Funds Managed by:

AKD Investment Management Ltd.

2016

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 Memon
Chairman

Imran Motiwala
Chief Executive Officer

Hasan Ahmed
Director

Nadeem Saulat Siddiqui
Director

Ali Wahab Siddiqui
Director

Aysha Ahmed
Director

Saim Mustafa Zuberi
Director

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Abdul Karim Memon

Director & Chief Executive Officer
Mr. Imran Motiwala

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

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT OF THE MANAGEMENT COMPANY

Ms. Noureen Nadir Ali

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

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

RATING

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

*Appointed in place of Mr. Saad Iqbal who resigned on January 5, 2016.
**Appointed in place of Mr. Ahmed Abdul Sattar (Late) who passed away on May 2, 2016.
***Appointed member Audit Committee and HR & R Committee in place of Mr. Ahmed Abdul Sattar (Late).

INFORMATION

Vision

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

Mission Statement

AKD 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 22 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 CFA Level II. He is also serving as a Director on the Board of BIAFO Industries Limited. He is also serving as Chairman Audit Committee at BIAFO Industries 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 Seventeen 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 & Risk

Ms. Noureen Nadir Ali has more than six 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 20 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, 2016.

FUNDS' FINANCIAL PERFORMANCE AND ANNOUNCEMENTS

AKD OPPORTUNITY FUND (AKDOF)

For the FY16, the return of AKD Opportunity Fund stood at 14.13% compared to the benchmark KSE-100 Index return of 9.84%, thus significantly outperforming the benchmark by 4.29%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs 2.0 per unit to Unit Holders during the year ended June 30, 2016.

AKD INDEX TRACKER FUND (AKDITF)

For the FY16, the return of AKD Index Tracker Fund stood at 4.73% compared to the benchmark KSE-100 Index return of 9.84%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Re 0.75 per unit to Unit Holders during the year ended June 30, 2016.

AKD CASH FUND (AKDCF)

For the FY16, the return of AKD Cash Fund stood at 5.45% compared to benchmark return of 5.42%, thus performance remains in line with benchmark.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs 2.72 per unit to Unit Holders during the year ended June 30, 2016.

AKD AGGRESSIVE INCOME FUND (AKDAIF)

For the FY16, the return of AKD Aggressive Income Fund stood at 9.66% compared to the benchmark return of 6.82%, thus outperforming the benchmark by 2.84%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs 3.50 per unit to Unit Holders during the year ended June 30, 2016.

MACRO PERSPECTIVE

The major macroeconomic indicators continued to exhibit improvements in FY16 on the back of subdued inflation, stable exchange rate, adequate foreign reserves, and low current and fiscal account deficits.

CPI inflation during FY16 clocked in 2.9%YoY as compared to 4.6%YoY for the corresponding period last year. Throughout FY16, inflation remained subdued due to prudent fiscal and monetary policy and smooth supply of commodities in market. While lower oil and commodity prices have benefited consumers, it also had an adverse impact on commodity-producing sectors of the economy: for example, lower product prices have hit farmer incomes and affected cropping decisions. In addition corporate profits were also affected due to inventory losses caused by depressed commodity prices. Going forward however, it is expected that inflation will slightly pick up and is expected to remain in range of 3% to 4%YoY.

Large scale manufacturing (LSM) showed growth of 3.45%YoY during July-May FY16 as compared to 3.35%YoY in the same period last year. The growth momentum in LSM continued due to decline in global commodity prices, improvement in the supply of electricity and gas coupled with expansion in credit to private sector. More importantly, accommodative policies (for instance, higher PSDP spending, "Apna

Rozgar" scheme and decade low interest rates) have also supported high growth in LSM. The LSM sector is expected to further gain momentum from the development work on projects under China Pakistan Economic Corridor (CPEC) going forward. In this regard, the real GDP is expected to maintain the preceding growth momentum.

The Current account deficit for FY16 recorded at USD 2.52 billion (0.9% of GDP), 6.8% lower than USD 2.71 billion (1.0% of GDP) for the previous year. During this period, the trade deficit widened by 8.14%YoY to USD 23.96 billion. This has resulted in 12.1%YoY broad based decline in exports primarily reflecting decline in textile exports of 7.4%YoY since the textile sector being largest contributor with a 60% share. While the oil prices have fallen sharply (79%YoY decline in Arablight annual avg.), imports in FY16 have contracted by a limited 2.3%YoY. Worker remittances in FY16 stood strong at USD 19.9billion, however the YoY growth is undergoing deceleration (+6.4%YoY vs. 18.2%YoY in FY15) on the back of tighter regulatory measures in US and the toll of lower oil prices on GCC countries. The total liquid foreign exchange reserves of Pakistan reached USD 23.085 billion by the end of FY16 incidentally reaching an all time high as compared to USD 18.699 billion at the end of FY15. During 4QFY16, International Monetary Fund (IMF) released the 11th tranche of USD 501 million under the Extended Fund Facility; to recap IMF had approved the three-year extended financing arrangement of approximately USD 6.64 billion for Pakistan of which USD 6.01 billion has been disbursed by 30 June 2016, this is the first time the country has successfully completed the program in 15 years and the sixth in its 58-year relationship with the international lending agency. Pakistan last completed a one-year standby arrangement in 2001.

The Federal Board of Revenue (FBR) was able to collect an unprecedented PKR 3.12 trillion in FY16 as compared to PKR 2.59 trillion in the corresponding period last year. The government has successfully reduced the fiscal deficit to 3.4% of GDP during 9MFY16 against 3.8% of GDP during the comparable period last year. The improvement in fiscal accounts came from growth in total revenue by 10.4%, healthy provincial surplus and reduction in total expenditure.

EQUITY MARKET REVIEW

The KSE-100 Index started FY16 on a positive note recording 3.9% return in the month of July; however the Index fell by 4.6%YoY in 1HYF16. The index witnessed improvement during 2HFY16 recording a hefty return of 15.1%YoY. The KSE-100 Index FY16 registered a return of 9.84% YoY as compared to 16.01% in FY15.

Primary reason for the underperformance of index in 1HFY16 was low investor confidence resulting in lower market volumes, as domestic interest focused on real estate market as a preferred investment avenue. Negative news flow continued on the international front with concerns over China's economic slowdown and US-Federal Reserve rate hike dampened market performance. That said however, the 2HFY16 showed improvement as market participants weighted Pakistan monumental return to MSCI Emerging market index together with discounted valuations which expanded further against other emerging market numbers.

During the period under review, State Bank of Pakistan (SBP) cut the discount rate by a cumulative 75bps in FY16 as compared to cut of 300bps in FY15 and it stood at 6.25% at the close of the fiscal year.

Weak prospects of regional capital markets and feeble commodity prices marred prospective upswings in the market. During FY16, the prevailing uncertainty deepened further, as evident from investor's participation in the market which saw a YoY decline of approximately 19% and 16% in average daily turnover (ADT) and average daily traded value (ADTV), respectively.

Foreigners remained net sellers in FY16 as they sold off positions totaling roughly USD 293million. However, in the last 2 months of FY16, net foreign buying jumped to USD 74million. This hefty inflow might be credited to Pakistan's reclassification to MSCI emerging market index.

MONEY MARKET REVIEW

In fiscal year 2015-16, State Bank of Pakistan (SBP) raised Rs 4,728 billion through Market Treasury Bills (MTB) auctions, as compared to Rs 3,537 billion in fiscal year 2014-15. During FY16, the average MTBs cut-off yields were 6.37%, 6.36% and 6.39% for 3-month, 6-month and 12-month tenures, respectively. Furthermore, the government carried out Pakistan Investment Bonds (PIB) auctions during the year and managed to raise PKR 1,399.6 billion as compared to PKR 1,006 billion in previous year. During FY16, the 3-year, 5-year and 10-year maturity cut-off yields averaged at 6.79%, 7.56% and 8.59% respectively. On the policy front, the discount rate was reduced by 75 basis points from 6.5% to 5.75% during FY16. Despite these low yields, market exhibited considerable interest in auctions on back of buying of large institutions.

Despite such huge amount accepted in the PIB auctions yield consistently continued their downward drive.

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:

No	Name of Director	MEETINGS ATTENDANCE					
		28-Apr-16	19-Feb-16	29-Oct-15	21-Sep-15	Attended	Leave
1	Mr. Abdul Karim Memon	✔	✔	✔	✕	3	1
2	Mr. Imran Motiwala	✔	✔	✔	✔	4	0
3	Mr. Ali Wahab Siddiqui	✔	✔	✔	✔	4	0
4	Mr. Saim Mustafa Zuberi^^	✔	✔	n/a	n/a	2	0
5	Mr. Ahmed Abdul Sattar (Late)*	✔	✔	✔	✔	4	0
6	Mr. Hasan Ahmed	✔	✔	✔	✔	4	0
7	Mr. Nadeem Saulat Siddiqui	✔	✔	✔	✔	4	0
8	Mr. Saad Iqbal**	n/a	n/a	✕	✕	0	2
9	Ms. Aysha Ahmed *	n/a	n/a	n/a	n/a	0	0

^^ Appointed on January 27, 2016 in place of Mr. Saad Iqbal resigned on January 5, 2016
*Appointed on June 9, 2016 in place of Mr. Ahmed Abdul Sattar passed away on May 2, 2016
** Appointed on August 17, 2015 in place of Mr. Ramzan Sheikh resigned on August 11, 2015

No	Name of Director	MEETINGS ATTENDANCE					
		28-Apr-16	19-Feb-16	29-Oct-15	19-Sep-15	Attended	Leave
1	Mr. Ali Wahab Siddiqui	✔	✔	✔	✔	4	0
2	Mr. Hasan Ahmed	✔	✔	✔	✔	4	0
3	Mr. Ahmed Abdul Sattar (Late)	✔	✔	✔	✔	4	0
4	Mr. Saim Mustafa Zuberi^	n/a	n/a	n/a	n/a	0	0

^ On June 13, 2016 Mr. Saim Zuberi was appointed in place of Mr. Ahmed Abdul Sattar.

(j) During the year Mr. Ali Wahab Siddiqui acquired certification under the directors training program (Module II).

(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	6,919	-
2.	Ms. Sehr Imran Motiwala	Spouse - CEO	608,674	146,896
3.	Mr. Saad Iqbal*	Director	58,790	58,790
4.	Ms. Anum Dhedhi	CIO	22,960	-
5.	Mr. Muhammad Yaqoob	COO & Company Secretary	4,313	-
AKD Cash Fund				
1.	Ms. Sehr Imran Motiwala	Spouse - CEO	1,029,643	1,029,643
2.	Mr. Saad Iqbal*	Director	99,092	99,092
AKD Aggressive Income Fund				
1.	Ms. Sehr Imran Motiwala	Spouse - CEO	779,827	779,827
2.	Mr. Saad Iqbal*	Director	290,463	290,463
3.	Mr. Muhammad Munir	CFO	5,330	-

*Mr. Saad Iqbal resigned from the Board on January 05, 2016.

RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset manager rating of 'AM3+' (AM Three plus) to AKD Investment Management Limited (AKDIML) on June 08, 2016.

RATING OF THE FUNDS

AKD OPPORTUNITY FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 5-STAR performance ranking in long term and short term to AKD Opportunity Fund (AKDOF) based on performance for the period ended December 31, 2015 (trailing 12 months for 1 Year ranking, trailing 36 months for 3 Year ranking and trailing 60 months for 5 Year ranking) on June 29, 2016.

AKD CASH FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of 'AA+ (f)' (Double A plus ; fund rating) to AKD Cash Fund (AKDCF) on August 16, 2016.

AKD AGGRESSIVE INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned stability rating of "BBB+(f)" (Triple B Plus ; fund rating) to AKD Aggressive Income Fund (AKDAIF) on August 16, 2016.

PATTERN OF UNIT HOLDING

The detailed pattern of unit holding as required by the Companies Ordinance, 1984 and the Code of Corporate Governance is enclosed.

APPOINTMENT OF AUDITORS

The present auditors, M/s Deloitte Yousuf Adil, Chartered Accountants are retiring and have completed their five years as auditors of the AKD Aggressive Income Fund (AKDAIF) and AKD Cash Fund (AKDCF). As per the requirements of the Code of Corporate Governance the auditors have to be changed this year. The Board 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 2016-2017 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 2016-2017 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 2016-2017 as recommended by the Audit Committee.

FUTURE OUTLOOK

Going forward, we believe the economy is expected to achieve sustainable growth driven by low inflation, favorable commodity prices, increase in foreign exchange reserves, increase in foreign remittances and growth in tax collection. CPEC as quoted by state officials remains a key game changer for the country's economics as strong FDI numbers and trickle down affect of an unprecedented USD 46 billion investment is bound to rejuvenate activity; while we also expect more corporate Pak-China partnerships this year to bond well for the market. Pakistan equity market is expected to be one of the top performing markets in FY17, where we expect KSE-100 index to witness a strong positive trajectory on the back of lower policy rate, improved economic outlook, and healthy growth in corporate profitability. Moreover, due to the upgrade from MSCI FM to MSCI EM in May-17, we expect significant foreign inflows during FY17. However, a rebound in oil prices, slowdown in China, uncertainties about recovery in EU in the post Brexit period and interest rate hike by US Federal Reserve shall have a consequential affect on flows and trade.

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 Custodian 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. The Board members and management company also wishes to acknowledge the services of Mr. Ahmed Abdul Sattar, who served as a member of the Board of Directors for about three years and provided visionary support to the company. May Allah rest his soul in peace.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: September 28, 2016

Contents

AKD Index Tracker Fund

AKD
INDEX TRACKER FUND

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

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

BANKERS
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Habib Metropolitan Bank Limited
MCB Bank Limited

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

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

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

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

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

FUND MANAGER'S REPORT

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

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

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

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

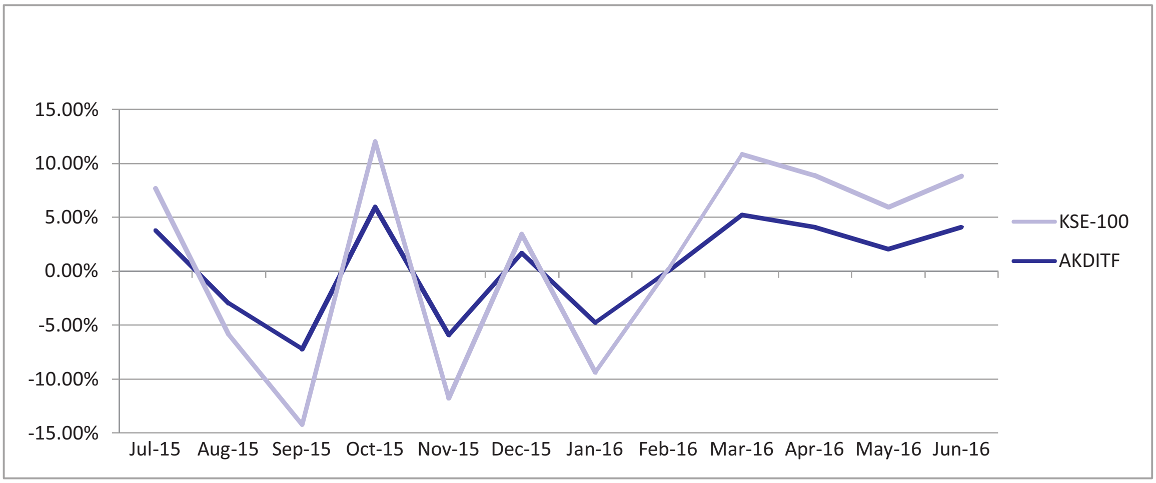
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the FY16, the return of AKD Index Tracker Fund stood at 4.73% compared to the benchmark KSE-100 Index return of 9.84%.

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-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
AKDITF	3.75%	-3.01%	-7.22%	5.93%	-5.90%	1.66%	-4.76%	-0.02%	5.19%	4.09%	2.04%	4.05%
KSE-100	3.90%	-2.84%	-7.02%	6.11%	-5.86%	1.74%	-4.62%	0.23%	5.64%	4.77%	3.87%	4.78%

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

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

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

Asset Allocation (% of Total Asset)	30-June-16	31-Mar-16
Equities	95.40%	93.24%
Cash	3.71%	4.50%
Other Assets	0.89%	2.26%

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

FY16 Return	4.73%
Benchmark	9.84%

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

Net Assets Value			NAV Per Unit	
30-June-16	31-Mar-16	Change in Net Assets	30-June-16	31-Mar-16
(Rupees in '000)			Rs.	Rs.
451,737	391,441	15.40%	14.26	13.57

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

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

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

Economy

The key macroeconomic indicators continued to exhibit improvements in FY16 based on subdued CPI inflation, record low interest rates, adequate foreign reserves, stable exchange rate, with low current account deficit despite a sharp decline in exports and an improved fiscal position.

Large Scale Manufacturing (LSM) growth has witnessed an upward trajectory on the back of lower commodity prices, better energy supplies, increased domestic demand for consumer durables and expansion in the construction sector. The sector showed growth of 3.45%YoY during FY16 as compared to 3.35%YoY in the same period last year. Going forward, economic activity is expected to improve further on the back of materialization of mega projects worth USD 46 billion under China Pakistan Economic Corridor (CPEC).

The Headline Consumer Price Index (CPI) has been considerably lower, reaching 2.9%YoY for FY16 as compared to 4.6%YoY in the corresponding period last year. Keeping in view the depressed outlook of global commodity prices, moderate pickup in domestic demand with a further ease in supply side constraints, average inflation of FY17 is expected to remain in the range of 3-4%YoY.

An essential achievement on the macroeconomic front has been the continuous improvement in liquid foreign exchange reserves position. Total foreign reserves increased to USD 23.08 billion by the end of FY16 as compared to USD 18.69 billion in the corresponding period last year. Overseas Pakistani workers' remittances stood at USD 19.92 billion in FY16, a steady growth of 6.41%YoY as compared to remittance amounting to USD 18.72 billion for the preceding year. In addition, the International Monetary Fund (IMF) released its 11th tranche of USD 501 million in 4QFY16 under Extended Fund Facility. Earlier, IMF had approved the three-year extended arrangement of about USD 6.64 billion for Pakistan of which USD 6.01 billion has been disbursed by 30 June 2016.

The Federal Board of Revenue (FBR) was able to collect an unprecedented PKR 3.12 trillion in FY16 on the back of better revenue generation as well as a decline in non-development spending. The Government has successfully reduced the fiscal deficit to 3.4% of GDP during 9MFY16 against 3.8% of GDP during the comparable period last year. The improvement in fiscal accounts came from healthy provincial surplus, reduction in total expenditure and growth in total revenue by 10.4%YoY.

However, the Balance of Payments position of Pakistan deteriorated in the period under review, as the exports tumbled by 8.6%YoY in FY16 to USD 22.0 billion from USD 24.08 billion in the corresponding period last year. Although, imports were also on a declining trend at a much slower pace during FY16, as they fell a mere 1.96%YoY and stood at USD 40.47 billion. Despite falling imports, the trade deficit increased by 7.42%YoY reaching USD 18.46 billion during FY16, as opposed to USD 17.91 billion in same period last year.

Overall improvement in macroeconomic indicators such as stable exchange rate, low inflation, and high FX reserves has set the platform for higher and sustained economic growth. Improved security situation and better availability of energy supplies have eased two of the major constraints, which were undermining economic growth. The Government hence expects a higher GDP growth of 5.7%YoY in FY17 compared to 4.7%YoY recorded this year.

Equity Market Performance

The KSE-100 index registered a positive return of 9.84% in FY16, out performing both the MSCI Frontier Market and the MSCI Emerging Market indices as they shed by 8.90% and 14.22% respectively. Market sentiments largely remained negative during 1HFY16 due to exceedingly lower market volumes, as domestic interest focused on the real estate market as a preferred investment avenue. In addition, US Federal Reserve rate hike in Decemeber'15 meeting also negatively impacted the equity market performance as it drained away foreign investment. However 2HFY16 saw an improvement in market performance due to expectations of Pakistan returning to the MSCI Emerging Index. Consequently, the index rose substantially by 15.1% in 2HFY16 as compared to fall of 4.6% in 1HFY16. Total foreign outflow worth USD 281.39 million was witnessed during FY16, against the net inflow of USD 38.54 million in corresponding period last year.

During the period under review, the average CPI inflation was recorded at 2.9%YoY as compared to 4.6%YoY in the same period last year. Keeping in view subdued inflation, theState Bank of Pakistan (SBP) cut the policy rate by 25bps in May'16 monetary policy statements and closed at 5.75% at the end of FY16.

During FY16, the prevailing uncertainty depened further, as evident from investor's participation in the market which saw a YoY decline of approximately 19% and 16% in average daily turnover (ADT) and average daily traded value (ADTV), respectively.

Future Outlook

The economic outlook of Pakistan has improved significantly in the recent past as evident from healthy economic indicators. This improvement is linked to the soft oil prices which improved the country's balance of payment position while the IMF Extended Fund Facility program and the fiscal discipline it brings further helped build up the foreign exchange reserves and cultivated reforms. In addition to that, Government's focus on energy projects is expected to resolve the prevailing energy crisis and improve the competitiveness of industries.

CPEC worth USD 46 billion is going to be a remarkable development for economic growth in the country through investments in transportation, infrastructure and the energy sector. Going forward, we believe the economy of Pakistan is expected to achieve sustainable growth on the back of increase in tax revenue collection, favorable commodity prices, low inflation, and increase in foreign exchange reserves and foreign remittances. Moving forward, Pakistan's upgrade from MSCI Frontier Market to MSCI Emerging Market can bring significant foreign inflows in FY17 leading up to the inclusion.

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	629
10,000 - 49,999	17
50,000 - 99,999	2
100,000 - 499,999	3
500,000 and above	2
	653

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, 2016

Particulars	Unit Holders	Units Held	Percentage
Individuals	643	1,553,958	4.90
Retirement Funds	2	27,873,594	87.99
Others	8	2,253,495	7.11
Total	**653**	**31,681,047**	**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, 2016 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.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2016

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 Clause 5.19 of the Rule book of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) for the purpose of establishing a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

AKD Investment Management Limited, being the Management Company, which manages the affairs of the Fund, has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). At present the Board includes:

Category	Names
Independent Directors	1. Ms. Aysha Ahmed* 2. Mr. Hasan Ahmed 3. Mr. Ali Wahab Siddiqui
Executive Directors	1. Mr. Imran Motiwala - Chief Executive Officer 2. Mr. Nadeem Saulat Siddiqui
Non Executive Directors	1. Mr. Abdul Karim Memon 2. Mr. Saim Mustafa Zuberi**

* appointed in place of Mr. Ahmed Abdul Sattar who passed away on May 02, 2016
** appointed in place of Mr. Saad Iqbal who resigned on January 05, 2016. Mr. Saad Iqbal was appointed in place of Mr. Ramzan Sheikh, who resigned on August 11, 2015

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

2. The directors of the Management Company have confirmed that none of them is serving as a director on more than seven listed companies, including this Management Company (excluding the listed subsidiaries of listed holding companies where applicable).

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

4. Three casual vacancies occurred on the Board of the Management Company on August 11, 2015, January 5, 2016 and May 2, 2016 were filled up by the directors within 90 days.

5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken place 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 Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including appointment and determination of 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. Five directors on the Board have obtained certification under the Director Training Program as required under the Code. All the directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures, provisions of memorandum and articles of association, and are aware of their duties and responsibilities.

10. No new appointment of Chief Financial Officer,Company Secretary and Head of Internal audit has been made 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 Chief Executive Officer and Chief Financial Officerof the Management Company before approval of the Board.

13. The directors, Chief Executive Officer and executives do not hold any interest in the units of the Fund other than that disclosed in pattern of unit holdings in the financial statements of the Fund.

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

15. The Board has formed an Audit Committee. It comprises of 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. Itcomprises of three members, of whom two are non-executive directors including 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 ICAP.

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 the stock exchange.

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

23. We confirm that all other material principles enshrined in the Codehave been complied with.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: September 28, 2016

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 of **AKD Investment Management Limited** (the Management Company) of **AKD Index Tracker Fund** (the Fund) for the year ended June 30, 2016 to comply with the requirements of Regulations 5.19 of the Rule Book of Pakistan Stock Exchange (formerly Karachi 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 a 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 terms 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 undertaken 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, 2016.

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

Karachi: September 28, 2016

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 the statement of assets and liabilities as at June 30, 2016 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 the 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 Funds' 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, 2016 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.

Other Matter

The financial statements of the Fund for the year ended June 30, 2015; were audited by another firm of Chartered Accountants who vide their auditor report dated September 21, 2015; issued unqualified opinion.

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

Karachi: September 28, 2016

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2016

	Note	2016	2015
		(Rupees in '000)	
Assets			
Bank balances	4	**17,156**	1,933
Investments	5	**441,698**	409,795
Receivable against sale of investment (subsequently cleared)		**47**	2,434
Dividend and other receivables	6	**1,498**	699
Security deposits	7	**2,600**	2,600
Total Assets		**462,999**	417,461
Liabilities			
Remuneration payable to the Management Company	8	**267**	255
Remuneration payable to the Trustee	9	**70**	67
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	**383**	371
Payable against purchase of investment (subsequently paid)		**2,183**	397
Accrued expenses and other liabilities	11	**5,058**	1,773
Provision for Workers' Welfare Fund	12	**2,679**	2,679
Unclaimed dividend		**622**	622
Total Liabilities		**11,262**	6,164
Contingencies and Commitments	20		
Net Assets		**451,737**	411,297
Unit holders' fund (as per statement attached)		**451,737**	411,297
		(Number of Units)	
Number of units in issue	13	**31,681,047**	28,711,391
		(Rupees)	
Net assets value per unit (face value per unit Rs. 10/-)		**14.26**	14.33

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, 2016

	Note	2016	2015
		(Rupees in '000)	
Investment income			
Gain on sale of 'available for sale investments' - net		**9,804**	23,514
Dividend income from available for sale investments		**23,529**	20,004
Profit on bank balances		**502**	961
		33,835	44,479
Expenses			
Remuneration to the Management Company	8	**3,022**	2,926
Remuneration to the Trustee	9	**806**	780
Annual fee to the Securities and Exchange Commission of Pakistan	10	**383**	371
Bank charges		**10**	9
Auditors' remuneration	14	**260**	290
Other expenses	15	**1,969**	1,453
		6,450	5,829
Net income from operating activities		**27,385**	38,650
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		**2,199**	(6,360)
Provision for Workers' Welfare Fund	12	**-**	(646)
Net income for the year before taxation		**29,584**	31,644
Taxation	16	-	-
Net income for the year after taxation		**29,584**	31,644

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, 2016

	Note	2016	2015
		(Rupees in '000)	
Net income for the year after taxation		**29,584**	31,644
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	5.6	**2,113**	31,796
- Appreciation in fair value of 'available for sale' investments transferred to profit and loss account on sale - net	5.6	**(10,345)**	(21,293)
Total comprehensive income for the year		**21,352**	42,147

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, 2016

	2016	2015
	(Rupees in '000)	
Deficit at beginning of the year (realised)	**(71,519)**	(89,755)
Distribution:		
Interim distribution during the year		
- Cash dividend for the year ended 30 June 2016 At rate of Re. 0.75 (2015: 0.75) per unit distributed on 24 June 2016	**(22,780)**	(20,523)
	(22,780)	(20,523)
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	**(677)**	7,115
Net income for the year after taxation	**29,584**	31,644
Deficit at end of the year (realised)	**(65,392)**	(71,519)

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, 2016

	2016	2015
	(Rupees in '000)	
Net assets at beginning of the year	**411,297**	370,557
Amount received on issue of 3,725,351 (2015: 1,609,963) units	**54,838**	22,735
Amount paid on redemption of 755,695 (2015: 709,134) units	**(10,771)**	(9,979)
	44,067	12,756
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	**(2,199)**	6,360
Interim distribution: cash dividend for the year ended 30 June 2016 at the rate of Re. 0.75 per unit distributed on 24 June 2016 (2015: @ Re. 0.75 per unit distributed on 26 June 2015)	**(22,780)**	(20,523)
Total comprehensive income for the year	**21,352**	42,147
Net assets at end of the year	**451,737**	411,297
	------------ (Rupees)	-----------
Ex-distribution net asset value per unit as at the beginning of the year	**14.33**	13.32
Net asset value per unit as at the end of the year (face value per unit Rs. 10/-)	**14.26**	14.33

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, 2016

	2016	2015
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year after taxation	29,584	31,644
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	(2,199)	6,360
	27,385	38,004
(Increase) / decrease in assets		
Investments	(40,135)	(42,821)
Receivable against sale of securities	2,387	(1,341)
Dividend and other receivables	(799)	(78)
	(38,547)	(44,240)
Increase / (decrease) in liabilities		
Remuneration payable to the Management Company	12	28
Remuneration payable to the Trustee	3	7
Annual fee payable to the Securities and Exchange Commission of Pakistan	12	63
Payable against redemption of units	-	(55)
Payable against purchase of investment	1,786	397
Accrued expenses and other liabilities	3,285	794
Provision for Workers' Welfare Fund	-	646
	5,098	1,880
Net cash used in operating activities	(6,064)	(4,356)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received on issuance of units	54,838	22,735
Cash paid on redemption of units	(10,771)	(9,979)
Distribution to unit holders' in cash	(22,780)	(20,523)
Net cash flows generated from / (used in) financing activities	21,287	(7,767)
Net cash generated from/ (used in) cash and cash equivalents during the year	15,223	(12,123)
Cash and cash equivalents at beginning of the year	1,933	14,056
Cash and cash equivalents at end of the year	17,156	1,933

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, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned Asset Manager / Management Quality Rating of 'AM3+' to the Management Company dated June 8, 2016 and May 4, 2016 respectively. Due to specialised nature of the Fund, performance ranking has not been taken, as the comparable benchmark is not available.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These 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 3.1.2 - 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 30 June 2016 is included inthe following notes:

- Note 3.1.2 - Valuation of investments
- Note 3.10 and 3.14 - Impairment of financial instruments and other assets
- Note 12 - Recognition of provision for Workers' Welfare Fund
- Note 11.1 - Sindh Sales tax on Federal Excise Duty on Management Company's remuneration.
- Note 11.2 - Federal Excise Duty on Management Company's remuneration.
- 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 were certain new standards, ammendments to the approved accounting standards and new interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), interpretations which became effective during the year but are not considered to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

2.6 Standards, Interpretations and Amendments not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2016:

Amendments to IAS 38 Intangible Assets and IAS 16 - 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Fund's financial statements.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 - Consolidated Financial Statements and (AS 28 - 'Investments in Associates and Joint Ventures') [effective for annual periods beginning on or after 01 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Fund's financial statements.

Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 01 January 2016) clarifies the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Fund's financial statements.

Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements The amendment is not likely to have an impact on Fund's financial statements.

Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41 (effective for annual periods beginning on or after 01 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore. a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 - 'Agriculture'. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce, berfore maturity bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Fund's financial statements.

Amendments to IAS 12 'income Taxes' are effective for annual periods beginning on or after 01 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Fund's financial statements.

Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 01 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendment is likely to result in additional disclosure in Fund's financial statements.

Amendments to IFRS 2 - 'Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 01 January 2018 The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards The amendments are not likely to have an impact on Fund's financial statements.

Annual Improvements 2012-2014 cycles (amendments effective for annual period beginning on or after 01 July 2016). The new cycle of improvements contain amendments to the following standards.

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations'. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

IFRS 7 - 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

IAS 19 - 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

The above improvements to standards are not likely to have material / significant impact on Company's financial statements.

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 includingthe transaction cost associated with the investment, except in case of held for trading investments, inwhich case the transaction costs are charged off to the income statement.

3.1.2 The Fund classifies its investments in the following category:

Available for sale

Available for sale financial assets are non-derivatives that are either designated in this category or are not classified as at fair value through profit or loss, loans and receivable or held to maturity. These financial assets are intended to be held for an indefinite period of time which may be sold in response to need for liquidity or changes in prices (or to meet the statutory limits). These are initially measure that cost which is the quoted bid price at stock exchange at the date when the Fund commits to purchase the investment plus transaction costs that are directly attributable to the acquisition of the investments. Subsequent to initial recognition, 'available for sale' investments are measured at fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity until the available for sale investment is derecognised or when the investments are considered to be impaired. At this time, the cumulative gain or loss previously recognised directly in equity is transferred to the income statement for the year.

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 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.

3.3 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 distriution statement.

3.4 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.

3.5 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.

3.6 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.

3.7 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the IncomeTax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for theyear 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 incomefor the year, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of PartIV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Offsetting of financial instruments

Financial assets and liabilities are only off set and the net amount is reported in the statement ofassets 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.

3.9 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Fund becomes a party tothe 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.

3.10 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 have 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.

3.11 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

3.12 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.

3.13 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.

3.14 Other assets

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

4. BANK BALANCES

	Note	2016	2015
		(Rupees in '000)	
Profit and loss sharing accounts	*4.1*	**16,764**	1,539
Current accounts		**392**	394
		17,156	1,933

4.1 These represents profit and loss sharing accounts maintained with various banks carrying profit at the rate ranging from 3.75% to 5.50%. (30 June 2015: ranging from 4.5% to 6%) per annum.

5. INVESTMENTS

Investments in securities classified as 'available for sale'

	Note	2016	2015
Listed equity securities	*5.1*	**441,698**	409,795

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 1st July 2015	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 30 June 2016	Cost as of the year ended 30 June 2016 (a)	Carrying value (before revaluation as of the year ended 30 June 2016)	Market value as of 30 June 2016 (b)	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----------------------- (Number of Shares) -----------------------					---------- (Rupees in '000) ----------			------------ Percentage ------------		
AUTOMOBILE ASSEMBLER											
Atlas Honda Limited	2,200	-	-	2,200	-	-	-	-	0.00	0.00	0.00
Honda Altas Cars (Pakistan) Limited	6,200	-	-	100	6,100	1,399	1,334	2,190	0.48	0.50	0.01
Indus Motor Company Limited (Note 5.3)	3,369	-	-	-	3,369	680	4,208	3,165	0.70	0.72	0.00
Millat Tractors Limited (Note 5.3)	3,793	250	-	-	4,043	1,552	2,743	2,306	0.51	0.52	0.01
Pak Suzuki Motor Company Limited	4,670	-	-	-	4,670	301	2,036	1,785	0.40	0.40	0.01
						3,932	**10,321**	**9,446**			
AUTOMOBILE PARTS & ACCESSORIES											
Atlas Battery Limited	772	-	-	772	-	-	-	-	0.00	0.00	0.00
Thal Limited (Face value Rs. 5/- each)	8,621	-	-	1,600	7,021	819	2,004	1,987	0.44	0.45	0.00
						819	**2,004**	**1,987**			
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited (Note 5.3)	38,700	3,000	48,375	44,700	45,375	2,521	2,521	2,933	0.65	0.66	0.05
						2,521	**2,521**	**2,933**			
CEMENT											
Attock Cement Pakistan Limited	4,886	-	-	4,886	-	-	-	-	0.00	0.00	0.00
Cherat Cement Company Limited	24,296	1,500	-	-	25,796	1,366	2,293	3,084	0.68	0.70	0.02
D.G. Khan Cement Company Limited	51,887	1,000	-	500	52,387	2,184	7,518	9,979	2.21	2.26	0.01
Fauji Cement Company Limited	157,250	14,600	-	2,000	169,850	1,723	5,968	6,081	1.35	1.38	0.13
Kohat Cement Company Limited	10,000	1,000	-	500	10,500	1,290	2,160	2,750	0.61	0.62	0.01
Lucky Cement Limited (Note 5.3)	27,833	1,700	-	350	29,183	4,664	15,298	18,925	4.19	4.28	0.01
Maple Leaf Cement Factory Limited	51,000	-	-	-	51,000	1,367	4,007	5,381	1.19	1.22	0.01
Pakcem Limited	78,799	-	-	78,799	-	-	-	-	0.00	0.00	0.00
Pioneer Cement Limited	26,500	1,000	-	-	27,500	1,834	2,368	2,954	0.65	0.67	0.02
						14,428	**39,612**	**49,154**			
CHEMICAL											
Archroma Pakistan Limited	1,790	-	-	1,790	-	-	-	-	0.00	0.00	0.00
Colgate Palmolive (Pakistan) Limited	1,016	-	-	-	1,016	324	1,541	1,549	0.34	0.35	0.00
ICI Pakistan Limited	2,938	-	-	100	2,838	413	1,217	1,263	0.28	0.29	0.00
						737	**2,758**	**2,812**			
CLOSE - END MUTUAL FUND											
PICIC Growth Fund	48,512	7,500	-	-	56,012	937	1,516	1,333	0.30	0.30	0.02
						937	**1,516**	**1,333**			
COMMERCIAL BANKS											
Allied Bank Limited	36,962	2,500	-	600	38,862	2,347	3,846	3,496	0.77	0.79	0.00
Askari Bank Limited (Note 5.3)	80,813	5,500	-	-	86,313	1,254	1,812	1,612	0.36	0.36	0.01
Bank Al Habib Limited	143,347	30,500	-	10,515	163,332	4,336	7,143	7,043	1.56	1.59	0.01
Bank Al-Falah Limited	153,305	5,000	-	5,000	153,305	2,119	3,890	3,920	0.87	0.89	0.01
Faysal Bank Limited	89,952	10,000	-	10,000	89,952	605	1,394	1,179	0.26	0.27	0.01
Habib Bank Limited (Note 5.3)	140,983	24,000	-	15,000	149,983	27,022	32,162	29,631	6.56	6.71	0.01
Habib Metropolitan Bank Limited	101,568	5,000	-	1,000	105,568	2,138	3,157	2,995	0.66	0.68	0.01
MCB Bank Limited (Note 5.3)	95,228	18,000	-	12,000	101,228	15,626	24,509	22,272	4.93	5.04	0.01
Meezan Bank Limited	21,032	-	-	-	21,032	232	862	894	0.20	0.20	0.00
National Bank of Pakistan Limited (Note 5.3)	108,738	14,000	-	8,000	114,738	4,177	6,122	6,633	1.47	1.50	0.01

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2015	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 30 June 2016	Cost as of the year ended 30 June 2016	Carrying value (before revaluation as of the year ended 30 June 2016)	Market value as of 30 June 2016	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
						(a)		(b)			
	----------------------- (Number of Shares)				-----------------------	---------- (Rupees in '000)		----------	------------ Percentage		------------
Soneri Bank Limited	69,447	8,000	-	9,000	68,447	481	863	973	0.22	0.22	0.01
Standard Chartered Bank (Pakistan) Limited	41,098	-	-	-	41,098	329	985	980	0.22	0.22	0.00
The Bank Of Punjab	138,659	10,000	-	8,500	140,159	1,444	1,273	1,127	0.25	0.26	0.03
United Bank Limited (Note 5.3)	104,679	7,000	-	350	111,329	15,111	18,996	19,696	4.36	4.46	0.01
						77,221	**107,014**	**102,451**			
ENGINEERING											
International Steels Limited (Note 5.3)	40,500	-	-	-	40,500	695	1,138	1,443	0.32	0.33	0.01
						695	**1,138**	**1,443**			
FERTILIZER											
Arif Habib Corporation Limited	23,937	6,500	-	2,000	28,437	780	1,486	1,122	0.25	0.25	0.01
Dawood Hercules Corporation Limited	72,296	1,200	-	500	72,996	3,979	8,531	10,867	2.41	2.46	0.02
Engro Corporation Limited (Note 5.3)	55,924	3,700	-	150	59,474	7,403	17,747	19,803	4.38	4.48	0.03
Engro Fertilizer Limited (Note 5.3)	43,075	32,500	-	-	75,575	5,507	6,850	4,873	1.08	1.10	0.01
Fatima Fertilizer Company Limited	90,234	21,500	-	20,500	91,234	2,267	3,749	3,096	0.69	0.70	0.00
Fauji Fertilizer Bin Qasim Limited (Note 5.3)	70,451	4,500	-	1,000	73,951	2,454	4,080	3,920	0.87	0.89	0.01
Fauji Fertilizer Company Limited (Note 5.3)	149,450	10,000	-	600	158,850	14,411	23,402	18,223	4.03	4.13	0.01
						36,801	**65,845**	**61,904**			
FOOD & PERSONAL CARE PRODUCTS											
Engro Foods Limited	24,691	-	-	-	24,691	1,285	3,739	4,033	0.89	0.91	0.00
Murree Brewery Company Limited	2,317	-	-	-	2,317	323	2,155	1,432	0.32	0.32	0.01
National Foods Limited (Face value of Rs. 5/- each)*	10,000	-	-	-	10,000	2,059	3,397	2,810	0.62	0.64	0.01
Nestle Pakistan Limited	969	40	-	-	1,009	4,715	9,745	7,366	1.63	1.67	0.00
Rafhan Maize Products Co. Limited	92	20	-	-	112	291	1,092	809	0.18	0.18	0.00
Shezan International Limited	751	-	-	751	-	-	-	-	0.00	0.00	0.00
						8,673	**20,128**	**16,450**			
GLASS & CERAMICS											
Ghani Glass Limited	10,500	6,000	6,370	8,800	14,070	935	965	1,328	0.29	0.30	0.01
						935	**965**	**1,328**			
INSURANCE											
Adamjee Insurance Company Limited	52,240	3,000	-	-	55,240	1,322	2,629	2,771	0.61	0.63	0.02
EFU General Insurance Limited	20,713	300	4,824	400	25,437	1,117	3,021	3,008	0.67	0.68	0.02
EFU Life Assurance Limited (Note 5.3)	4,184	3,000	-	-	7,184	874	1,497	1,408	0.31	0.32	0.00
IGI Insurance Limited (Note 5.3)	8,797	-	-	-	8,797	591	1,802	1,679	0.37	0.38	0.01
Jubilee General Insurance Company Limited	8,644	-	-	500	8,144	235	733	814	0.18	0.18	0.01
Jubilee Life Insurance Company Limited	3,100	-	-	-	3,100	971	1,262	1,553	0.34	0.35	0.00
						5,110	**10,944**	**11,233**			
INV. BANKS / INV. COS. / SECURITIES COS.											
Jahangir Siddiqui & Company Limited	57,253	3,500	11,450	13,000	59,203	661	1,316	1,172	0.26	0.27	0.01
						661	**1,316**	**1,172**			
JUTE											
Associated Services Limited		500	-	350	150	10	10	9	0.00	0.00	0.00
						10	**10**	**9**			
LEASING COMPANIES											
Orix Leasing Pakistan Limited	8,570	-	-	-	8,570	548	529	424	0.09	0.10	0.01
						548	**529**	**424**			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2015	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 30 June 2016	Cost as of the year ended 30 June 2016	Carrying value (before revaluation as of the year ended 30 June 2016)	Market value as of 30 June 2016	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
						(a)		(b)			
	----------------------- (Number of Shares) -----------------------					---------- (Rupees in '000) ----------			------------- Percentage -------------		
LEATHER & TANNERIES											
Bata Pakistan Limited	377	-	-	-	377	192	1,408	1,537	0.34	0.35	0.00
Service Industries Limited (Note 5.3)	1,288	-	-	-	1,288	1,060	1,089	1,139	0.25	0.26	0.01
						1,252	**2,497**	**2,676**			
MISCELLANEOUS											
Pakistan Services Limited	6,200	-	-	-	6,200	1,917	3,069	4,183	0.93	0.95	0.02
Shifa International Hospital Limited	3,200	-	254	-	3,454	318	866	1,036	0.23	0.23	0.01
						2,235	**3,935**	**5,219**			
MODARABAS											
Allied Rental Modaraba	15,000	-	2,500	6,000	11,500	443	437	265	0.06	0.06	0.01
						443	**437**	**265**			
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited	4,681	-	-	-	4,681	248	2,194	4,251	0.94	0.96	0.01
Mari Petroleum Company Ltd. - Pref. Shares (Note 5.2)	42,806	-	-	42,806	-	-	-	-	0.00	0.00	0.00
Oil and Gas Development Company Limited (Note 5.4) (Note 5.3)	137,787	9,000	-	350	146,437	17,774	25,825	20,219	4.48	4.58	0.00
Pakistan Oilfields Limited (Note 5.3)	23,229	1,500	-	150	24,579	8,098	9,833	8,541	1.89	1.93	0.01
Pakistan Petroleum Limited (Note 5.3)	102,724	6,500	-	-	109,224	11,229	17,875	16,935	3.75	3.83	0.01
						37,349	**55,727**	**49,946**			
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited	4,450	-	-	-	4,450	1,267	2,524	1,947	0.43	0.44	0.01
Hascol Petroleum Limited		9,500	-	-	9,500	1,461	1,461	1,856	0.41	0.42	0.01
Pakistan State Oil Company Limited	27,156	1,500	-	-	28,656	4,976	11,028	10,759	2.38	2.44	0.01
Shell Pakistan Limited	4,451	300	-	-	4,751	469	1,206	1,379	0.31	0.31	0.01
Sui Northern Gas Pipelines Limited	33,670	7,000	-	-	40,670	711	1,082	1,476	0.33	0.33	0.01
Sui Southern Gas Company Limited	46,343	11,000	-	-	57,343	987	2,275	1,579	0.35	0.36	0.01
						9,871	**19,576**	**18,996**			
PAPER & BOARD											
Cherat Packaging Limited		4,000	-	-	4,000	1,217	1,217	1,367	0.30	0.31	0.01
Packages Limited	6,539	500	-	-	7,039	1,580	4,186	4,478	0.99	1.01	0.01
						2,797	**5,403**	**5,845**			
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited	4,465	-	-	-	4,465	606	2,980	3,367	0.75	0.76	0.00
Ferozsons Laboratories Limited		2,200	-	-	2,200	1,759	1,759	2,268	0.50	0.51	0.01
GlaxoSmithKline Pakistan Limited	10,773	500	-	-	11,273	613	2,206	2,335	0.52	0.53	0.00
GlaxoSmithKline Consumer Healthcare Pakistan Limited (Note 5.5)		3,231	-	-	3,231	-	-	32	0.01	0.01	0.03
The Searl Company Limited (Note 5.3)	8,194	2,000	3,322	2,600	10,916	2,005	2,845	5,853	1.30	1.33	0.02
						4,983	**9,790**	**13,855**			
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited	185,541	4,500	-	25,800	164,241	7,804	15,416	19,719	4.37	4.46	0.01
K-Electric Limited. (Face value Rs. 3.5/- each)	593,148	28,000	-	7,000	614,148	3,259	5,158	4,950	1.10	1.12	0.00
Kohinoor Energy Limited	14,000	-	-	14,000	-	-	-	-	0.00	0.00	0.00
Kot Addu Power Company Limited	97,779	-	-	1,000	96,779	6,140	8,327	8,638	1.91	1.96	0.01
Lalpir Power Limited		33,000	-	-	33,000	906	906	716	0.16	0.16	0.01
Nishat Chunian Power Limited	38,665	-	-	-	38,665	949	2,297	2,032	0.45	0.46	0.01
Nishat Power Limited	34,070	-	-	-	34,070	682	1,994	1,721	0.38	0.39	0.01
Pakgen Power Limited	35,000	3,000	-	-	38,000	767	1,120	914	0.20	0.21	0.00
Saif Power Limited		39,500	-	-	39,500	1,157	1,157	1,186	0.26	0.27	0.01
						21,664	**36,375**	**39,876**			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2015	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 30 June 2016	Cost as of the year ended 30 June 2016 (a)	Carrying value (before revaluation as of the year ended 30 June 2016)	Market value as of 30 June 2016 (b)	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----------------------- (Number of Shares)				-----------------------	---------- (Rupees in '000)		----------	------------ Percentage		------------
REAL ESTATE INVESTMENT TRUST											
Dolmen City REIT		120,000	-	-	120,000	1,245	1,245	1,296	0.29	0.29	0.01
						1,245	**1,245**	**1,296**			
REFINERY											
Attock Refinery Limited	7,219	-	-	-	7,219	1,031	1,649	2,022	0.45	0.46	0.01
National Refinery Limited	5,543	-	-	100	5,443	1,168	1,263	2,588	0.57	0.59	0.01
						2,199	**2,912**	**4,610**			
SUGAR & ALLIED INDUSTRIES											
JDW Sugar Mills Limited	6,450	200	-	-	6,650	729	2,123	2,587	0.57	0.59	0.01
						729	**2,123**	**2,587**			
SYNTHETICS AND RAYON											
Ibrahim Fibres Limited	3,000	-	-	-	3,000	216	231	170	0.04	0.04	0.00
						216	**231**	**170**			
TECHNOLOGY & COMMUNICATION											
Hum Network Limited (Face value of Rs. 1/- each)	70,100	26,000	-	-	96,100	448	1,474	988	0.22	0.22	0.01
Pakistan Telecommunication Company Limited "A"	125,517	1,500	-	-	127,017	1,451	2,597	1,909	0.42	0.43	0.00
TRG Pakistan Limited	81,138	102,000	18,217	98,000	103,355	3,212	3,232	3,468	0.77	0.79	0.03
						5,111	**7,303**	**6,365**			
TEXTILE COMPOSITE											
Gul Ahmed Textile Mills Limited	16,855	-	-	16,855	-	-	-	-	0.00	0.00	0.00
Gul Ahmed Textile Mills Limited LoR			5,056	5,056	-	-	-	-	0.00	0.00	0.00
Kohinoor Textile Mills Limited (Note 5.3)	39,500	3,000	5,628	-	48,128	1,388	2,784	3,851	0.85	0.87	0.05
Nishat (Chunian) Limited	21,130	5,200	-	-	26,330	894	969	933	0.21	0.21	0.01
Nishat Mills Limited	37,847	2,500	-	500	39,847	2,295	4,530	4,299	0.95	0.97	0.01
						4,577	**8,283**	**9,083**			
TEXTILE SPINNING											
Indus Dyeing & Manufacturing Company Limited	550	-	-	-	550	514	608	285	0.06	0.06	0.00
						514	**608**	**285**			
TEXTILE WEAVING											
Feroze 1888 Mills Limited	1,500	19,000	-	-	20,500	7,894	7,894	6,456	1.43	1.46	0.05
						7,894	**7,894**	**6,456**			
TOBACCO											
Pakistan Tobacco Company Limited	2,640	-	-	-	2,640	213	2,386	3,328	0.74	0.75	0.00
						213	**2,386**	**3,328**			
TRANSPORT											
Pakistan International Bulk Terminal Limited	65,280	68,600	22,195	-	156,075	4,474	4,527	5,005	1.11	1.13	0.02
Pakistan International Container Terminal (Note 5.3)		4,900	-	-	4,900	1,607	1,607	1,649	0.37	0.37	0.00
						6,081	**6,134**	**6,654**			
VANASPATI & ALLIED INDUSTRIES											
Punjab Oil Mills Limited		300	-	-	300	80	80	80	0.02	0.02	0.01
						80	**80**	**80**			
WOOLLEN											
Bannu Woollen Mills Limited	500	-	-	-	500	24	25	27	0.01	0.01	0.01
						24	**25**	**27**			
Total as at 30 June 2016						**263,505**	**439,585**	**441,698**			
Total as at 30 June 2015						223,370	273,682	409,795			

5.2 These were physical preference shares of Mari Petroleum Company Limited received as specie dividend from Mari Petroleum Company Limited (MARI) @ 877% on 21 May 2015. During the current period the preference shares are redeemed @ Rs. 10.

5.3 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.

5.4 These include 100,000 shares having market value of Rs. 13.8 million of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan Limited as on 30 June 2016.

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

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

	2016	2015
	(Rupees in '000)	
Balance as of 01 July	**186,425**	175,922
Unrealised appreciation in the value of investments during the year	**2,113**	31,796
Gain recognised in the income statement on sale - net	**(10,345)**	(21,293)
Balance as of 30 June, recognised directly into unit holders' fund (difference of column a and b in the above table)	**178,193**	186,425

6. DIVIDEND AND OTHER RECEIVABLES

Dividend receivables	**1,432**	656
Profit receivable on bank balances	**47**	24
Others	**19**	19
	1,498	699

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 (2015: 0.75% p.a). This amount was settled subsequent to the year end.

	2016	2015
	(Rupees in '000)	
Balance at beginning of the year	**255**	227
Remuneration for the year	**3,022**	2,926
Paid during the year	**(3,010)**	(2,898)
Balance at end of the year	**267**	255

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.

	2016	2015
	(Rupees in '000)	
Balance at beginning of the year	**67**	60
Remuneration for the year	**806**	780
Paid during the year	**(803)**	(773)
Balance at end of the year	**70**	67

10. ANNUAL FEE TO THE SECURITIES & 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.

	2016	2015
	(Rupees in '000)	
Balance at beginning of the year	**371**	308
Remuneration for the year	**383**	371
Paid during the year	**(371)**	(308)
Balance at end of the year	**383**	371

11. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		**200**	239
Sales tax payable on Management Company's remuneration	*11.1*	**43**	44
Federal excise duty on management remuneration	*11.2*	**1,357**	874
Allocated expenses by the Management Company	*11.3*	**36**	
Payable to management company against expenses		**76**	-
Sindh sales tax on trustee fees & CDS Charges		**10**	-
Withholding tax payable		**2,833**	216
Zakat payable		**95**	53
Other liabilities		**408**	347
		5,058	1,773

11.1 During the current year, an amount of Rs. 0.4907 million was charged on account of sales tax on Management fee levied through Sindh Sales Tax on Services Act, 2011 and 0.114 million on trustee remuneration & CDS charges levied through Sindh Sales Tax on Finance Act 2015. As at year end, sales tax on Management Company remuneration of Rs. 0.43 million and on trustee remuneration & CDS charges amounting 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 As per the requirement of the Finance Act, 2013, the Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which doesn't appear to be the spirit of the law.The matter has been collectively taken up by the management company jointly with other asset mangement companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during september 2013 which is pending adjudication.However SHC has issued a stay order against the recory of FED.The fund, as a matter of abundant caution ,has charged FED and sales tax thereon and its financial statements with effect from June 13, 2013.

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

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

The Company, in view of the pending decision and as a matter of abundant caution, has made a provision for FED with effect from June 13, 2013 to June 30, 2016 aggregating to Rs.1.357 million (June 30, 2015: Rs.0.874 million). Had the said provision of FED not been recorded in the books of account of the Fund, the net asset value per unit of the Fund would have been higher by Re. 0.04 (2015: Re. 0.03).

11.3 The reimbursable expenses have been charged as per NBFC Regulation 60, which states that fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum upto 0.1% of average net assets of the Scheme or actual whichever is less. The Fund has started to charge the reimbursable expenses from Jan 22, 2016. During the Period an amount of Rs 0.176 million is charged and Rs 0.0355 payable is related to reimburseable expnese as per regulation 60.

12. PROVISION FOR WORKERS' WELFARE FUND

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

During 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

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

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

As the matter relating to levy of WWF is currently pending in the Court, the Management Company, as a matter of prudence and abundant caution, has decided to maintain provision for WWF amounting to Rs. 2.679 million (2015: Rs. 2.679 million) in these financial statements.

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

13. NUMBER OF UNITS IN ISSUE

	2016	2015
	(Numbers)	
Total outstanding at beginning of the year	**28,711,391**	27,810,562
Issued during the year	**3,725,351**	1,609,963
Redemptions during the year	**(755,695)**	(709,134)
Total units in issue at the end of the year	**31,681,047**	28,711,391

Face value of the unit is Rs. 10 each.

14. AUDITORS' REMUNERATION

	2016	2015
	(Rupees in '000)	
Statutory audit	**175**	185
Half-yearly review	**50**	52
Review of code of corporate governance	**21**	25
Out of pocket expenses	**14**	28
	260	290

15. OTHER EXPENSES

	Note	2016	2015
Printing and stationery		**172**	170
National Clearing Company of Pakistan Limited charges		**248**	249
Central Depository Company of Pakistan Limited charges		**10**	12
Pakistan Stock Exchange listing fee		**40**	40
Legal and professional charges		**227**	-
Fees and subscription		**7**	5
Sales tax on Management Company's remuneration	*11.1*	**491**	509
Sales tax on trustee fees & CDS Charges		**114**	-
Federal excise duty on mangement remuneration	*11.2*	**484**	468
Allocated Expenses by the management company	*11.3*	**176**	-
		1,969	1,453

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 2016. 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	2016	2015
		(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund			
Remuneration for the year	8	**3,022**	2,926
Allocated expenses by the management company	11.1 & 15	**176**	-
Sales tax on Management Company's remuneration*	11.1 & 15	**491**	509
Federal excise duty on Management Company's * remuneration*	11.2 & 15	**484**	468
Sales load		**4**	12
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Trustee Fee	9	**806**	780
CDS charges	15	**10**	12
Sales tax on CDS charges & Trustee Fee	15	**114**	-
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)			
Units issued : 1,205,218 (2015: 1,325,909)		**17,326**	18,807
Dividend paid		**19,802**	18,807
Mr. Aqeel Karim Dhedhi - Chairman of the Group			
Dividend paid		**1**	**1**
AKD Securities Limited - Brokerage House			
Commission paid on purchase and sale of marketable securities		**10**	10

	Note	2016	2015
		(Rupees in '000)	
AKD Investment Management Limited Staff Provident Fund			
Units issued : 779,028 (2015: 167,620)		**11,140**	2,350
Redemption of units : 512,876 (2015: 513,029)		**7,439**	7,152
Dividend paid		**190**	-

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

17.2 Details of balances with connected persons / related parties as at year end

	Note	2016	2015
AKD Investment Management Limited - Management Company of the Fund			
Remuneration payable	8	**267**	255
Allocated expenses by management company payable		**36**	-
Sales tax payable on Management Company's remuneration*	11 & 11.1	**43**	44
Federal Excise Duty payable on Management Company's remuneration*	11 & 11.2	**1,357**	874
Sales load payable		**-**	1
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration payable	9	**70**	67
Security Deposit	7	**100**	100
CDS charges payable		**1**	4
Sales tax CDS charges & Trustee Fee Payable		**10**	-
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)			
Number of units outstanding : 27,607,443 87.14% of the total units in issue as at the year end) (2015: 26,402,224 (91.96% of the total units in issue as at the year end))		**393,406**	378,080
Mr. Aqeel Karim Dhedhi - Chairman of the Group			
Number of units outstanding : 390 (2015: 390) units		**6**	6
AKD Investment Management Limited Staff Provident Fund			
Number of units outstanding : 266,152 (2015: Nil)		**3,793**	-
AKD Securities Limited - Brokerage House			
Brokerage payable on purchase and sale of marketable securities		**4**	9

* 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 30 June 2016 was as follows:

	2016		2015	
	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)	**17,203**	**17,203**	1,957	1,957
Investments	**441,698**	**-**	409,795	-
Receivable against sale of investments	**47**	**47**	2,434	2,434
Dividend receivables	**1,432**	**1,432**	656	656
Security deposits	**2,600**	**2,600**	2,600	2,600
	462,980	**21,282**	417,442	7,647

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. 441.698 million (30 June 2015: Rs. 409.795 million) is not exposed to credit risk.

Bank balances

The Fund held cash and cash equivalents at 30 June 2016 with banks having following credit ratings:

	2016	2015	**2016**	2015
Ratings	**(Rupees)**		**(%)**	
A1+	**17,156**	1,957	**100**	100
Total	**17,156**	1,957	**100**	100

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS (as of 30 June 2016).

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counter parties 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:

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

	Note	**2016** (Rupees in '000)	**2016** (%)	2015 (Rupees in '000)	2015 (%)
Commercial banks (including profit receivable)	4 & 6	**17,203**	**82**	1,957	26
Receivable against sale of shares due from National Clearing Company of Pakistan Limited (NCCPL)		**47**	**-**	2,434	32
Dividend receivables from					-
- Commercial Bank		**319**	**1**	383	5
- Oil and Gas sector	6	**70**	**-**	243	3
- Fertilizer		**467**	**2**		-
- Others		**575**	**3**	30	-
NCCPL - security deposit	7	**2,500**	**12**	2,500	33
Central Depository Company - security deposit	7	**100**	**-**	100	1
		21,281	**100**	7,647	100

Past due and impaired assets and collaterals held

None of the financial assets of the Fund are past due or impaired as at 30 June 2016.

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.

	2016			
	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)	**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 purchased 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,Sales tax payable on trustee fee, federal excise duty payable onManagement Company's remuneration, withholding tax and zakat payable.

	2015			
	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)	255	255	255	-
Remuneration payable to the Trustee	67	67	67	-
Annual fee payable to the Securities and Exchange Commission of Pakistan	371	371	-	371
Payable against purchase of investment	397	397	397	-
Accrued expenses and other liabilities *	586	586	586	-
Unclaimed dividend	622	622	622	-
	2,298	2,298	1,927	371
Unit holders' fund	411,297	411,297	411,297	-

* 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:

	2016	2015
	(Rupees in '000)	
Variable rate instruments		
Financial assets (bank balances)	**16,764**	1,539

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. 167,640 (2015: Rs. 15,390) 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 5.75% to 6% per annum. These are withdrawable 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.

Sector wise portfolio	As at 30 June 2016 Fund's equity portfolio (%)	KSE-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

Sector wise portfolio	As at 30 June 2015 Fund's equity portfolio (%)	As at 30 June 2015 KSE-100 benchmark portfolio (%)
Automobile Assembler	2.66	2.64
Automobile Parts & Accessories	0.73	0.73
Cable & Electrical Goods	0.78	0.77
Cement	9.77	9.73
Chemicals	0.88	0.89
Close - End Mutual Fund	0.32	0.32
Commercial Banks	24.74	24.70
Engineering	0.28	0.28
Fertilizer	14.56	14.53
Food & Personal Care Products	4.95	4.94
Glass & Ceramics	0.22	0.22
Insurance	2.48	2.47
Inv. Banks / inv. Cos. / securities cos.	0.35	0.34
Leasing Companies	0.13	0.13
Leather & Tannaries	0.61	0.60
Miscellaneous	0.94	0.95
Modarabas	0.15	0.16
Oil & Gas Exploration Companies	12.92	12.92
Oil & Gas Marketing Companies	4.13	4.14
Paper and Board	0.94	0.94
Pharmaceuticals	1.88	1.87
Power Generation & Distribution	8.95	8.93
Refinery	0.71	0.71
Sugar & Allied Industries	0.50	0.49
Synthetic & Rayon	0.06	0.06
Technology & Communication	1.50	1.51
Textile Composite	2.06	2.05
Textile Spinning	0.15	0.16
Textile Weaving	0.02	0.62
Tobacco	0.58	0.58
Transport	0.57	0.56
Woollen	0.01	0.01

Refer Note 5.3 also.

Sensitivity analysis - Equity price risk

In case of 5% increase / (decrease) in KSE 100 index on 30 June 2016, with all other variables held constant, other comprehensive income of the Fund for the year would have increased / (decreased) by Rs. 22.08 million (30 June 2015: Rs. 20.49 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 KSE-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 KSE index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of 30 June 2016 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KSE-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 significanceof 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 30 June 2016, 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

		2016 commission pai %
i	FDM Capital Securities (Private) Limited	12.90
ii	Global Securities Pakistan Limited	10.92
iii	Optimus Capital Management (Private) Limited	10.92
iv	Habib Metropolitan Financial Services Ltd.	10.81
v	Topline Securities (Pvt)Ltd.	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 (Private) Limited	7.82
x	Creative Capital Securities (Private) Limited	7.39

		2015 commission pai %
i	Fawad Yousuf Securities (Private) Limited	13.12
ii	BMA Capital Management Limited	9.59
iii	Aba Ali Habib Securities (Private) Limited	9.29
iv	FDM Capital Securities (Private) Limited	9.04
v	Escorts Capital Limited	7.09
vi	AKD Securities Limited	6.63
vii	Concordia Securities (Private) Limited	6.52
viii	Creative Capital Securities (Private) Limited	6.06
ix	Global Securities Pakistan Limited	5.88
x	Optimus Capital Management (Private) Limited	5.80

19.2 Performance table

	2016	2015	2014
Total net assets value - Rupees in '000	**451,737**	411,297	370,557
Net assets value per unit at the end of year - Rupees	**14.26**	14.33	13.32
Net income / (loss) for the year - Rupees in '000	**29,584**	31,644	11,044
Total return of the Fund - Rupees in '000			
- Income distribution - Rupees in '000	**22,780**	20,523	31,726
- Accumulated capital growth - Rupees in '000	**(112,463)**	(119,266)	(130,387)
Distribution per unit (annual) - Rupees [announced on 24 June 2016 ,26 June 2015 & 26 June 2014 respectively]	**0.75**	0.75	1.25
Selling price per unit as at 30 June - Rupees	**14.41**	14.47	13.46
Repurchase price per unit as at 30 June - Rupees	**14.25**	14.32	13.32
Highest selling price per unit during the year - Rupees	**15.49**	15.63	14.85
Lowest selling price per unit during the year - Rupees	**12.72**	12.63	11.05
Highest repurchase price per unit during the year - Rupees	**15.33**	15.46	14.69
Lowest repurchase price per unit during the year - Rupees	**12.58**	12.50	10.93
Average annual return of the Fund			
- Last one year	**4.73%**	13.20%	36.40%
- Last two years	**8.97%**	24.80%	41.67%
- Last three years	**18.11%**	32.18%	30.34%

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	**Number of unit holders**	**Units held**	**Investment amount**	**Percentage of total**
30 June 2016			**(Rupees in '000)**	
Individuals	**643**	**1,553,958**	**22,158**	**4.90**
Retirement Funds	**2**	**27,873,594**	**397,446**	**87.99**
Others	**8**	**2,253,495**	**32,133**	**7.11**
	653	**31,681,047**	**451,737**	**100.00**

Category	Number of unit holders	Units held	Investment amount	Percentage of total
30 June 2015			(Rupees in '000)	
Individuals	669	1,743,273	24,973	6.06
Retirement Funds	1	26,402,224	378,217	91.97
Others	8	565,894	8,107	1.97
	678	28,711,391	411,297	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	22
Ms. Anum Dhedhi	Chief Investment Officer (Fund Manager of GASSFL and AKDOF)	BSC	5
Mr. Muhammad Yaqoob	Chief Operating Officer, and Company Secretary	MBA	12
Mr. Nadeem Saulat Siddiqui	Head of Public Relationship Director of Management Company	MBA	23
Ms.Naureen Nadir Ali	Head of Internal Audit & Risk Management	ACA	6
Mr.Abdul Rehman	Fund Manager of: -AKD Cash Fund -AKD Aggressive Income Fund	MBA	1
Ms. Laraib Mohib	Fund Manager of: -AKD Index Tracker Fund	BBA	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					
		28-Apr-16	19-Feb-16	29-Oct-15	21-Sep-15	Attended	Leave
1	**Mr. Abdul Karim Memon**	✔	✔	✔	✕	3	1
2	**Mr. Imran Motiwala**	✔	✔	✔	✔	4	0
3	**Mr. Ali Wahab Siddiqui**	✔	✔	✔	✔	4	0
4	**Mr. Saim Mustafa Zuberi^^**	✔	✔	n/a	n/a	2	0
5	**Mr. Ahmed Abdul Sattar ***	✔	✔	✔	✔	4	0
6	**Mr. Hasan Ahmed**	✔	✔	✔	✔	4	0
7	**Mr. Nadeem Saulat Siddiqui**	✔	✔	✔	✔	4	0
8	**Mr. Saad Iqbal****	n/a	n/a	✕	✕	0	2
9	**Ms. Aysha Ahmed ***	n/a	n/a	n/a	n/a	0	0

**** Resigned on January 05 2016**
^^ Appointed in place of Mr. Saad Iqbal on January 27 2016
*** Mr Ahmed passed away on May 02 2016 Ms. Aysha appointed on June 09 2016**

19.6 Rating of the Fund and the management company

AKD Investment Management Limited
(Management Company of the Fund)

Agency	PACRA	JCR-VIS
Asset Manager Rating/Mangement Quality Rating	AM3 +	AM3 +
Date	8-Jun-16	4-May-16

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 30 June 2016 (2015: Nil)

21. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on September 28, 2016 by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

PROXY DETAILS ISSUED BY FUND

FOR THE YEAR ENDED JUNE 30, 2016

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 did not participate in 6 shareholders' meeting. Moreover, details of summarized proxies voted are as follows:

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

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