Funds Managed by:

AKD Investment Management Ltd.

Half Yearly Report
December 31, 2012
(Un-audited)

Half Yearly report

AKD AGGRESSIVE INCOME FUND

AKD CASH FUND

AKD OPPORTUNITY FUND

AKD INDEX TRACKER FUND

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

TABLE OF CONTENTS

CORPORATE INFORMATION

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Farrukh Shaukat Ansari

Chief Executive Officer
Mr. Imran Motiwala

Directors
Mr. Ali Qadir Gilani*
Mr. M. Ramzan Sheikh
Mr. Aurangzeb Ali Naqvi
Mr. Muhammad Amin Hussain
Mr. Nadeem Saulat Siddiqui

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

AUDIT COMMITTEE

Mr. M. Ramzan Sheikh (Chairman)
Mr. Aurangzeb Ali Naqvi (Member)
Mr. Muhammad Amin Hussain (Member)
Mr. Ali Qadir Gilani (Member)*
Mr. Muhammad Yaqoob (Secretary)

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR & R)

Mr. Farrukh Shaukat Ansari (Chairman)
Mr. Imran Motiwala (Member)
Mr. Ali Qadir Gilani (Member)*

INTERNAL AUDITORS
Rafaqat Mansha Mohsin
Dossani Massom & Co.
Chartered Accountants
Suite 113, 3rd Floor,
Hafeez Centre, KCHS,
Block 7 & 8, Shahrah-e-Faisal,
Karachi-75350

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

*Subsequent to the period end, he has resigned from the Board, Audit Committee and HR & R Committee

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the management company of AKD Aggressive Income Fund (AKDAIF), AKD Cash Fund (AKDCF), AKD Opportunity Fund (AKDOF) and AKD Index Tracker Fund (AKDITF), is pleased to present its Half Yearly Report along with the Fund's accounts for the First Half Year ended December 31, 2012.

Macro Perspective

During 1HFY13, improved US - PAK ties led to much awaited disbursement of funds through Coalition Support Fund (CSF); Pakistan received $1.118 billion in Aug-12. This payment was received after a gap of 18 months; Pakistan had last received $633 million payment in Dec-10. Another payment of $688 million was received on December 28, 2012, which provided much needed respite to the depleting forex reserves.

Besides these adhoc payments, home remittances continued supporting the reserves at an appropriate level. However, foreign aid and donations stood at stalemate. During 1HFY13 remittances depicted a growth of 12.5% increasing to $7.116 billion as opposed to $6.325 billion received in the previous corresponding period. Foreign exchange reserves held by the State Bank of Pakistan (SBP) demonstrated a hefty fall of $1.7 billion to slate down to $9.009 billion during the first half of the current fiscal year primarily due to mounting debt re-payments. However, reserves held by banks registered some improvement as they surged by $364.4 million to $4.799 billion in Dec-12 against $4.434 billion in June-12.

Overall, a fall of $1.428 billion was witnessed in total liquid foreign reserves despite SBP's efforts to reduce foreign currency payments. It has already entered into two currency swap agreements with Turkey and China worth billion-dollar equivalent in each respective currency.

On the positive side CPI inflation averaged at 8.32% for the first half of the current fiscal year. It continued to show a downward trend till Nov-12 where the CPI stood at 6.9% (the lowest in the last five and a half years) however CPI picked up for the second successive month in Jan-13 clocking in at 8.1, while seven months average CPI stood at 8.3% YoY. We expect full-year FY13 CPI to average at around 8.6%YoY for the fiscal year 2013 assuming 1.2% MoM incremental increase. Risks to inflationary pressure remains in view of 1) increasing pressure on PkR/US$ parity, 2) loose fiscal policy (fiscal deficit of 2.8% in 1HFY13) 3) further possible slippages ahead of general elections and 4) an uptrend in Core (NFNE and trimmed mean) inflation.

SBP remained committed in playing its role on reviving our ailing economy capitalized on the declining inflation numbers and reduced the interest rates by 250 basis points in the first half of FY13 to stand at 9.5%. The basic purpose of the reduction of the discount rate was to boost private sector credit off-take in order to rejuvenate economic activity.

Equity Market

Declining interest rates, single digit CPI inflation numbers, higher global commodities, rising local cement prices and textile exports triggered KSE-100 to breach the all time high psychological barrier of 17,000 points in Dec-12. The index increased by 3,103.92 points during the period to close at 16,905.33 points witnessing a surge of 22.49% for the 1HFY2013. The index's average daily volumes for the period stood at 147.74 million shares a day. KSE was declared the 3rd exceptional performing market amongst its regional peers and held 9th position amid the global equity market for the calendar year 2012 where it posted an increase of 48%.

We feel proud to inform our valued unit holders that the AKD Opportunity Fund had been ranked 2nd in Asia out of nearly 7,300 funds only second after the Golden Arrow Selected

Stocks Fund Limited and had been ranked 6th in the world out of 27,153 funds by Thomson Reuters Lipper.

We congratulate all our stakeholders for the global recognition that AKD Opportunity Fund has achieved. This performance of AKD Opportunity Fund has only been possible because of the trust the unit holders have had in the Board of Directors, the Management Company, the commitment of our employees and true support from our Regulator and all other stakeholders.

Money Market Dynamics

SBP encouraged by pertinent improvement in inflation outlook reduced discount rate by cumulative 250 basis point during 1HFY13 bringing it down to 9.5 percent. SBP hoped that the reduction in discount rate would act as stimulant for private investment growth and credit off-take.

SBP auctioned T-bills, PIB and Sukuk bonds of various maturities worth Rs1.215 trillion in the 2QFY13, whereas, it mopped up Rs. 1,435 billion and Rs. 89 billion in the T-Bills and PIB auction in the 1QFY13 respectively. During the quarter the State Bank continued to inject liquidity into the banking system through open market operations in order to stabilize the money market.

Plummet rupee against greenback was witnessed due to deteriorating reserves on account of principal repayments to IMF, falling interest rate and declining inflows in financial and capital account. Increasing external account had its toll on local currency as it weakened by 3.3% in 1HFY13.

Future Outlook

We do not expect a further reduction in the discount rate in the coming months. CPI inflation is expected to increase from current level although it would remain below 9.5%, hikes in utility tariffs, depreciating local currency, increasing pressures on the external and fiscal account as well as Pakistan's potential re-entry into the IMF program.

Based on historical performance, we expect the stock market to perform well as there is a strong positive co-relation between index performance and General Elections. The Government is likely to announce a series of populist measures which will focus on boosting economic activity in the short-term which will continue to bode well for the stock market.

Compared to regional markets the KSE-100 is trading at a PE of 7.95x P/E versus 14.69x P/E of the regional peers of based on forward earnings. Furthermore, the equity markets offer an attractive 2013 average dividend yield of 6.92% compared to the regional average of only 2.62% giving room for further upside potential. We advice investors to remain invested in the stock market.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: February 22, 2013

AKD Index Tracker Fund
Financial Statements - First Half FY13

Contents

AKD Index Tracker Fund

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

INTERNAL AUDITORS
Rafaqat Mansha Mohsin Dossani
Masoom & Co.
Chartered Accountants
Suite 113, 3rd floor, Hafeez Centre
KCHS, Block 7 & 8 Shahra-e-Faisal,
Karachi-75350

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

BANKERS
Bank Alfalah Limited
Bank Al-Habib Limited
Habib Metropolitan Bank Limited
KASB Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited

AUDITORS
KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2
Beaumont Road, Karachi.

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

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

DISTRIBUTORS
AKD Investment Management Limited
BMA Capital Management Limited
IGI Investment Bank Limited
The Bank of Punjab
Alfalah Securities (Private) Limited
Reliance Financial Products (Private) Limited
Bulls & Bulls (Private) Limited

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

FUND MANAGER'S REPORT

During the half year ended December 31, 2012, the KSE Index increased by 3,104.02 points positive 22.49% to close at 16,905.43. The Fund NAV increased by 19.27% to close at Rs. 10.52. The fund reported a profit of Rs. 25.735 million as compared to loss of Rs. 3.648 million in the same period last year.

During, the first half, the basis of the KSE - 100 Index was changed from market capitalization to free float which resulted in significant changes in the weightages of KSE - 100 Index companies. This has resulted in a significant tracking error in the first half. The Investment Committee remains committed bringing the fund in-line with the weightages of the KSE - 100 companies. There would be a significant reduction in the tracking error in the second half of FY13.

Subsequent, to the KSE - 100 Index based on free float, it has now become a better representation of the market where the Company weightages in the Index are now identified on the basis of shares available to general public to trade. This makes a better representation of the stocks in the Index. Further, it would also result in lesser distortion of the Index and lesser volatility in the KSE-100 Index. Your AKD Index Tracker Fund provides an opportunity to tap the returns offered by the broader equity market. Advantages of AKD Index Tracker Fund include low cost and negligible fund management risk.

KSE-100 as compared to its regional peers is trading at very low multiples with 2013 forward price to earnings of 7.95x compared to regional average of 14.69x, EPS growth of 9.50%, return on equity of 21.59% and dividend yield of 6.92%. Based on the above fundamentals we believe interest both from the local and foreign front will remain upbeat. The KSE-100 Index had yielded a return of 20% over the past 10 years and with attractive valuations coupled with a declining interest scenario the Pakistani equities as an asset class is bound to outperform all other asset classes. Based on the above premise we advice investors to participate in the AKD Index Tracker Fund, in order to seek higher returns compared to other asset classes.

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) 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 six months period ended December 31, 2012 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, February 27, 2013

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AKD Index Tracker Fund** ("the Fund") as at 31 December 2012 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matters

The figures for the quarter ended 31 December 2012 and 31 December 2011 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Pirani

Karachi: February 22, 2013

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2012

	Note	31 December 2012 (Unaudited)	30 June 2012 (Audited)
		(Rupees in '000)	
Assets			
Bank balances	6	**972**	1,959
Investments	7	**221,409**	185,705
Dividend and other receivables		**302**	433
Security deposits		**2,600**	2,600
Total assets		**225,283**	190,697
Liabilities			
Remuneration payable to the Management Company	10.2	**141**	115
Remuneration payable to the Trustee	10.2	**59**	57
Annual fee payable to the Securities and Exchange Commission of Pakistan		**100**	173
Payable against redemption of units		**6**	-
Accrued expenses and other liabilities		**396**	298
Provision for Workers' Welfare Fund	8	**1,297**	772
Unclaimed dividend		**622**	622
Total liabilities		**2,621**	2,037
Net assets		**222,662**	188,660
Unit holders' fund		**222,662**	188,660
		(Number of units)	
Number of units in issue		**21,172,989**	20,313,221
		(Rupees)	
Net assets value per unit		**10.52**	9.29

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

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Note	Six months period ended 31 December		Three months period ended 31 December	
		2012	2011	**2012**	2011
		(Rupees in '000)			
Income					
Gain / (loss) on sale of investments - net		**21,798**	153	**20,682**	(20)
Dividend income		**5,706**	4,950	**2,649**	2,799
Mark-up on bank deposit accounts		**56**	143	**21**	90
		27,560	5,246	**23,352**	2,869
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net		**488**	(899)	**449**	(2,087)
Impairment loss on securities classified as 'available for sale'	7.3	**-**	(6,181)	**-**	(4,267)
		28,048	(1,834)	**23,801**	(3,485)
Expenses					
Remuneration to the Management Company		**793**	662	**409**	331
Remuneration to the Trustee		**353**	352	**177**	176
Annual fee to the Securities and Exchange Commission of Pakistan		**100**	84	**51**	42
Auditors' remuneration		**173**	126	**110**	63
Amortisation of conversion cost		**-**	227	**-**	114
Provision for Workers' Welfare Fund	8	**525**	-	**456**	(14)
Others	11.2	**369**	363	**249**	146
		2,313	1,814	**1,452**	858
Net income / (loss) for the period		**25,735**	(3,648)	**22,349**	(4,343)

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

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala	**Aurangzeb Ali Naqvi**
Chief Executive Officer	Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Six months period ended 31 December		Three months period ended 31 December	
	2012	2011	**2012**	2011
	-------------(Rupees in '000)-------------			
Net income / (loss) for the period	**25,735**	(3,648)	**22,349**	(4,343)
Other comprehensive income for the period				
Items that are reclassified or may be reclassified subsequently to profit and loss				
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net - amount representing unrealised capital gain / (loss) that form part of unit holder`s fund.	**(814)**	389	**(706)**	1,486
- Net unrealized appreciation / (diminution) in the value of investments classified as 'available for sale investments'	**27,216**	(21,791)	**8,492**	(8,719)
- (Appreciation) / diminution in fair value of 'available for sale' investment transferred to profit and loss account on sale	**(16,169)**	(388)	**(15,366)**	(132)
Impairment loss on available for sale investments for the period	**-**	6,181	**-**	4,267
	10,233	(15,609)	**(7,580)**	(3,098)
Total comprehensive income / (loss) for the period	**35,968**	(19,257)	**14,769**	(7,441)

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

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Six months period ended 31 December		Three months period ended 31 December	
	2012	2011	**2012**	2011
	---------------(Rupees in '000)---------------			
Deficit at beginning of the period	**(77,193)**	(81,506)	**(83,462)**	(81,908)
Bonus units issued for the year ended 30 June 2012 @ Re. 0.47 per unit distributed on 09 July 2012	**(9,547)**	-	**-**	-
Element of (loss) / income and capital (losses) / gains - net included in prices of units sold less those in units redeemed - amount representing unrealised (loss) / gain that form part of the unit holders' fund	**(814)**	389	**(706)**	1,486
Net income / (loss) for the period	**25,735**	(3,648)	**22,349**	(4,343)
	15,374	(3,259)	**21,643**	(2,857)
Deficit at end of the period	**(61,819)**	(84,765)	**(61,819)**	(84,765)

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

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Six months period ended 31 December		Three months period ended 31 December	
	2012	2011	**2012**	2011
	---------------(Rupees in '000)---------------			
Net assets at beginning of the period	**188,660**	190,666	**209,640**	174,526
Amount received on issue of 255,682 (2011: 1,249,742) units	**2,404**	9,934	**-**	9,627
Amount paid on redemption of 478,671 (2011: 859,129) units	**(4,696)**	(7,074)	**(2,004)**	(2,534)
	(2,292)	2,860	**(2,004)**	7,093
Final distribution of 1,082,757 bonus units for the year ended 30 June 2012	**9,547**	-	**-**	-
Element of (income) / loss and capital (gains) / losses in prices of units sold less those in units redeemed				
- amount representing (income) / loss and realised capital (gains) / losses transferred to income statement	**(488)**	899	**(449)**	2,087
- amount representing unrealised capital losses / (gains) transferred directly to distribution statement	**814**	(389)	**706**	(1,486)
	326	510	**257**	601
Total comprehensive income / (loss) for the period less distribution	**26,421**	(19,257)	**14,769**	(7,441)
Net assets at end of the period	**222,662**	174,779	**222,662**	174,779
Net asset value per unit	**10.52**	7.77	**10.52**	7.77

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

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Six months period ended 31 December		Three months period ended 31 December	
	2012	2011	2012	2011
	(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit / (loss) for the period	**25,735**	(3,648)	**22,349**	(4,343)
Adjustments for non-cash and other items:				
Amortisation of conversion cost	**-**	227	**-**	114
Impairment loss on securities classified as 'available for sale'	**-**	6,181	**-**	4,267
Element of loss / (income) and capital losses / (gains) - net in prices of units sold less those in units redeemed - net	**(488)**	899	**(449)**	2,087
	25,247	3,659	**21,900**	2,125
Decrease / (increase) in assets				
Investments	**(24,660)**	(2,136)	**(22,188)**	(2,853)
Dividend and other receivables	**134**	685	**2,330**	686
	(24,526)	(1,451)	**(19,858)**	(2,167)
(Decrease) / increase in liabilities				
Remuneration payable to the Management Company	**26**	15	**(9)**	4
Remuneration payable to the Trustee	**2**	1	**2**	1
Annual fee payable to the Securities and Exchange Commission of Pakistan	**(73)**	(80)	**51**	42
Payable against redemption of units	**6**	(20)	**(1)**	(101)
Accrued expenses and other liabilities	**98**	(91)	**(717)**	(246)
Provision for Workers' Welfare Fund	**525**	14	**456**	-
	584	(161)	**(218)**	(300)
Net cash generated from operating activities	**1,305**	2,047	**1,824**	(342)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issuance of units	**2,404**	9,934	**-**	9,627
Amount paid on redemption of units	**(4,696)**	(7,074)	**(2,004)**	(2,534)
Net cash flow from financing activities	**(2,292)**	2,860	**(2,004)**	7,093
Net increase / (decrease) in cash and cash equivalents during the period	**(987)**	4,907	**(180)**	6,751
Cash and cash equivalents at beginning of the period	**1,959**	3,893	**1,152**	2,049
Cash and cash equivalents at end of the period	**972**	8,800	**972**	8,800

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

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala	**Aurangzeb Ali Naqvi**
Chief Executive Officer	Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 AKD Index Tracker Fund (The Fund) was established under a Trust Deed executed between AKD Investment Management Limited (AKDIML) as Management Company, a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 02 May 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 12 April 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund is registered as notified entity under NBFC Regulations, 2008.

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information for the six months period ended 31 December 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance 1984, the Trust Deed, the NBFC Rules and the NBFC Regulations have been followed.

2.2 This condensed interim financial information comprise of condensed interim statement of assets and liabilities as at 31 December 2012 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement, and notes thereto, for the six months period ended 31 December 2012.

2.3 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund as at and for the year ended 30 June 2012.

2.4 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause (xix) of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

2.5 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the Fund except presentation and disclosures in this condensed interim financial information which have been reflected accordingly.

4. ESTIMATES

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

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

5. FINANCIAL RISK MANAGEMENT

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

	31 December 2012 (Unaudited)	30 June 2012 (Audited)
6. BANK BALANCES	(Rupees in '000)	
Balances with banks in:		
- profit and loss sharing accounts	**337**	1,325
- current accounts	**635**	634
	972	1,959

7. **INVESTMENTS**

Available for Sale - listed equity securities

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

Name of the investee	Holding at beginning of the period 1 July 2012	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at end of the period 31 December 2012	Cost as of the period ended 31 December 2012 (a)	Carrying value (as at 1 July 2012)	Carrying value as of the period ended 31 December 2012 (b)	Unrealised appreciation/ (diminution) for the period	Percentage in relation to: Total market value of Investment	Net assets of the Fund	Investee paid-up capital
	<----------- (Number of Share) ----------->					<---------- (Rupees in '000) ---------->						
Oil and Gas												
Attock Refinery Limited	4,919	2,200	-	100	7,019	846	911	1,176	265	0.53	0.53	0.01
National Refinery Limited	4,660	1,000	-	-	5,660	1,210	1,293	1,198	(95)	0.54	0.54	0.01
Attock Petroleum Limited	4,050	100	-	700	3,450	971	1,638	1,766	128	0.80	0.79	0.00
Pakistan State Oil Company Limited	10,005	9,100	2,021	-	21,126	4,244	4,299	4,906	607	2.22	2.20	0.01
Shell Pakistan Limited	4,961	100	-	1,000	4,061	443	519	553	34	0.25	0.25	0.00
Mari Petroleum Company Limited	5,354	-	-	500	4,854	306	455	477	22	0.22	0.21	0.01
Oil and Gas Development Company Limited	249,822	2,800	-	100,000	152,622	17,096	24,510	29,397	4,887	13.28	13.20	0.00
Pakistan Oil Field Limited	13,554	12,300	-	-	25,854	8,293	10,094	11,312	1,218	5.11	5.08	0.01
Pakistan Petroleum Limited	76,314	600	19,228	13,900	82,242	8,550	12,402	14,540	2,138	6.57	6.53	0.01
BYCO Petroleum Limited	56,934	1,000	-	57,934	-	-	-	-	-	-	-	-
					306,888	**41,959**	**56,121**	**65,325**	**9,204**			
Chemicals												
Dawood Hercules Corporation Limited	28,046	12,000	-	-	40,046	1,356	1,356	1,303	(53)	0.59	0.59	0.01
Engro Corporation Limited	29,794	32,100	-	-	61,894	5,306	6,195	5,697	(498)	2.57	2.56	0.01
Fauji Fertilizer Bin Qasim Limited	54,451	22,500	-	-	76,951	2,418	3,088	2,970	(118)	1.34	1.33	0.01
Fauji Fertilizer Company Limited	74,150	94,100	-	900	167,350	14,682	18,995	19,603	608	8.85	8.80	0.01
ICI Pakistan Limited	8,023	-	-	2,685	5,338	777	700	928	228	0.42	0.42	0.01
Lotte Pakistan PTA Limited	87,452	-	-	-	87,452	615	615	643	28	0.29	0.29	0.01
Clariant Pakistan Limited	1,990	-	-	-	1,990	271	352	514	162	0.23	0.23	0.01
Arif Habib Corporation Limited	24,034	-	2,403	-	26,437	557	743	638	(105)	0.29	0.29	0.01
Fatima Fertilizer Company Limited	116,934	5,500	-	47,000	75,434	1,078	1,860	1,991	131	0.90	0.89	0.00
Engro Polymer & Chemicals Limited	38,673	-	-	10,000	28,673	212	282	290	8	0.13	0.13	0.00
					571,565	**27,272**	**34,186**	**34,577**	**391**			
Forestry (Papers and Board)												
Security Papers Limited	1,000	-	-	-	**1,000**	**39**	**44**	**51**	**7**	0.02	0.02	0.00
Industrial Metal and Mining												
Aisha Steel Mills Limited**	2,418	-	-	2,000	**418**	**-**	**4**	**4**	**-**	0.00	0.00	-

Name of the investee	Holding at beginning of the period 1 July 2012	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at end of the period 31 December 2012	Cost as of the period ended 31 December 2012	Carrying value (as at 1 July 2012)	Carrying value as of the period ended 31 December 2012	Unrealised appreciation/ (diminution) for the period	Percentage in relation to: Total market value of Investment	Net assets of the Fund	Investee paid-up capital
						(a)		(b)				
	<- - - - - - - - - - - (Number of Share) - - - - - - - - - - ->					<- - - - - - - - - - (Rupees in '000) - - - - - - - - - ->						
Construction and Materials												
D.G. Khan Cement Limited	25,537	32,000	-	-	57,537	2,071	2,588	3,140	552	1.42	1.41	0.01
Lucky Cement Limited	18,848	12,000	-	-	30,848	2,896	3,778	4,675	897	2.11	2.10	0.01
Bestway Cement Limited	23,943	3,000	-	1,500	25,443	317	635	812	177	0.37	0.36	0.00
Attock Cement Limited	5,063	-	759	1,500	4,322	182	306	431	125	0.19	0.19	0.00
Lafarge Pakistan Limited	-	25,000	-	-	25,000	148	148	127	(21)	0.06	0.06	0.00
Fauji Cement Company Limited	50,000	27,500	-	-	77,500	502	455	507	52	0.23	0.23	0.01
Akzo Nobel Pakistan Limited	-	2,684	-	2,684	-	-	-	-	-	-	-	-
					220,650	**6,116**	**7,910**	**9,692**	**1,782**			
General Industrials												
Siemens Engineering Limited	478	-	-	-	478	357	357	370	13	0.17	0.17	0.01
Packages Limited	4,917	2,000	-	-	6,917	712	795	1,046	251	0.47	0.47	0.01
Ghani Glass Limited	6,078	-	607	-	6,685	249	347	411	64	0.19	0.18	0.01
TRI-Pack Films Limited	1,779	-	-	-	1,779	320	374	342	(32)	0.15	0.15	0.01
Thal Limited (Face value Rs. 5/- each)	4,292	1,000	429	-	5,721	362	496	611	115	0.28	0.27	0.01
					21,580	**2,000**	**2,369**	**2,780**	**411**			
Industrial Engineering												
Al-Ghazi Tractors Limited (Face value Rs. 5/- each)	2,534	-	-	2,530	4	1	1	1	-	0.00	0.00	0.00
Millat Tractors Limited	2,134	1,100	-	-	3,234	1,253	1,622	1,826	204	0.82	0.82	0.01
					3,238	**1,254**	**1,623**	**1,827**	**204**			
Industrial Transportation												
Pakistan International Containers Limited	6,438	-	-	1,200	5,238	412	765	1,095	330	0.49	0.49	0.00
Pakistan International Bulk Terminal Limited*	3,369	-	-	-	3,369	-	34	34	-	0.02	0.02	
					8,607	**412**	**799**	**1,129**	**330**			
Support Services												
TRG Pakistan Limited	19,161	5,000	-	-	**24,161**	**36**	**83**	**135**	**52**	0.06	0.06	0.01
Automobile and Parts												
Indus Motor Company Limited	4,577	-	-	-	4,577	747	1,122	1,236	114	0.56	0.56	0.01
Pak Suzuki Motors Company Limited	4,710	-	-	-	4,710	283	451	413	(38)	0.19	0.19	0.01
Atlas Honda Limited	4,979	-	-	3,600	1,379	132	159	212	53	0.10	0.10	0.00
					10,666	**1,162**	**1,732**	**1,861**	**129**			
Beverages												
Murree Brewery Company Limited	999	-	99	-	**1,098**	**64**	**100**	**146**	**46**	0.07	0.07	0.01

Name of the investee	Holding at beginning of the period 1 July 2012	Acquired during the period	Bonus / right shares receivec during the period	Disposed during the period	Holding at end of the period 31 December 2012	Cost as of the period ended 31 December 2012	Carrying value (as at 1 July 2012)	Carrying value as of the period ended 31 December 2012	Unrealised appreciation/ (diminution) for the period	Percentage in relation to: Total market value of Investment	Percentage in relation to: Net assets of the Fund	Percentage in relation to: Investee paid-up capital
						(a)		(b)				
Food Producers	< - - - - - - - - - - - (Number of Share) - - - - - - - - - - >					< - - - - - - - - - (Rupees in '000) - - - - - - - - - >						
Nestle Pakistan Limited	2,691	-	-	1,300	1,391	1,744	5,585	6,584	999	2.97	2.96	0.00
Unilever Pakistan Limited (Face value Rs. 50/- each)	792	-	-	120	672	1,452	4,757	6,787	2,030	3.07	3.05	0.01
Rafhan Maize Products Company Limited	576	-	-	60	516	759	1,622	2,012	390	0.91	0.90	0.01
Unilever Pakistan Foods Limited	361	-	-	361	-	-	-	-	-	-	-	-
JDW Sugar Mills Limited	2,500	2,100	-	-	4,600	427	474	539	65	0.24	0.24	0.01
Engro Foods Limited	43,800	500	-	17,000	27,300	1,309	1,761	2,679	918	1.21	1.20	0.00
Tandlianwala Sugar Mills Limited	4,604	-	-	4,500	104	5	8	9	1	0.00	0.00	0.00
National Foods Limited	-	3,200	-	-	3,200	1,096	1,096	925	(171)	0.42	0.42	0.01
					37,783	**6,792**	**15,303**	**19,535**	**4,232**			
Personal Goods												
Nishat Mills Limited	20,447	23,000	-	1,000	42,447	2,143	2,281	2,710	429	1.22	1.22	0.01
Ibrahim Fibres Limited	18,033	-	-	2,000	16,033	438	802	772	(30)	0.35	0.35	0.01
Bata (Pakistan) Limited	423	-	-	-	423	216	297	571	274	0.26	0.26	0.01
Colgate Palmolive (Pakistan) Limited	2,125	-	425	900	1,650	579	1,347	2,475	1,128	1.12	1.11	0.00
					60,553	**3,376**	**4,727**	**6,528**	**1,801**			
Tobacco												
Phillip Morris Pakistan Limited	3,703	-	-	-	3,703	446	627	463	(164)	0.21	0.21	0.01
Pakistan Tobacco Company Limited	14,890	-	-	11,500	3,390	158	179	229	50	0.10	0.10	0.00
					7,093	**604**	**806**	**692**	**(114)**			
Pharma and Bio Tech												
Abbott Laboratories (Pakistan) Limited	5,625	200	-	1,000	4,825	434	586	1,107	521	0.50	0.50	0.00
GlaxoSmithKline (Pakistan) Limited	15,259	-	-	1,000	14,259	737	902	1,046	144	0.47	0.47	0.01
					19,084	**1,171**	**1,488**	**2,153**	**665**			
Travel and Leisure												
Dreamworld Limited	2,069	-	-	12	2,057	905	905	782	(123)	0.35	0.35	0.01
Pakistan International Airlines Corporation Limited "A"	149,327	20,000	-	169,320	7	-	-	-	-	-	-	0.00
					2,064	**905**	**905**	**782**	**(123)**			
Fixed Line Telecommunication												
Pakistan Telecommunication Limited "A"	219,957	500	-	79,000	**141,457**	**1,479**	**1,937**	**2,454**	**517**	1.11	1.10	0.00
Electricity												
Hub Power Company Limited	67,441	195,000	-	57,000	205,441	9,075	9,220	9,294	74	4.20	4.17	0.02
Kot Addu Power Company Limited	51,304	-	-	8,500	42,804	1,594	1,926	2,114	188	0.95	0.95	0.00
Karachi Electric Supply Corporation Limited (Face value Rs. 3.5/- each)	130,648	167,500	-	-	298,148	1,284	1,498	1,717	219	0.78	0.77	0.00
Nishat Chunian Power Limited	21,165	-	-	-	21,165	300	314	445	131	0.20	0.20	0.01
Nishat Power Limited	20,630	13,500	-	500	33,630	566	555	656	101	0.30	0.29	0.01
					601,188	**12,819**	**13,513**	**14,226**	**713**			
Gas Water and Multiutilities												
Sui Northern Gas Pipelines Limited	33,428	500	-	-	33,928	516	574	789	215	0.36	0.35	0.01
Sui Southern Gas Company Limited	51,343	-	-	-	51,343	605	1,001	1,053	52	0.48	0.47	0.01
					85,271	**1,121**	**1,575**	**1,842**	**267**			

Name of the investee	Holding at beginning of the period 1 July 2012	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at end of the period 31 December 2012	Cost as of the period ended 31 December 2012	Carrying value (as at 1 July 2012)	Carrying value as of the period ended 31 December 2012	Unrealised appreciation/ (diminution) for the period	Percentage in relation to Total market value of Investment	Net assets of the Fund	Investee paid-up capital
						(a)		(b)				
	<- - - - - - - - - - (Number of Share) - - - - - - - - - ->					<- - - - - - - - - (Rupees in '000) - - - - - - - - ->						
Banks												
Allied Bank Limited	54,949	500	-	32,500	22,949	984	1,475	1,687	212	0.76	0.76	0.00
Askari Bank Limited	47,384	47,500	-	-	94,884	1,161	1,421	1,634	213	0.74	0.73	0.01
Bank Al Habib Limited	58,891	70,500	-	-	129,391	3,127	3,740	4,106	366	1.85	1.84	0.01
Bank Al-Falah Limited	78,305	82,000	-	-	160,305	2,058	2,634	2,696	62	1.22	1.21	0.01
Faysal Bank Limited	48,038	-	6,004	-	54,042	327	526	576	50	0.26	0.26	0.01
Habib Bank Limited	70,654	300	-	42,000	28,954	2,700	3,268	3,411	143	1.54	1.53	0.00
Habib Metropolitan Bank Limited	61,068	37,000	-	-	98,068	1,874	1,732	1,849	117	0.84	0.83	0.01
MCB Bank Limited	53,337	33,100	-	-	86,437	14,173	14,994	18,131	3,137	8.19	8.14	0.01
Meezan Bank Limited	52,651	-	-	30,000	22,651	265	655	681	26	0.31	0.31	0.00
National Bank of Pakistan Limited	107,342	1,000	-	2,500	105,842	3,970	4,609	5,228	619	2.36	2.35	0.01
NIB Bank Limited	594,336	4,500	-	224,000	374,836	658	746	986	240	0.45	0.44	0.00
Soneri Bank Limited	52,271	115,500	18,454	-	186,225	1,050	1,255	1,320	65	0.60	0.59	0.02
Standard Chartered Bank (Pakistan) Limited	225,598	500	-	174,500	51,598	413	591	641	50	0.29	0.29	0.00
United Bank Limited	71,190	500	-	-	71,690	4,154	5,621	5,998	377	2.71	2.69	0.01
Silk Bank Limited	125,000	35,000	-	160,000	-	-	-	-	-	-	-	-
					1,487,872	**36,914**	**43,267**	**48,944**	**5,677**			
Non Life Insurance												
Adamjee Insurance Company Limited	7,309	13,000	-	-	20,309	1,280	1,322	1,384	62	0.63	0.62	0.02
EFU General Insurance Limited	7,282	7,500	-	-	14,782	889	1,168	1,264	96	0.57	0.57	0.01
Jubilee General Insurance Company Limited	6,915	-	-	-	6,915	231	373	464	91	0.21	0.21	0.01
Pakistan Reinsurance Company Limited	17,326	-	-	-	17,326	270	296	424	128	0.19	0.19	0.01
IGI Insurance Limited	6,452	1,000	-	-	7,452	447	535	717	182	0.32	0.32	0.01
					66,784	**3,117**	**3,694**	**4,253**	**559**			
Life Insurance												
EFU Life Assurance Limited	4,917	-	-	-	**4,917**	**270**	**376**	**458**	**82**	0.21	0.21	0.01
Real Estate Investment And Services												
Pace (Pakistan) Limited	13,039	8,500	-	-	**21,539**	**22**	**43**	**64**	**21**	0.03	0.03	0.01
Financial Services												
Jahangir Siddiqui & Company Limited	44,503	55,000	-	-	**99,503**	**958**	**1,331**	**1,605**	**274**	0.72	0.72	0.01
Equity Investment Instruments												
PICIC Growth Fund	16,512	-	-	-	**16,512**	**211**	**202**	**270**	**68**	0.12	0.12	0.01
Software And Computer Services												
Netsol Technologies Limited	3,990	-	-	-	**3,990**	**30**	**55**	**76**	**21**	0.03	0.03	0.01
Available-for-sale investment as at 31 December 2012						**150,103**	**194,193**	**221,409**	**27,216**			
Available-for-sale investment as at 30 June 2012						**125,443**	**179,055**	**185,705**	**6,650**			

7.1 * These are physical shares of Pakistan International Bulk Terminal Limited (PIBTL), received as Specie dividend from Pakistan International Container Terminal Limited (PICTL), in the ratio of one share for every two shares of PICTL held by the Fund on 27 July 2011. The shares of PIBTL are valued at Rs. 10 which is the face value of shares. While under NBFC Regulations, the Fund is not allowed to invest in unlisted securities, PIBTL had applied for listing on Karachi Stock Exchange on 06 October 2011 and is still pending.

7.2 Investments include 100,000 shares of Oil and Gas Development Company Limited having market value of Rs. 19.261 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of Fund's trades in terms of Circ 11 dated 23 October 2007 issued by the SECP.

7.3 As at 31 December 2012, the Fund maintains a provision for impairment loss against equity securities classified as available for sale amounting to Rs. 70.07 million (30 June 2012: Rs. 72.861 million). During the period the management carried out a scrip wise analysis and has determined that no further impairment loss is required.

7.4 Exposure to the following securities held by the Fund exceeded the maximum limit prescribed by the regulation No. 55(6) of the NBFC regulations. This is due to the change in Index basis from earlier 'market capitalisation' to 'free float' which resulted in significant change in scrip weightage.

Name of Investee Company	Maximum limit %	Fund's Exposure (Market value of the security / net asset value of the Fund)
Nestle Pakistan Limited	1.15	2.96
Rafhan Maize Products Company Limited	0.17	0.90
Colgate Palmolive (Pakistan) Limited	0.70	1.11
Hub Power Company Limited	3.93	4.17
GlaxoSmithKline (Pakistan) Limited	0.32	0.47
Sui Southern Gas Company Limited	0.39	0.47
Sui Northern Gas Pipelines Limited	0.29	0.35
Standard Chartered Bank (Pakistan) Limited	0.26	0.29
Mari Gas Company Limited	0.19	0.21
Pakistan Tobacco Company Limited	0.09	0.10

Due to the above, certain respective sector weights also exceeded its allowed limit as per regulation 55(9) of the NBFC regulations. However subsequent to the year end, the Fund`s investments were within the prescribed limits, except for the investment in Nestle Pakistan Limited where the Fund has been able to partially off-load the scrip.

The Management Company is making efforts / arrangements to comply with the requirements of the regulations.

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

	31 December 2012 (Unaudited)	30 June 2012 (Audited)
	(Rupees in '000)	
Balance as of 01 July	**60,259**	51,121
Unrealised gains for the period / year - net	**27,216**	6,650
Impairment losses transferred to profit and loss account	**-**	7,663
Unrealised (gains) / losses recognised in the income statement on sale	**(16,169)**	(5,175)
Balance as of period / year end recognised directly into unit holders' fund	**71,306**	60,259

8. WORKERS' WELFARE FUND

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

In July 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. However, in December 2010 the ministry filed its responses against the Constitutional Petition requesting SHC to dismiss the same, where after, show cause notices were issued by the Federal Board of Revenue (FBR) to several mutual funds for the collection of WWF. In respect of such show cause notices, certain mutual funds have been granted stay order by SHC on the basis of the pending Constitutional Petition as referred above.

During the year 2011 the Honourable 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. While, the Constitutional Petition filed in the SHC is still pending.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 1.297 million upto 31 December 2012. (June 2012: 0.772 million). Had the above recognition not been made, the net assets value per unit of the Fund would be higher by Rs. 0.06 / 0.58%.

9. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part 1 of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulations 63 of the Non - Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders, if by then it earns profit. 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.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AKD Investment Management Limited (AKDIML), being the asset management company of the Fund, Central Depository Company of Pakistan Limited being the trustee, Aqeel Karim Dhedhi Securities (Private) Limited, AKD Securities Limited, being the related companies of AKDIML, other collective investment schemes managed by the management company, National Bank of Pakistan Employees Pension Fund being holding more than ten percent of the units of the Fund as at 31 December 2012 and directors and officers of the management company and their connected persons.

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

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

	For the six months period ended	
10.1 Transactions during the period	**31 December 2012**	31 December 2011
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration	**793**	662
Mr. Aqeel Karim Dhedhi		
Issue of bonus units - 15 (2011: Nil) units	**1**	-
Directors of the management company (Key management personnel)		
Issue of bonus units - 2,322 (2011: Nil) units	**20**	-
Redemption of units - 31,983 units (2011: Nil) units	**300**	-
AKD Investment Management Limited Staff Provident Fund		
Issue of bonus units - 1,692 (2011: Nil) units	**15**	-
Units issued - 212,691 (2011: Nil) units	**2,000**	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	**353**	352
Central Depository Service charges	**6**	3

10.2 Balances outstanding at the period end	(Unaudited) 31 December 2012	(Audited) 30 June 2012
	(Rupees in '000)	
AKD Investment Management Limited		
Remuneration payable	**141**	115
Sindh sales tax payable on Management Company`s remuneration	**23**	18
Payable to Central Depository Company of Pakistan - Trustee		
Remuneration	**59**	57
CDS charges	**1**	1
Mr. Aqeel Karim Dhedhi		
Number of units outstanding - 294 (June 30, 2012: 279) units	**3**	3
Directors of the management company (Key management personnel)		
Number of units outstanding - 13,903 (30 June 2012: 43,564) units	**146**	405
AKD Investment Management Limited Staff Provident Fund		
Number of units outstanding - 246,131 (30 June 2012: 31,748) units	**2,588**	295
National Bank of Pakistan Employees Pension Fund		
Number of units outstanding - 18,908,264 (30 June 2012: 17,951,398) units	**198,845**	166,724

11. GENERAL

11.1 These condensed interim financial information are unaudited and have been reviewed by the auditors. Furthermore, the figures for the quarter ended 31 December 2012 in these condensed interim financial information, wherever appearing, have not been reviewed by the auditors.

11.2 Other expense includes Sindh Government sales tax of Rs.0.127 (2011: Rs. 0.106) million charged on the management remuneration, effective from 01 July 2011.

11.3 These condensed interim financial information were authorised for issue on February 22, 2013 by the board of directors of the Management Company.

For AKD Investment Management Limited
(Management Comapany)

Imran Motiwala	**Aurangzeb Ali Naqvi**
Chief Executive Officer	Director

AKD Investment
Management Ltd.

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