	**43**	43
Federal excise duty on management remuneration	*11.2*	**1,357**	1,357
Allocated expenses by the management company	*11.3*	**318**	36
Payable to management company against expenses		**77**	76
Provision against Sindh Workers' Welfare Fund	*11.4*	**1,557**	-
Provision against Workers' Welfare Fund	*11.4*	**-**	2,679
Sindh sales tax payable on trustee fees and CDS Charges		**11**	10
Withholding tax payable		**3,413**	2,833
Zakat payable		**131**	95
Other liabilities		**230**	408
		7,391	7,737

11.1 During the current year, an amount of Rs. 0.504 million (2016: 0.491 million) was charged on account of sales tax on Management fee levied through Sindh Sales Tax on Services Act, 2011 and 0.136 million (2016: 0.114 million) on trustee remuneration and CDS charges levied through Sindh Sales Tax on Finance Act 2015. As at year end, sales tax on Management Company remuneration of Rs. 0.043 million (2016: 0.043 million) and on trustee remuneration and CDS charges amounting 0.01 million (2016: 0.01 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.

11.2 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 were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2017 amounting to Rs 1.357 million (2016:

Rs 1.357 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2017 would have been higher by Re 0.043 per unit (2016: Re 0.043 per unit).

11.3 In accordance with the provisions of the NBFC Regulations, 2008 (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund up to a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. During the year an amount of Rs. 0.517 million (2016: Rs 0.176 million) is charged and Rs. 0.318 million (2016: Rs 0.036 million) payable is related to reimburseable expense as per regulation 60.

11.4 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 July 1, 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 consulted 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 and their CISs 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 had recommended the following to all its members on January 12, 2017:

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

- as a matter of abundant caution provision in respect of SWWF is being made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e., starting from May 21, 2015).

Accordingly, on January 12, 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from May 21, 2015 to January 12, 2017. Thereafter, the provision for SWWF is being made on a daily basis going forward.

The above decisions were communicated to the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange Limited on January 12, 2017. The SECP vide its letter dated February 1, 2017 had 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, necessary adjustments in this respect were recorded in the books of the Funds on January 12, 2017.

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2017 would have been higher by Re 0.049 per unit.

12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2017 is 1.59% which includes 0.39% 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.

		2017	2016
13. NUMBER OF UNITS IN ISSUE		**(Numbers)**	
Total outstanding at beginning of the year		**31,681,047**	28,711,391
Issued during the year		**4,733,000**	3,725,351
Redemptions during the year		**(4,515,016)**	(755,695)
Total units in issue at the end of the year		**31,899,031**	31,681,047
Face value of the unit is Rs. 10 each.			
14. AUDITORS' REMUNERATION			
Statutory audit		**175**	175
Half-yearly review		**50**	50
Review of code of corporate governance		**21**	21
Out of pocket expenses		**43**	14
		289	260
15. OTHER EXPENSES			
Printing and stationery		**99**	172
National Clearing Company of Pakistan Limited charges		**250**	248
Central Depository Company of Pakistan Limited charges		**13**	10
Pakistan Stock Exchange listing fee		**44**	40
Legal and professional charges		**81**	227
Fees and subscription		**9**	7
Sales tax on Management Company's remuneration	*11.1*	**504**	491
Sales tax on trustee fees and CDS Charges		**136**	114
Federal excise duty on management remuneration	*11.2*	**-**	484
Allocated Expenses by the management company	*11.3*	**517**	176
		1,653	1,969

16. TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

17. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include AKD Investment Management Limited (AKDIML) being the Management Company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited and AKD Securities Limited being the related parties of the Management Company, Central Depository Company of Pakistan Limited being the trustee, other collective investment schemes managed by the Management Company and directors and key management personnel of the Management Company and above entities and also includes entities holding 10% or more in the units of the Fund as at 30 June 2017. It also includes staff retirement benefit funds of the above related parties / connected persons and entities in which the above parties or their connected persons have a material interest. The 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 as disclosed in notes 8 and 9 to these financial statements. Purchase and redemptions of the Fund's units by the related parties / connected persons are recorded at the applicable net asset value per unit. Other transactions are at agreed rates.

17.1 Details of transactions with connected persons / related parties during the year

	Note	2017	2016
		(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund			
Remuneration for the year	8	**3,874**	3,022
Allocated expenses by the management company	11.3 & 15	**517**	176
Sales tax on Management Company's remuneration*	11.1 & 15	**504**	491
Federal excise duty on Management Company's * remuneration*	11.2 & 15	**-**	484
Sales load		**52**	4
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Trustee Fee	9	**1,033**	806
CDS charges	15	**13**	10
Sales tax on CDS charges and Trustee Fee	15	**136**	114
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)			
Units issued : 1,365,203 (2016: 1,205,218)		**21,741**	17,326
Dividend paid		**24,847**	19,802

	Note	2017	2016
		(Rupees in '000)	
Mr. Aqeel Karim Dhedhi - Chairman of the Group			
Dividend paid		-	1
AKD Securities Limited - Brokerage House			
Commission paid on purchase and sale of marketable securities		10	10
AKD Investment Management Limited Staff Provident Fund			
Units issued : 826,001 (2016: 779,028)		14,633	11,140
Redemption of units : 512,876 (2016: 512,876)		14,373	7,439
Dividend paid		-	190

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

	Note	2017	2016
		(Rupees in '000)	
17.2 Details of balances with connected persons / related parties as at year end			
AKD Investment Management Limited - Management Company of the Fund			
Remuneration payable	8	329	267
Allocated expenses by management company payable		395	112
Sales tax payable on Management Company's remuneration*	11 & 11.1	43	43
Federal Excise Duty payable on Management Company's remuneration*	11 & 11.2	1,357	1,357
Sales load payable		2	-
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration payable	9	87	70
Security Deposit	7	100	100
CDS charges payable		1	1
Sales tax CDS charges and Trustee Fee Payable		11	10
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)			
Number of units outstanding : 28,972,646 90.83% of the total units in issue as at the year end) (2016: 27,607,443 (87.14% of the total units in issue as at the year end))		471,964	393,406

	Note	2017	2016
		(Rupees in '000)	
Mr. Aqeel Karim Dhedhi - Chairman of the Group			
Number of units outstanding : 390 (2016: 390) units		**6**	6
AKD Investment Management Limited Staff Provident Fund			
Number of units outstanding : 295,391 (2016: 266,152)		**4,812**	3,793
AKD Securities Limited - Brokerage House			
Brokerage payable on purchase and sale of marketable securities		**-**	4

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

18. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Fund has exposure to following risks from its use of financial instruments:

- Credit risk (refer note 18.1)
- Liquidity risk (refer note 18.2)
- Market risk (refer note 18.3)

Risk management framework

The Fund's board of directors has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyze the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund’s Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund’s investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund’s Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

18.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, return / mark-up receivable, receivable against sale of marketable securities and security deposits.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analysing of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2017 was as follows:

	2017		2016	
	Balance as per the Statement	**Maximum Exposure**	Balance as per the Statement	Maximum Exposure
	(Rupees in '000)		(Rupees in '000)	
Bank balances (including profit receivable)	**6,040**	**6,040**	17,203	17,203
Investments	**514,080**	**-**	441,698	-
Receivable against sale of investments	**-**	**-**	47	47
Dividend receivables	**1,570**	**1,570**	1,432	1,432
Security deposits	**2,600**	**2,600**	2,600	2,600
	524,290	**10,210**	462,980	21,282

Difference in balance as per the statement of assets and liabilities and maximum exposure in investments is due to the fact that investments in equity securities of Rs. 514.080 million (June 30, 2016: Rs. 441.698 million) is not exposed to credit risk.

Bank balances

The Fund held cash and cash equivalents at 30 June 2017 with banks having following credit ratings:

Ratings	**2017**	2016	**2017**	2016
	(Rupees)		**(%)**	
A1+	**6,020**	17,156	**100**	100
Total	**6,020**	17,156	**100**	100

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS (as of June 30, 2017).

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

Details of Fund's concentration of credit risk of financial instruments by industrial distribution are as follows:

	Note	**2017** (Rupees in '000)	**2017** (%)	2016 (Rupees in '000)	2016 (%)
Commercial banks (including profit receivable)	*4 & 6*	**6,040**	**59**	17,203	81
Receivable against sale of shares due from National Clearing Company of Pakistan Limited (NCCPL)		**-**	**-**	47	-
Dividend receivables from					-
- Power Generation Company		**335**	**3**	319	1
- Oil and Gas sector	6	**491**	**5**	70	-
- Fertilizer		**471**	**5**	468	2
- Others		**273**	**3**	575	3
NCCPL - security deposit	*7*	**2,500**	**24**	2,500	12
Central Depository Company -					-
security deposit	*7*	**100**	**1**	100	-
		10,210	**100**	21,282	99

Past due and impaired assets and collaterals held

None of the financial assets of the Fund are past due or impaired as at June 30, 2017.

None of the financial instruments of the Fund are secured.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

18.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six days from the date of the redemption request.

In addition, the Fund is entitled to borrow, with prior approval of trustee, for meeting redemptions. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment with in 90 days of such borrowings.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, during the period no such option was exercised or considered necessary.

Maturity analysis for financial liabilities

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	2017			
	Carrying amount of liabilities	Total	Less than 1 month	Within 3 months
Non-derivative financial liabilities (excluding unit holders' fund)	---------------------(Rupees"000")			-------------------
Remuneration Payable to the Management Company (excluding Sindh sales tax and federal excise duty)	329	329	329	-
Remuneration payable to the Trustee	87	87	87	-
Annual fee payable to the Securities and Exchange Commission of Pakistan	491	491	-	491
Payable against purchased of investment	-	-	-	-
Accrued expenses and other liabilities *	561	561	561	-
Unclaimed dividend	622	622	622	-
	2,090	2,090	1,599	491
Unit holders' fund	519,951	519,951	519,951	-

* excluding Sindh sales tax payable on Management Company's remuneration, Sales tax payable on trustee fee, federal excise duty payable on Management Company's remuneration, withholding tax and zakat payable.

	2016			
	Carrying amount of liabilities	Total	Less than 1 month	Within 3 months
	----------------------(Rupees"000") --------------------			
Non-derivative financial liabilities (excluding unit holders' fund)				
Remuneration Payable to the Management Company (excluding Sindh sales tax and federal excise duty)	267	267	267	-
Remuneration payable to the Trustee	70	70	70	-
Annual fee payable to the Securities and Exchange Commission of Pakistan	383	383	-	383
Payable against purchase of investment	2,183	2,183	2,183	-
Accrued expenses and other liabilities *	684	684	684	-
Unclaimed dividend	622	622	622	-
	4,209	4,209	3,826	383
Unit holders' fund	451,737	451,737	451,737	-

* excluding Sindh sales tax payable on Management Company's remuneration, federal excise duty payable on Management Company's remuneration, withholding tax and zakat payable.

18.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

The Fund is exposed to interest rate risk and equity price risk.

18.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

Exposure to interest rate risk

The interest rate profile of the Fund's interest-bearing financial instruments as reported to the management of the Fund is as follows:

	2017	2016
	(Rupees in '000)	
Variable rate instruments		
Financial assets (bank balances)	**5,631**	16,764

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) unit holder fund and income statements by Rs. 0.056 (2016: Rs. 0.167) million. The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Above bank balances are reprised by the bank after changes in the State Bank of Pakistan's policy rate and do not have any contractual maturity.

None of the Fund's financial liabilities are subject to interest rate risk.

The above variable rate financial instruments represent PLS account bank balances and carry profits rates ranging between 3.75% to 4.75%. per annum. These are withdraw able as demanded.

18.3.2 Other market price risk

The Fund is exposed to equity price risk i.e. the risk of unfavourable changes in the fair value of equity securities as a result changes in the levels of Karachi Stock Exchange Index (PSX- 100 Index) and the value of individual shares, which arises from investments measured at fair value through income statement.

The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sectors and benchmarking the sector weighting to that of the KSE 100 Index. The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed. The table below is a summary of the significant sector concentrations within the equity portfolio.

	As at June 30, 2017	
Sector wise portfolio	Fund's equity portfolio (%)	PSX-100 benchmark portfolio (%)
AUTOMOBILE ASSEMBLER	4.10	4.16
AUTOMOBILE PARTS & ACCESSORIES	0.81	0.84
CABLE & ELECTRICAL GOODS	1.14	1.19
CEMENT	11.59	11.92
CHEMICAL	1.09	1.13
CLOSE - END MUTUAL FUND	0.33	0.36
COMMERCIAL BANKS	23.23	23.07
ENGINEERING	1.32	1.38
FERTILIZER	11.25	11.55
FOOD & PERSONAL CARE PRODUCTS	3.10	3.10
GLASS & CERAMICS	0.40	0.27
INSURANCE	2.55	2.32
INV. BANKS / INV. COS. / SECURITIES COS.	0.26	0.26
JUTE	0.00	-
LEASING COMPANIES	0.07	0.07
LEATHER & TANNERIES	0.55	0.50
MISCELLANEOUS	1.36	1.33
MODARABAS	0.05	0.05
OIL & GAS EXPLORATION COMPANIES	10.42	10.73
OIL & GAS MARKETING COMPANIES	6.08	6.34
PAPER & BOARD	1.09	1.15
PHARMACEUTICALS	2.92	2.76
POWER GENERATION & DISTRIBUTION	6.87	7.06
REAL ESTATE INVESTMENT TRUST	0.27	0.28
REFINERY	1.31	1.38
SUGAR & ALLIED INDUSTRIES	0.46	0.37
SYNTHETIC & RAYON	0.04	0.04
TECHNOLOGY & COMMUNICATION	1.42	1.51
TEXTILE COMPOSITE	2.36	2.41
TEXTILE SPINNING	0.07	0.07
TEXTILE WEAVING	0.09	0.09

	As at June 30, 2017	
	Fund's equity portfolio (%)	**PSX-100 benchmark portfolio (%)**
TOBACCO	**1.21**	**1.22**
TRANSPORT	**1.01**	**1.02**
VANASPATI & ALLIED INDUSTRIES	**0.02**	**0.02**
WOOLLEN	**0.01**	**0.01**

	As at June 30, 2016	
Sector wise portfolio	Fund's equity portfolio (%)	PSX-100 benchmark portfolio (%)
AUTOMOBILE ASSEMBLER	2.09	2.05
AUTOMOBILE PARTS & ACCESSORIES	0.44	0.46
CABLE & ELECTRICAL GOODS	0.65	0.64
CEMENT	10.88	11.03
CHEMICAL	0.62	0.67
CLOSE - END MUTUAL FUND	0.30	0.31
COMMERCIAL BANKS	22.68	22.63
ENGINEERING	0.32	0.31
FERTILIZER	13.70	13.76
FOOD & PERSONAL CARE PRODUCTS	3.64	3.76
GLASS & CERAMICS	0.29	0.31
INSURANCE	2.49	2.37
INV. BANKS / INV. COS. / SECURITIES COS.	0.26	0.27
JUTE	0.00	0.00
LEASING COMPANIES	0.09	0.10
LEATHER & TANNERIES	0.59	0.60
MISCELLANEOUS	1.16	1.26
MODARABAS	0.06	0.06
OIL & GAS EXPLORATION COMPANIES	11.06	11.03
OIL & GAS MARKETING COMPANIES	4.21	4.26
PAPER & BOARD	1.29	1.35
PHARMACEUTICALS	3.07	3.00
POWER GENERATION & DISTRIBUTION	8.83	9.09
REAL ESTATE INVESTMENT TRUST	0.29	0.30
REFINERY	1.02	1.09
SUGAR & ALLIED INDUSTRIES	0.57	0.58
SYNTHETIC & RAYON	0.04	0.04
TECHNOLOGY & COMMUNICATION	1.41	1.43
TEXTILE COMPOSITE	2.01	2.00
TEXTILE SPINNING	0.06	0.07
TEXTILE WEAVING	1.43	2.96
TOBACCO	0.74	0.78
TRANSPORT	1.47	1.39
VANASPATI & ALLIED INDUSTRIES	0.02	0.02
WOOLLEN	0.01	0.01

Refer Note 5.1 also.

Sensitivity analysis - Equity price risk

In case of 5% increase / (decrease) in PSX 100 index on 30 June 2017, with all other variables held constant, other comprehensive income of the Fund for the year would have increased / (decreased) by Rs. 25.70 million (30 June 2016: Rs. 22.08 million) whereas the net assets would have increased / (decreased) by the same amount, as a result of gains / (losses) on equity securities at fair value through income statement for the year.

This represents management's best estimate of a reasonable possible shift in the PSX-100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of 30 June 2017 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX-100 index.

18.4 Unit holder's fund risk management

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

18.5 Fair value of financial instruments

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The table also sets out the fair values of financial instruments not measured at fair value and analyses it by the level in the fair value hierarchy into which each fair value measurement is categorised.

The Fund’s accounting policy on fair value measurements is discussed in note 3.1.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs that are quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at June 30, 2017, all investments were categorised in Level 1.

19. SUPPLEMENTARY INFORMATION

The information regarding top brokers, performance table, unit holding pattern, members of the Investment Committee, Fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company are as follows:

19.1 List of top ten brokers by percentage of commission paid

		2017 Commission paid %
i	FDM Capital Securities (Pvt) Limited	**13.55**
ii	Ghani Osman Securities (Pvt.) Limited	**12.49**
iii	Shajar Capital Pakistan (Pvt) Limited	**11.85**
iv	Alfalah Securities (Pvt) Limited	**11.72**
v	Aba Ali Habib Securities (Pvt) Limited	**11.68**
vi	Summit Capital (Private) Limited	**10.19**
vii	Next Capital Limited	**10.11**
viii	AKD Securities Limited	**6.80**
ix	Creative Capital Securities (Private) Limited	**5.63**
x	Topline Securities Limited	**5.16**

		2016 Commission paid %
i	FDM Capital Securities (Pvt) Limited	12.90
ii	Global Securities Pakistan Limited	10.92
iii	Optimus Capital Management (Private) Limited	10.92
iv	Habib Metropolitan Financial Services Limited	10.81
v	Topline Securities Limited	10.80
vi	AKD Securities Limited	10.15
vii	Alfalah Securities (Pvt) Limited	9.48
viii	Next Capital Limited	8.19
ix	Aba Ali Habib Securities (Pvt) Limited	7.82
x	Creative Capital Securities (Private) Limited	7.39

19.2 Performance table

	2017	2016	2015
Total net assets value - Rupees in '000	**519,951**	451,737	411,297
Net assets value per unit at the end of year - Rupees	**16.30**	14.26	14.33
Net income / (loss) for the year - Rupees in '000	**42,206**	29,584	31,644
Total return of the Fund - Rupees in '000			
- Income distribution - Rupees in '000	**27,161**	22,780	20,523
- Accumulated capital growth - Rupees in '000	**(97,417)**	(112,462)	(119,266)
Distribution per unit (annual) - Rupees [announced on 22 June 2017, 24 June 2016 & 26 June 2015 respectively]	**0.90**	0.75	0.75
Selling price per unit as at 30 June - Rupees	**16.47**	14.41	14.47
Repurchase price per unit as at 30 June - Rupees	**16.29**	14.25	14.32
Highest selling price per unit during the year - Rupees	**19.76**	15.49	15.63
Lowest selling price per unit during the year - Rupees	**14.41**	12.72	12.63
Highest repurchase price per unit during the year - Rupees	**19.56**	15.33	15.46
Lowest repurchase price per unit during the year - Rupees	**14.25**	12.58	12.50
Average annual return of the Fund			
- Last one year	**20.77%**	4.73%	13.20%
- Last two years	**12.75%**	8.97%	24.80%
- Last three years	**12.90%**	18.11%	32.18%

The income distribution have been shown against the year to which they relate although these were declared and distributed during the year.

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

The portfolio composition of the Fund has been disclosed in note 5 to the financial statements.

19.3 Unit holding pattern of the Fund

Category **June 30, 2017**	Number of unit holders	Units held	Investment amount (Rupees in '000)	Percentage of total
Individuals	**654**	**2,066,874**	**33,690**	**6.48**
Retirement Funds	**2**	**29,268,037**	**477,066**	**91.75**
Others	**7**	**564,120**	**9,195**	**1.77**
	663	**31,899,031**	**519,951**	**100.00**

Category June 30, 2016	Number of unit holders	Units held	Investment amount (Rupees in '000)	Percentage of total
Individuals	643	1,553,958	22,158	4.91
Retirement Funds	2	27,873,594	397,446	87.98
Others	8	2,253,495	32,133	7.11
	653	31,681,047	451,737	100.00

19.4 Particulars of the Fund manager and Investment Committee

Following are the details of the fund manager:

Name of fund manager	Qualification	Name of other funds managed
Laraib Mohib	BBA	---

Following are the members of the investment committee of the Management Company:

Name of members	Designation	Qualification	Experience in years
Mr. Imran Motiwala	Chief Executive Officer (GASSFL & AKDIML)	BBA	23
Ms. Anum Dhedhi	Chief Investment Officer (Fund Manager of GASSFL and AKDOF)	BSC	6
Mr. Muhammad Yaqoob	Chief Operating Officer and Company Secretary	MBA	13
Mr. Nadeem Saulat Siddiqui	Head of Public Relationship Director of Management Company	MBA	24
Mr. Abdul Rehman	Fund Manager of: -AKD Cash Fund -AKD Aggressive Income Fund	BBA	2
Ms. Laraib Mohib	Fund Manager of: -AKD Index Tracker Fund	BBA	3
Mr. Mohammad Ahsan	Manager Risk Management	ACCA	4
Mr. Mahindar Kumar	Investment Analyst	BBA	3
Mr. Ambrat Khemani	Investment Analyst	MBA	2

19.5 Directors meeting attendance

During the year, four meetings of the Board of Directors of the management company were held and their details are as follows:

No	Name of Director	MEETINGS ATTENDANCE					
		27-Apr-17	24-Feb-17	22-Oct-16	28-Sep-16	Attended	Leave
1	Mr. Abdul Karim	✔	✔	✔	✔	4	0
2	Mr. Imran Motiwala	✔	✔	✔	✔	4	0
3	Mr. Ali Wahab Siddiqui	✔	✔	✔	✔	4	0
4	Mr. Saim Mustafa Zuberi	✔	✔	✔	✔	4	0
5	Mr. Hasan Ahmed	✔	✔	✔	✔	4	0
6	Mr. Nadeem Saulat Siddiqui	✕	✔	✔	✔	3	1
7	Ms. Aysha Ahmed	✔	✔	✔	✔	4	0

19.6 Rating of the Fund and the management company

	AKD Investment Management Limited (Management Company of the Fund)	
Agency	**PACRA**	**PACRA**
Asset Manager Rating/Management Quality Rating	AM3 ++	AM3 +
Date	June 8, 2017	June 8, 2016

Due to specialised nature of the Fund, performance ranking of the Fund has not been carried out, as the comparable benchmark is not available.

20. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2017 (2016: Nil)

21. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on September 29, 2017 by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

PROXY DETAILS ISSUED BY FUND

FOR THE YEAR ENDED JUNE 30, 2017

As per the requirement of Non-Banking Finance Companies and Notified Entities Regulations, 2008, The Board of Directors of AKD Investment Management Limited (the Management Company of the Fund) has formulated Proxy Voting Policy, which is available on Management Company's website (www.akdinvestment.com).

Subsequent to formulation of the policy, the Management Company on behalf of the Fund, participated in 7 shareholders' meetings. Moreover, details of summarized proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	**23**	**23**	**0**	**0**	**-**
(%ages)	**100**	**100**	**0**	**0**	**-**

Detailed information regarding actual proxies voted by the Management Company on behalf of the Fund will be provided to the unit holders without any charges upon request.

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

AKD انویسٹمنٹ مینجمنٹ لمیٹڈ (AKDIML) مینجمنٹ کمپنی برائے AKD، اپرچونیٹی فنڈ (AKDOF)، AKD انڈیکس ٹریکر فنڈ (AKDITF)، AKD کیش فنڈ (AKDCF) اور AKD اگریسیو انکم فنڈ (AKDAIF) کے بورڈ آف ڈائریکٹرز 30 جون 2017 کو اختتام پذیر سال پر سالانہ رپورٹ بمع تمام فنڈز کی محتسب شدہ (audited) مالیاتی دستاویزات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

فنڈز کی مالیاتی کارکردگی

AKD اپرچونیٹی فنڈ (AKDOF)

KSE–100 انڈیکس کے آمدنی کے 23.24 فیصد جانچ کے معیار (benchmark) کے مقابلے میں AKD اپرچونیٹی فنڈ (AKDOF) کی آمدنی 35.56 فیصد رہی اور اس طرح سے جانچ کے معیار (benchmark) سے خاصی بہتر کارکردگی دکھائی۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اختیار کے تحت، چیف ایگزیکیٹیو نے دوران سال (جو کہ 30 جون 2017 کو اختتام پذیر ہوا) کل 13 روپے فی اکائی، یونٹ ہولڈرز کو تقسیم کرنے کی منظوری دی۔

AKD انڈیکس ٹریکر فنڈ (AKDITF)

KSE–100 انڈیکس کے آمدنی کے 23.24 فیصد جانچ کے معیار (benchmark) کے مقابلے میں **AKD انڈیکس ٹریکر فنڈ (AKDITF)** کی آمدنی 20.77 فیصد رہی.

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اختیار کے تحت، چیف ایگزیکیٹیو نے دوران سال (جو کہ 30 جون 2017 کو اختتام پذیر ہوا) کل 0.90 روپے فی اکائی، یونٹ ہولڈرز کو تقسیم کرنے کی منظوری دی۔

AKD کیش فنڈ (AKDCF)

5.21 فیصد جانچ کے معیار (benchmark) کے مقابلے میں AKD کیش فنڈ (AKDCF) کی آمدنی 6.34 فیصد رہی۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اختیار کے تحت، چیف ایگزیکیٹیو نے دوران سال (جو کہ 30 جون 2017 کو اختتام پذیر ہوا) کل 3.06283 روپے فی اکائی، یونٹ ہولڈرز کو تقسیم کرنے کی منظوری دی۔

AKD اگریسیو انکم فنڈ (AKDAIF)

6.40 فیصد جانچ کے معیار (benchmark) کے مقابلے میں AKD اگریسیو فنڈ (AKDAIF) کی آمدنی 6.45 فیصد رہی۔

بورڈ آف ڈائریکٹرز کی جانب سے دیئے گئے اختیار کے تحت، چیف ایگزیکیٹیو نے دوران سال (جو کہ 30 جون 2017 کو اختتام پذیر ہوا) کل 3.28917 روپے فی اکائی، یونٹ ہولڈرز کو تقسیم کرنے کی منظوری دی۔

میکروپرسپیکٹیو

پاکستان کی حقیقی مجموعی قومی پیداوار کی رفتار میں خاطر خواہ تیزی آئی اور مالی سال - 16 کی 4.5 فیصد سے بڑھ کر مالی سال -17 میں 5.3 فیصد پر، جو دہائی کی بلند ترین سطح ہے، پر پہنچ گئی۔ اس نمو کی وجہ نجی شعبے کو قرضوں کی فراہمی میں اضافہ، بلند غیر ملکی سرمایہ کاری، زرعئ پیداوار میں بہتری اور کم ہوتا ہوا افراطِ زر تھیں۔ اسی دوران، چین پاکستان اقتصادی راہداری (CPEC)؛ امن وامان کی بہتر ہوتی صورتحال؛ رسد کے معاملات کو درپیش رکاوٹوں کو دور کرنے نے بھی نمو میں اضافہ کیا۔ بڑے پیمانے کے پیداواری شعبے (LSM) نے گذشتہ سال کی 3.4 فیصد نمو کے مقابلے میں مالی سال۔17 کی جولائی- مئی کے دوران 5.6 فیصد نمو دکھائی۔ اس کی خاص وجہ اسٹیل، سیمنٹ، گاڑیوں، الیکٹرانکس، شکر اور دواسازی کے شعبے میں ترقی تھی۔

مالی سال-17 میں زرعئ شعبے کی کارکردگی حوصلہ افزا رہی جیسا کہ اس نے نمو کا 3.5 فیصد ہدف زیادہ رقبے کو زیر کاشت لا کر کیا۔ اس کے بر خلاف، مالی سال -17 میں خدمات کے شعبے کی کارکردگی زیادہ تر 6 فیصد کے ساتھ مدھم رہی۔

صارف کی قیمت کا انڈیکس (CPI) نے مالی سال -16 کے 2.90 فیصد کے مقابلے میں مالی سال۔17 میں یہ 4.20 فیصد دکھایا۔ مالی سال-17 میں CPI بینک دولت پاکستان کے مقرر کردہ ہدف 4.5-5.5 فیصد کے اندر رہا اور اس کے نتیجے میں اس مدت میں بینک دولت پاکستان (SBP) نے اپنا پالیسی نرخ بنا کسی تبدیلی کے 5.75 فیصد رکھا۔ سال-17 میں OPEC کے پیداوار میں کمی کے اعلان کے مثبت اثرات عالمی تیل کی قیمتیں (WTI) پر پڑیں جو 53-42 امریکی ڈالر فی بیرل کے درمیان رہیں۔ OPEC کا اگلا اجلاس نومبر 2017 میں ہوگا جس میں فراہمی (تیل کی پیداوار) میں کمی کے بارے میں اہم فیصلے ہوں گے جس کا خاصہ اثر مستقبل کی تیل کی قیمتوں پر پڑے گا۔

SBP کے مطابق، مالی سال -17 میں جاری کھاتے کا خسارہ (CAD) 12.1 ارب امریکی ڈالر (GDP کا 4 فیصد) دکھایا جبکہ گذشتہ سال اسی مدت میں یہ 4.9 ارب امریکی ڈالر (GDP کا 1.7 فیصد) تھا۔ اس غیر معمولی اضافہ کی اصل وجہ درآمدات میں سال بہ سال 17.7 فیصد کا اضافہ ہے جس میں گاڑیاں، معدنیات، غذائیات اور CPEC سے متعلق منصوبوں کے لیے سازوسامان کی طلب شامل ہیں۔

مذکورہ برآمدات میں مالی سال -17 میں 1.4 فیصد کمی واقع ہوئی جس کی وجہ PKR-USD کی مضبوط مبادلہ کی علاقائی کرنسیوں سے مسابقت کی کمی رہی۔ اس سلسلے میں، ہم توقع کرتے ہیں کہ حکومت پاکستان کا ٹیکسٹائل کے لیے ترغیبی پیکیج گرتی ہوئی برآمدات کو سہولت پہنچائے۔ اسی کے ساتھ کچھ چیزوں کی درآمدات کی حوصلہ شکنی کے لیے حکومت نے ان کی درآمد پر 100 فیصد نقد رقم رکھنے کی پابندی نافذ کر دی ہے۔

دوسری جانب مالی سال -17 میں ترسیل زر کی صورتحال بھی حوصلہ شکن رہی جو کہ 19.3 ارب امریکی ڈالر ہیں جو سال بہ سال 3.08 فیصد کم رہی جس کی وجہ خلیجی خطے میں معاشی سست روی تھی، جبکہ مالی سال -16 میں ترسیل زر نے سال بہ سال فیصد 6.39 اضافہ دیکھا گیا تھا۔۔ مالی سال -17 کے اختتام پر پاکستان کے کل سیال غیر ملکی زرمبادلہ کے ذخائر 21.4 ارب امریکی ڈالر پر پہنچ گئے جو کہ 4.2 ماہ کی درآمدات کے لیے کافی تھے جبکہ اکتوبر 2016 میں ان ذخائر کی بلند ترین سطح 24.02 ارب امریکی ڈالر تھی۔ آگے بڑھتے ہوئے، بیرونی ادائیگیوں (مجموعی 3.5- 4.5 ارب امریکی ڈالر) کے نتیجے میں ان ذخائر پر ہم دیکھ رہے ہیں جو یوروبانڈ، پیرس کلب، IMF اور چین کے SAFE قرضوں کی مدتِ اختتام پر ادائیگیاں ہیں جن کا مالی سال-18 سے آغاز ہوگا۔ آنے والی ادائیگیوں اور کمزور تجارتی توازن کے سبب بیرونی کھاتہ کی صورتحال خراب ہوگی اور یہ مجموعی قومی پیداوار کے موجودہ 6 فیصد سے بڑھ کر 7 فیصد ہو جائے گا۔

امن وامان کی بہتر ہوتی صورتحال، توانائی کی بہتر فراہمی اور CPEC کے تحت بڑے منصوبوں کا آغاز کی بناء پر FDI مالی سال-17 میں 4.6 فیصد اضافے کے ساتھ 2.4 ارب امریکی ڈالر پہنچ گئی جو مالی سال-16 میں یہ 2.3 ارب امریکی ڈالر تھی۔ FDI کا اندرونی بہاؤ مختلف سیکٹرز میں سے سب سے زیادہ توانائی اور سیمنٹ کے سیکٹرز میں رہا اور اس کی مالیت بالترتیب 795.4 ملین امریکی ڈالر اور 467.7 ملین امریکی ڈالر رہی۔ اور مزید بڑا اضافہ CPEC کی وجہ سے 1,234 ملین امریکی ڈالر آئے اور نیدرلینڈ کی فیرزلینڈ کمپنیا کے اینگرو فوڈز کی مالکانہ حقوق حاصل کرنے کے سبب 456.3 ملین امریکی ڈالر آئے۔

CPEC کی سرمایہ کاری (کے منصوبے) پاکستان میں سرمایہ کاری کو لانے میں بہت اہم کردار ادا کرتا رہے گا اور وہ بیرونی کھاتے کی بگڑتی ہوئی صورتحال میں انتہائی مطلوبہ مدد فراہم کرے گا۔ ہماری رائے میں بیرونی محاذ پر (تیل کی قیمتوں میں اضافہ، ترسیلِ زر میں کمی، بگڑتا ہوا تجارتی توازن) PKR-USD کے شرح مبادلہ کے لیے ایک بڑا خطرہ ہے۔

اقتصادی محاذ پر، مالی سال-17 میں فیڈرل بورڈ آف ریوینیو (FBR) نے 3.38 کھرب روپے کے محصولات کی وصولیابی کی لیکن اسی مدت میں ترمیم شدہ 3.5 کھرب روپے ہدف کی وصولیابی کرنے میں ناکام رہا۔ مالی سال-18 کے لیے گورنمنٹ محصولات کی وصولیابی کا ہدف 4 کھرب روپے مقرر کیا ہے اور اس کا ارادہ ہے کہ محصولات کی وصولی میں بہتری کے لیے تنظیمی اقدامات کا نفاذ کرے بشمول رئیل اسٹیٹ اور ممالک غیر میں کھاتے رکھنے والوں کے لیے ٹیکس کی معافی کی اسکیمیوں کے۔

علاوہ ازیں، توانائی کے سیکٹر میں گردشی قرضوں کی صورتحال پھر سے خطرے کی گھنٹی بجانے کی سطح پر پہنچ چکی ہے اور اس میں اضافے کو روکنے کے لیے ٹھوس اقدامات لینے کی ضرورت ہے۔ مزید یہ کہ، سال-18 میں اقتصادی خسارے کا ہدف مجموعی قومی پیداوار کا 3.8 فیصد ہوگا۔ ہمارے خیال میں یہ محنت طلب ہدف ہے اور اس کے لیے اضافی ٹیکس کے اقدامات اٹھانے ہوں گے اور اخراجات پر کنٹرول جس کا نفاذ الیکشن کے سال میں مشکل ہوگا۔

ایکویٹی (Equity) مارکیٹ کا جائزہ

مالی سال-17 پاکستان کی ایکویٹی مارکیٹ کے لیے واقعات سے بھرپور رہا۔ KSE100 انڈیکس نے مالی سال کا آغاز 37,887.84 پوائنٹس سے کیا اور مئی 2017 میں 46 فیصد اضافے کے ساتھ 52,876 پوائنٹس کی بلند سطح پر پہنچ گیا، جبکہ سال کا اختتام 46,565.29 پوائنٹس پر ہوا، مالی سال کے لئے منافع 23.24 فیصد رہا۔

کمپنی اور سیکٹر کی مخصوص ترقی کے علاوہ، ایکویٹی مارکیٹ کے محرک، پورے سال بھر بڑے، معاشی، ڈھانچاتی اور سیاسی موضوعات رہے؛ جو آگے بڑھتی ہوئی سرمایہ کی منڈیوں کے مستقبل کو نئی شکل دیتا رہے گا۔

IMF کے تین سالہ توسیع شدہ فنڈ کی سہولت (EFF) کا معاونت کردہ پروگرام کی کامیاب تکمیل نے معیشت کے محاذ پر امید کے نئے عہد کی نشاندہی کی۔ اس پروگرام کے تحت ملک کی مجموعی قومی پیداوار کی ترقی بڑھ گئی، شروع کردہ ڈھانچاتی اصلاحات کی بناء پر اقتصادی خسارہ کم ہوگیا اور غیر ملکی زرِمبادلہ بحال ہوگئے۔ تاہم یہ پر امیدی کچھ مدت ہی رہی کیونکہ گورنمنٹ نے اقتصادی پالیسی کے استحکام کے پروگرام سے انحراف کرنا شروع کر دیا ہے جس کی وجہ سے کلّی معیشت کے عدم تحفظ اور گردشی قرضوں کے خطرات ابھرنا شروع ہوگئے ہیں۔

مزید براں

- CPEC منصوبوں کی مثبت پیش رفت جس سے توقع ہے توانائی کی قلت کم ہو گی اور معیشت کی قوت دوبارہ بحال ہو گی۔
- پاکستان کی MSCI انڈیکس کی ابھرتی ہوئی منڈی میں شمولیت سے، عالمی پورٹ فولیو مینجرز کو پاکستان کی ایکویٹی مارکیٹ کی موجودگی کا احساس بڑھ گیا ہے۔
- OPEC کے تیل پیدا کرنے والے ممالک کے 8 سالوں میں پیداوار میں کٹوتی پر اتفاق سے تیل کی قیمتوں میں استحکام۔
- PSX کے 40 فیصد کے انتظامی حق کی چائنا فیوچرز ایکسچینج، شنگھائی اسٹاک ایکسچینج، شین زین اسٹاک ایکسچینج، پاک چائنا انویسٹمنٹ کمپنی اور حبیب بینک کے کنسورشیم کو فروخت۔
- پاکستان میں صارفین کے اخراجات کی تجدید اور صارفین کی سرمایہ کاری میں اضافہ کے پس منظر میں پاکستان میں گاڑیوں کے سیکٹر کی فروخت میں معمولی اضافہ۔
- برآمدات میں اضافے کے لیے 180 ارب روپے کا پیکیج۔

سال 2017 کی پہلی ششماہی میں ان تمام عناصر نے سرمایہ کاروں کی تجدید کی جس کا نتیجہ بڑھا ہوا حجم اور انڈیکس کی نئی بلند ترین سطح ہے۔ تاہم، سال 2017 کی دوسری ششماہی میں سیاسی غیر یقینی کی صورتحال منظرنامے پر حاوی رہی۔

عدالتِ عظمیٰ کے، پنامہ کے مقدمے کے عدالتی فیصلے کے بعد، پاکستان کے آئین کی شق نمبر 62 اور 63 کے تحت وزیرِ آعظم نااہل ہو گئے تھے۔ تاہم اس سے متعلق اس کا ذکر کرنا ضروری ہے کہ باوجود وزیرِ آعظم کی نااہلی کے، حکمراں جماعت (PML-N) اقتدار میں ہے۔

کسی بھی قسم کی غیر یقینی، سرمایہ کی منڈی کو بہت بری طرح سے متاثر کرتی ہے کیونکہ یہ سماجی-اقتصادی پالیسی پر سرمایہ کار کے اعتاد کو متاثر کرتی-ایسی صورتحال سے سال 2017 کی دوسری ششماہی حجم اور انڈیکس کی کمی سے دوچار ہوئی۔

منی (Money) مارکیٹ

سال 2017 کے دوران، بینک دولت پاکستان (SBP) نے 26 ٹی بلز (T-Bills) کی نیلامی کی جس سے گورنمنٹ 7.54 کھرب روپے اکھٹا کر پائی۔ اس مدت کے دوران ٹی بلز کی 3، 6 اور 12 ماہ کی وزنی اوسط آمدنی (weighted average yield) بالترتیب 5.92 فیصد، 5.94 فیصد اور 5.95 فیصد تھیں جو کم تھیں گذشتہ سال اسی مدت کی 6.36 فیصد، 6.38 فیصد اور 6.38 فیصد کی وزنی اوسط آمدنی سے۔

سال 2017 میں SBP نے 12 PIBs کی نیلامیاں کیں جس سے 893.67 ارب روپے کا اضافہ کر پائی۔ PIBs کی نیلامیوں پر 3، 5 اور 10 سالوں پر تکمیلی مدت پر وزنی اوسط آمدنی (weighted average yield) گذشتہ سال اسی مدت کی بالترتیب 6.90 فیصد، 7.71 فیصد اور 7.85 فیصد کے مقابلے میں کم ہو کر 6.30 فیصد، 6.81 فیصد اور 7.87 فیصد رہیں۔

گورنمنٹ نے 20 مئی 2017 کو مالیاتی پالیسی بیان جاری کیا، جس میں کمیٹی نے فیصلہ کیا کی پالیسی نرخ بغیر تبدیلی کے 5.75 فیصد رہیں۔ بینک دولت پاکستان (SBP) نے 80 مختلف تکمیلی مدت کے اوپن مارکیٹ آپریشنز (OMOs) کیے جس سے 5.80 فیصد کے کٹ آف پر 732 ارب روپے فی OMO داخل کیے

کارپوریٹ گورنینس

الف) فنڈز کی انتظامی کمپنی کے تیار کردہ مالیاتی گوشوارے فنڈز کے معاملات کی صورتحال، عملی امور کے نتائج، کیش فلو اور فنڈز کی اکائی رکھنے والوں کی نقل و حرکت بہتر طور پر پیش کرتے ہیں۔

ب) کمپنی نے موزوں کھاتوں کی کتابیں (Books of Accounts) قائم رکھی ہوئی ہیں۔

ج) مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب عملی یکساں طور پر اپنائی گئی ہے اور اکاؤنٹنگ تخمینوں کی بنیاد معقول اور محتاط پر رکھی ہے۔

د) پاکستان میں قابلِ اطلاق بین الاقوامی مالیاتی رپورٹنگ معیار پر عمل کرتے ہوئے مالیاتی دستاویزات تیار کئے گئے ہیں اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے۔

ہ) اندرونی کنٹرول کا نظام کا ڈیزائن مضبوط ہے اور اسکا موثر نفاذ اور نگرانی کی گئی ہے۔

و) کمپنی کی ایک جاری رہنے والے ادارے کے طور پر چلتے رہنے میں کوئی شبہ نہیں ہے۔

ز) لسٹنگ ضوابط میں اداراتی نظم وضبط کی دی گئی تفصیلات کی بہترین مشقوں سے کوئی مدی انحراف نہیں کیا گیا ہے۔

ح) محصولات، ڈیوٹیز، لیویز اور اخراجات، اگر کوئی ہے تو، کی مد میں دستوری ادائیگیوں کے بقایاجات کو مالیاتی دستاویزات میں پوری طرح ظاہر کیا گیا ہے۔

ط) ڈائریکٹرز کی بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کے اجلاس میں شرکت کی تفصیل درج ذیل ہے:

	ڈائریکٹر کا نام	اجلاس کی حاضری					
		28 ستمبر 2016	22 اکتوبر 2016	24 فروری 2017	27 اپریل 2017	شرکت	رخصت
1	جناب عبدالکریم	✓	✓	✓	✓	4	0
2	جناب عمران موتی والا	✓	✓	✓	✓	4	0
3	جناب علی وہاب صدیقی	✓	✓	✓	✓	4	0
4	جناب صائم مصطفیٰ زبیری	✓	✓	✓	✓	4	0
5	جناب حسن احمد	✓	✓	✓	✓	4	0
6	جناب ندیم صولت صدیقی	✓	✓	✓	X	3	1
7	محترمہ عائشہ احمد	✓	✓	✓	✓	4	0

	ڈائریکٹر کا نام	اجلاس کی حاضری					
		28 ستمبر 2016	22 اکتوبر 2016	23 فروری 2017	27 اپریل 2017	شرکت	رخصت
1	جناب علی وہاب صدیقی	✓	✓	✓	✓	4	0
2	جناب حسن احمد	✓	✓	✓	✓	4	0
3	جناب صائم مصطفیٰ زبیری	✓	✓	✓	✓	4	0

j) مینجمنٹ کمپنی کے ڈائریکٹرز، CEO، CFO ، CIO،COO ، کمپنی سیکریٹری اور ان کے شرکاء حیات اور ان کے نابالغ بچوں نے حصص کی کوئی خرید و فروخت نہیں کی ہے ماسوائے درج ذیل اور مالیاتی دستاویزات میں ظاہر کیا گیا ہے

نمبر شمار	سوداکنندہ	عہدہ	سرمایہ کاری (اکائیوں کی تعداد)	تلافی (اکائیوں کی تعداد)
AKD اپرچونیٹی فنڈ (AKDOF)				
1	جناب عمران موتی والا	CEO	20,279	-
2	محترمہ سحر عمران موتی والا	CEO-شریکِ حیات	486,543	401,402
3	جناب عبدل کریم	ڈائریکٹر اور چیرمین	594	-
4	جناب علی وہاب صدیقی	ڈائریکٹر	1,829	-
5	جناب حسن احمد	ڈائریکٹر	59,329	37,944
6	محترمہ انعم ڈھیڈی	CIO	11,578	-
7	جناب محمد یعقوب	COO اور کمپنی سیکریٹری	11,537	-
AKD اگریسیو انکم فنڈ (AKDAIF)				
1	محترمہ سحر عمران موتی والا	CEO-شریکِ حیات	1,436,617	1,436,617
2	جناب حسن احمد	ڈائریکٹر	82,106	82,106
3	جناب محمد منیر	CFO	6,953	-

مینجمنٹ کمپنی کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے 8 جون 2017 کو AKD انویسٹمنٹ مینیجمنٹ لمیٹڈ کی ایسٹ مینجر ریٹنگ 'AM3++' کی تفویض کر چکی ہے ۔

فنڈز کی درجہ بندی

AKD اپرچونیٹی فنڈ (AKDOF)

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے 8 مئی 2017 میں 31 دسمبر 2016 کو اختتام ہونے والے سال کے لیے AKD اپرچونیٹی فنڈ (AKDOF) کو کارکردگی میں طویل المدت "5-Star" اور قلیل المدت "3-Star" درجہ بندی تفویض کرچکی ہے (1 سال کی درجہ بندی کے لیے 12 ماہ کی ٹریلنگ، 3 سال کی درجہ بندی کے لیے 36 ماہ کی ٹریلنگ اور 5 سال کی درجہ بندی کے لیے 60 ماہ کی ٹریلنگ) ۔

AKD کیش فنڈ (AKDCF)

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) 12 جولائی 2017 کو AKD کیش فنڈ (AKDCF) کو استحکام کی 'AA+ (f)' درجہ بندی تفویض کرچکی ہے۔

AKD اگریسیو انکم فنڈ (AKDAIF)

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) 12 جولائی 2017 کو اگریسیو انکم فنڈ (AKDAIF) کو استحکام کی "BBB+(f)" درجہ بندی تفویض کرچکی ہے۔

حصص رکھنے کا رجحان

کمپنیز ایکٹ 2017 کے تحت مطلوب اور اداراتی نظم وضبط کے تفصیلی حصص رکھنے کا رجحان منسلک ہے۔

آڈیٹرز کی تقرری

بورڈ، آڈٹ کمیٹی کی سفارش پر سال 2017-2018 کے لیے میسرز- اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کا بطور دستوری آڈیٹرز کے، AKD اگریسیو انکم فنڈ (AKDAIF) اور AKD کیش فنڈ (AKDCF) کے لیے دوبارہ انتخاب کرچکا ہے۔

بورڈ، آڈٹ کمیٹی کی سفارش پر سال 2017-2018 کے لیے میسرز- نوید ظفر اشفاق اینڈ جعفری کمپنی، چارٹرڈ اکاؤنٹینٹس کا بطور دستوری آڈیٹرز کے، AKD انڈیکس ٹریکر فنڈ (AKDITF) اور AKD اپرچونیٹی فنڈ (AKDOF) کے لیے دوبارہ انتخاب کرچکا ہے۔

بورڈ، آڈٹ کمیٹی کی سفارش پر سال 2017-2018 کے لیے میسرز- گرانٹ تھورٹن انجم رحمان، چارٹرڈ اکاؤنٹینٹس کا بطور دستوری آڈیٹرز کے، AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کے لیے دوبارہ انتخاب کرچکا ہے۔

مستقبل کا منظر نامہ

پچھلی سیاسی حکومت میں سالانہ مجموعی قومی پیداوار کی اوسط نمو 3 فیصد رہی، موجودہ حکومت کے گذشتہ 4 سالوں میں نمو کی اوسط 4.4 فیصد رہی اور سال 2017 میں GDP کی نمو 5.3 فیصد رہی جو سال 2007 سے بلند ترین ہے۔ IMF کا تخمینہ ہے کہ سال 2018 میں مجموعی قومی پیداوار 5.5 فیصد رہے گی جس کی اصل وجہ فراہمی کی رکاوٹوں کا تدارک اور CPEC کے منصوبوں کا حقیقت بنناہے۔

ہمارے خیال میں پاکستان کی تقسیم شدہ ملکیتی سرمایہ (Equity) کی منڈی، قدر کے متلاشی سرمایہ کاروں کو منتخب مواقع فراہم کرتی ہے اور فراہمی کی جانب رکاوٹوں کی وجہ سے طویل مدت تک معیشت کی نچلی کارکردگی کے بعد، معیشت نے بلآخر اڑان بھری ہے، CPEC کے تحت کیپٹل سرمایہ کاری نے ایڑ لگائی (/ میں اضافہ ہو) تیل کی کم قیمتیں، برآمدات کے لیے ترغیبات اور کاروبار کا بڑھتا ہوا اعتماد۔

ابھرتی ہوئی منڈیوں کے انڈیکس (14x~) اور علاقائی معیشتوں (14x-17x~) کے مقابلے میں KSE-100 اس وقت آگے PE کے ~8.03x کے ساتھ منقسمہ منافع کی 6.55 ییلڈ کو خاصی رعائت پیش کرتی ہے۔

اعتراف

ڈائریکٹرز اس موقع کا فائدہ اٹھاتے ہوئے سیکیوریٹز اینڈ ایکسچینج کمیشن آف پاکستان، وزارت مالیات، بینک دولت پاکستان اور اسٹاک ایکسچینجز کی انتظامیہ کا ان کی مجموعی طور پر پورے میوچل فنڈ کی صنعت کی جانب سے شکریہ ادا کرتے ہیں اور ہمارے ٹرسٹی، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے تعاون کا شکریہ ادا کرنا چاہتے ہیں۔ بورڈ، AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کے عملے اور افسران کی مخلصانہ کارکردگی کا بھی اعتراف کرتا ہے۔ بورڈ اپنے فنڈز کے یونٹ ہولڈرز کا ان کے اعتماد اور مسلسل حمائت اور رہنمائی کا بھی شکریہ ادا کرنا چاہتے ہے۔

منجانب بورڈ

عمران موتی والا
چیف ایگزیکیٹیو آفیسر

کراچی: 29 ستمبر 2017


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