Funds Managed by:

AKD Investment Management Ltd.

Half Yearly Report
December 31, 2015
(Un-audited)

half yearly
report

AKD OPPORTUNITY FUND

AKD INDEX TRACKER FUND

AKD CASH FUND

AKD AGGRESSIVE INCOME FUND

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

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CORPORATE INFORMATION

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Abdul Karim Memon

Director & Chief Executive Officer
Mr. Imran Motiwala

Directors
Mr. Ali Wahab Siddiqui
Mr. Hasan Ahmed
Mr. Ahmed Abdul Sattar
Mr. Nadeem Saulat Siddiqui
Mr. Saim Mustafa Zuberi*

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Noureen Nadir Ali

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)
Mr. Ahmed Abdul Sattar (Member)
Mr. Hasan Ahmed (Member)
Ms. Noureen Nadir Ali (Secretary)

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR & R)

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

RATING
AKD Investment Management Ltd. (AMC)
AM3 (AM Three) issued by PACRA
AM3 (AM Three) issued by JCR-VIS

*Appointed in place of Mr. Saad Iqbal who resigned on January 5, 2016.

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF) and AKD Aggressive Income Fund (AKDAIF) is pleased to present its interim report along with the Funds' accounts for the half year ended December 31, 2015.

Funds' Financial Performance

AKD Opportunity Fund (AKDOF)

For the 1HFY16, the return of AKD Opportunity Fund stood at 7.32% compared to the benchmark KSE-100 Index return of -4.60%, thus significantly outperforming the benchmark by 11.92%.

AKD Index Tracker Fund (AKDITF)

For the 1HFY16, the return of AKD Index Tracker Fund stood at -5.40% compared to the benchmark KSE-100 Index return of -4.60%.

AKD Cash Fund (AKDCF)

For the 1HFY16, the annualized return of AKD Cash Fund stood at 5.60% compared to benchmark return of 5.60%, thus performance remains in line with benchmark.

AKD Aggressive Income Fund (AKDAIF)

For the 1HFY16, the annualized return of AKD Aggressive Income Fund stood at 8.0% compared to the benchmark return of 7.04%, thus outperforming the benchmark by 0.96%.

Macro Perspective

The major macroeconomic indicators continued to exhibit improvements in the 1HFY16 based on the prudent monetary and fiscal policy, increased credit off take and higher remittances. CPI inflation during 1HFY16 clocked in 2.1%YoY as compared to 6.1%YoY in the corresponding period last year. Throughout 1HFY16, downward momentum of inflation was driven by soft international commodity and oil prices. Going forward, State Bank of Pakistan expects that average inflation in FY16 to range between 3%YoY to 4%YoY due to benign outlook of global commodity prices, expectation of moderate pickup in domestic demand and further ease in supply side constraints.

Large scale manufacturing (LSM) showed growth of 4.4%YoY during July-Nov FY16 as compared to 3.1%YoY in the same period last year. LSM benefited from falling international prices of key inputs, better energy situation, increased domestic demand for consumer durables and expansion of construction activities. In this regard, the real GDP is expected to maintain the previous growth momentum. It is expected that economic activity will improve further as infrastructure and energy projects under CPEC continue to materialize.

The total liquid foreign exchange reserves of Pakistan reached its highest level of USD 21.07 billion by end of 1HFY16 as compared to USD 15.27 billion at the end of 1HFY15. At the same time, International Monetary Fund (IMF) released ninth tranche of USD 498.10 million in December 2015 under the Extended Fund Facility. On Sept, 2013, IMF had approved the three-year extended financing arrangement of about USD 6.64billion for Pakistan of which USD 4.98 billion has been disbursed. Overseas Pakistani workers remitted to USD 9.74 billion in 1HFY16, as compared to USD 9.16 billion received during the corresponding period reflecting growth of 6.6% YoY.

The muted inflation and strengthening foreign exchange reserve had a favorable impact on overall economic activity. In this regard, State Bank of Pakistan announced policy rate cut of 50bps to 6% in the September Monetary Policy Statement (MPS).

Tax collection, on other hand, remained an uphill task as Federal Board of Revenue (FBR) collected PKR 1.37 trillion against its target of approximately PKR 1.39 trillion thus falling short by PKR 20 billion. Although, FBR has not been able to achieve its target but deficit has been considerably reduced on basis of controlled expenditure and increased revenues. During the July-December period, the FBR collections were PKR 198 billion more than the comparative period of the previous year, recording an increase of 16.9%.

Pakistan's overall balance of payment continued to strengthen in 1HFY16 as the imports of the country reduced by 8%YoY reaching USD 22.24 billion during the period under review as compared to USD 24.14 billion in the corresponding period last year. In addition, exports of 1HFY16 were recorded at USD10.32 billion as compared with USD 12.6 billion in the corresponding period, reflecting 14.4%YoY decline. This resulted in contraction of trade deficit to USD 11.92 billion in 1HYFY16 as compared with USD 12.1 billion in the corresponding period last year.

Equity market review

The KSE-100 index started the FY16 on a positive note recording 3.9% return in the month of July; however index fell by 4.6% overall in 1HYF16. Primary reason for the underperformance of index was low investor confidence as NAB/FIA carried out investigations against brokers. Negative news flow continued internationally as well, as concerns over China's economic slowdown and US-Federal Reserve rate hike dampened KSE's performance. Consequently, foreign investors sold equity worth USD 241 million during 1HFY16 compared to net buying of USD 113 million in 1HFY15.

During the period under review, State Bank of Pakistan (SBP) cut the discount rate by 50 basis points in September'15 monetary policy statement, continuing the easing cycle from previous fiscal year. The primary reason for this move was historic low level of average CPI inflation, which recorded at a 2.08%YoY during 1HFY16, against 6.12%YoY in same period last year. However, these developments brought no excitement to the investors as negative sentiment outweighed the positive developments.

Weak prospects of regional capital markets and weak commodity prices remained to be a major obstacle in the way of sustained rally in the market. During 2QFY16, the prevailing uncertainty deepened further, as evident from investor's participation in the market which saw a QoQ decline of approximately 48% and 37% in average daily turnover (ADT) and average daily traded value (ADTV), respectively.

Money Market Review

Due to low inflation and improving economic conditions, SBP reduced discount rate by 50bps during 1HFY16. Government raised total amount of PKR 2.65 trillion in 1HFY16 compared to PKR 2.27 trillion raised in 1HFY15 through T-Bills and PIB auctions. The State Bank of Pakistan (SBP) carried out a total of 13 T-Bills auctions where the government managed to raise PKR 2.25 trillion. While only PKR 925 billion was raised during 2QFY16. SBP also conducted 6 auctions of PIB's and managed to raise PKR 401 billion during 1HFY16. During this period, weighted average yield on 3, 6, 12-months T-Bills were 6.59%, 6.60%, 6.69% respectively down from 9.84%, 9.85%, and 9.83% during the corresponding period last year. The PIB auctions followed suit where weighted average maturities yield on 3, 5, 10 years PIB declined to 7.34%, 8.30%, 9.24% respectively from 11.75%, 12.15%, 12.75% in the corresponding period last year. During 1HFY16, State Bank of Pakistan conducted 46 open market operations (OMO's) of different maturities and injected average amount of PKR 710 billion per OMO's at an average cut off yield of 6.22%.

Future Outlook

Currently, Pakistan is facing severe energy crisis hurting competitiveness of companies, creating hurdles to economic progression and adversely affecting the trade deficit. However, China Pakistan economic corridor (CPEC) worth USD 46 billion is expected to spur high economic growth by boosting investment in transportation, infrastructure and addressing energy crisis. Pakistan witnessed strong improvement in economic fundamentals during CY15 due to low commodity prices, which led to improved current account position and low inflation. This has helped improve investor confidence as measured by various institutions/trade bodies like State Bank of Pakistan, etc.

Going forward, we believe the economy of Pakistan is expected to achieve sustainable growth driven by low inflation, favorable commodity prices, increase in foreign exchange reserves and foreign remittances and growth in tax collection. Pakistan equity market is expected to be the top performing market in the CY16, where we expect KSE-100 index to witness a strong positive trajectory on the back of lower policy rate, improved economic outlook, materialization of privatization process and growth in corporate profitability. Moreover, MSCI's decision to review Pakistan for potential reclassification into emerging markets is another reflection of strengthening economic dynamics. A reclassification will improve the outlook of Pakistan's stock market and its exposure to foreign institutional investors.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: February 19, 2016

AKD Index Tracker Fund
Financial Information - First Half FY16

Contents

AKD Index Tracker Fund

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

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

BANKERS
Bank Alfalah Limited
Bank Al-Habib Limited
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)
JCR-VIS: AM3 (AM-Three)

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.

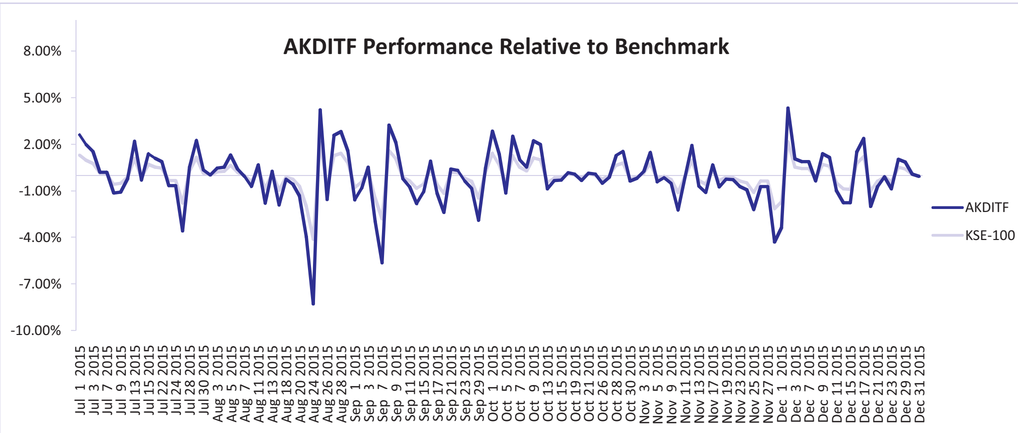
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1HFY16, the return of the AKD Index Tracker Fund stood at -5.40% versus the benchmark KSE-100 Index returns of -4.60%.

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 Return	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
AKDITF	3.75%	-3.01%	-7.22%	5.92%	-5.90%	1.66%
Benchmark(KSE-100 index)	3.90%	-2.84%	-7.02%	6.11%	-5.86%	1.74%

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 trail the movement of the Index by using the weights of the respective stocks in the KSE-100 Index.

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

Asset Allocation (% of Total Asset)	31-Dec-15	30-Sep-15
Equities	96.64%	97.58%
Cash	2.56%	0.35%
Other Assets	0.80%	2.07%

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

1HFY16 Return	-5.40%
Benchmark	-4.60%

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

Net Assets Value			NAV Per Unit	
31-Dec-15	30-Sep-15	Change in Net Assets	31-Dec-15	30-Sep-15
(Rupees In "000")			Rs.	Rs.
391,940	383,624	2.17%	13.55	13.37

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 1HFY16 based on the prudent monetary and fiscal policy, increased credit off take and higher remittances. Headline Consumer Price Index (CPI) has been considerably low, reaching 2.1%YoY for 1HFY16 as compared to 6.1%YoY in the corresponding period last year. Subdued inflation was due to falling oil and commodity prices internationally. Keeping in view the bleak outlook of global commodities prices, expectation of a moderate pickup in domestic demand and further ease in supply side constraints, SBP expects that average inflation in FY16 to remain in the range of 3%YoY to 4%YoY.

Most important achievement on the macroeconomic front is continuous improvement in liquid foreign exchange reserves position. Total foreign reserves increased to USD 21.07 billion at the end of 1HFY16 as compared to USD 15.27 billion in the corresponding period of last year. Overseas Pakistani workers remitted USD 9.74 billion in 1HFY16, a growth of 6.26%YoY against remittance amounting to USD 9.16 billion received during the same period of the preceding year. In addition, International Monetary Fund (IMF) released its 9th tranche of USD 498.10 million in December 2015 under Extended Fund Facility. Previously, IMF had approved the three-year extended arrangement of about USD 6.64 billion for Pakistan of which USD 4.98 billion has been disbursed already.

LSM growth has witnessed an upward trajectory on the back of falling international prices of inputs, higher demand for consumer durables, expansion of construction activities and an improving energy situation. It showed growth of 4.4%YoY in 1HFY16 considerable improvement over 3.1%YoY in the same period last year. Looking 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).

Low inflation and strong FX reserves position created room for SBP to further ease the monetary policy. Resultantly, SBP slashed the policy rate by 50bps to 6% in the September'15 Monetary Policy Statement (MPS).

Despite the fact that FBR missed the target of revenue collection during the period under consideration; the country's fiscal deficit has been largely reduced due to controlled expenditures and increasing sales tax. FBR collected PKR 1.37 trillion during 1HFY16 as compared to a target of PKR 1.39 trillion, short by PKR 20 billion. During the period July-December 2015, FBR collected PKR 198 billion more than they had collected in the corresponding period of last year, an increase of 16.9%YoY.

Balance of payment position of Pakistan continued to improve in the period under review, as the imports reduced by 8%YoY in 1HFY16 to USD 22.14 billion from USD 24.14 billion 1HFY15. Exports were also on a declining trend during 1HFY16, as they fell by 14.4%YoY reaching USD 10.32 billion. However, trade deficit reduced by 1.48%YoY from USD 11.92 billion during 1HFY16, as opposed to USD 12.10 billion in same period last year.

Equity Market Performance

KSE-100 registered negative return of 4.60% in 1HFY16, outperforming both MSCI-FM and MSCI-EM indices as they shed 12% and 19%, respectively. Market sentiments mainly remained negative due to NAB/FIA investigation against brokers and major investors coupled with global worries. US Federal Reserve rate hike also negatively impacted the equity market performance as it drained away foreign investment. Total foreign outflow worth USD 240.68 million was witnessed during 1HFY16, against corresponding period of last year's net inflow of USD 113 million.

During the period under review, the average CPI inflation recorded at 2.08%YoY as compared to 6.12%YoY in the same period last year. Keeping in view the historic low inflation, easing cycle continued as State Bank of Pakistan (SBP) slashed the discount rate by 50 basis points in September'15 monetary policy statement. However, negative sentiments prevailing in the market outweighed the positive developments and left investors laid-back. Investor interest at the bourse even dampened further in the 2QFY16, as witnessed by 48%QoQ and 37%QoQ decline in average daily turnover (ADT) and average daily traded value (ADTV), respectively.

Future Outlook

The period under review was turbulent as global uncertainty and economic slowdown depressed global asset returns. However, Pakistan's economy is moving in the positive trajectory and performing better than other global economies as evident from healthy economic indicators such as GNP, GDP, FDI and stock market performance. This improvement is linked to the soft oil prices which improved the country's balance of payment position while IMF EFF program payments further helped build up the foreign exchange reserves. In addition to that, government's focus on energy projects is expected to resolve the prevailing energy crisis and improve the competitiveness of industries.

China Pakistan Economic Corridor (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 & foreign remittances. Moreover, MSCI's decision to review Pakistan for potential reclassification into emerging markets is another sign of improving economic fundamentals in the country. We expect performance of KSE-100 to improve on account of favorable economic outlook, lower policy rate and growth in corporate profitability resulting from lower inflation and higher disposable income.

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	639
10,000 - 49,999	16
50,000 - 99,999	4
100,000 - 499,999	3
500,000 and above	1
	663

xv) Disclosure of circumstances that materially affect any interests of unit holders:

Investments are subject to credit and market risk.

xvi) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker (s) or dealers by virtue of transaction conducted by the Collective Investment Scheme:

No soft commission has been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

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, 2015 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 25, 2016

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AKD Index Tracker Fund** ("the Fund") as at December 31, 2015; 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 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 does not give a true and fair view, in all material respects, in accordance with approved accounting standard as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the three months ended 31 December 2015 in the condensed interim financial information have not been reviewed and we don't express a conclusion on them.

The financials statements of the Fund for the six months period ended December 31, 2014 and for the year ended June 30, 2015 were reviewed and audited by an another firm of auditors whose reports dated February 24, 2015 and September 21, 2015 expressed an unqualified conclusion and opinion thereon respectively.

Engagement Partner: **Ahsan Elahi Vohra**
Karachi: February 19, 2016

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2015

	Note	31 December 2015 (Unaudited)	30 June 2015 (Audited)
		(Rupees in '000)	
Assets			
Bank balances	5	**10,171**	1,933
Investments	6	**384,147**	409,795
Receivable against sale of investments (subsequently received)		**-**	2,434
Dividend, prepayments, markup and other receivables		**584**	699
Security deposits		**2,600**	2,600
Total assets		**397,502**	417,461
Liabilities			
Remuneration payable to the Management Company	12.2	**249**	255
Remuneration payable to the Trustee	12.2	**65**	67
Annual fee payable to the Securities and Exchange Commission of Pakistan		**194**	371
Payable against purchase of investments (Subsequently Paid)		**-**	397
Accrued expenses and other liabilities	7	**1,753**	1,773
Provision for Workers' Welfare Fund	9	**2,679**	2,679
Unclaimed dividend		**622**	622
Total liabilities		**5,562**	6,164
Contingencies and commitments	*10*		
Net assets		**391,940**	411,297
Unit holders' fund (as per statement attached)		**391,940**	411,297
		(Number of units)	
Number of units in issue		**28,921,145**	28,711,391
		(Rupees)	
Net assets value per unit (face value per unit Rs. 10/-)		**13.55**	14.33

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2015

	Note	Six months period ended 31 December 2015	Six months period ended 31 December 2014	Three months period ended 31 December 2015	Three months period ended 31 December 2014
		(Rupees in '000)			
Income					
Gain on sale of 'available for sale investments' - net		**5,901**	10,033	**3,250**	6,472
Dividend income from available for sale investments		**11,493**	9,156	**5,181**	4,507
Profit on bank balances		**139**	450	**100**	150
		17,533	19,639	**8,531**	11,129
Expenses					
Remuneration to the Management Company		**1,535**	1,420	**754**	721
Remuneration to the Trustee		**409**	379	**201**	192
Annual fee to the Securities and Exchange Commission of Pakistan		**194**	180	**95**	91
Auditors' remuneration		**126**	155	**63**	92
Other expenses	8	**917**	656	**407**	340
		3,181	2,790	**1,520**	1,436
Net income from operating activities		**14,352**	16,849	**7,011**	9,693
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		**43**	1,001	**(108)**	**1,497**
Provision for Workers' Welfare Fund	9	**-**	(357)	**-**	(224)
Net income for the period before taxation		**14,395**	17,493	**6,903**	10,966
Taxation	11	**-**	-	**-**	-
Net income for the period after taxation		**14,395**	17,493	**6,903**	10,966

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2015

	Six months period ended 31 December		Three months period ended 31 December	
	2015	2014	2015	2014
	(Rupees in '000)			
Net income for the period	**14,395**	17,493	**6,903**	10,966
Other comprehensive income for the period				
Items that will be reclassified subsequently to income statement				
- Unrealized (diminution) / appreciation during the period in the fair value of investments classified as 'available for sale' - net	**(31,029)**	20,519	**932**	28,227
-Appreciation in fair value of 'available for sale' investment transferred to profit and loss account on sale - net	**(5,446)**	(9,926)	**(2,866)**	(9,926)
Total comprehensive (loss) / income for the period	**(22,080)**	28,086	**4,969**	29,267

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2015

	Six months period ended 31 December		Three months period ended 31 December	
	2015	2014	2015	2014
	----------------- (Rupees in '000)			-----------------
Deficit at beginning of the period - realized	**(71,519)**	(89,755)	**(64,240)**	(82,736)
Element of (loss) and capital (losses) - net included in prices of units sold less those in units redeemed - amount representing unrealised (loss) that form part of the unit holders' fund	**(284)**	(1,080)	**(71)**	(1,572)
Net income for the period	**14,395**	17,493	**6,903**	10,966
	14,111	16,413	**6,832**	9,394
Deficit at end of the period - realized	**(57,408)**	(73,342)	**(57,408)**	(73,342)

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

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

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2015

	Six months period ended 31 December		Three months period ended 31 December	
	2015	2014	2015	2014
	(Rupees in '000)			
Net assets at beginning of the period	**411,297**	370,557	**383,624**	370,848
Amount received on issue of 526,612 (2014: 87,276) units	**7,290**	1,162	**3,640**	61
Amount paid on redemption of 316,858 (2014: 445,526) units	**(4,524)**	(6,015)	**(401)**	(5,890)
	2,766	(4,853)	**3,239**	(5,829)
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	**(43)**	(1,001)	**108**	(1,497)
Total comprehensive (loss) / income for the period	**(22,080)**	28,086	**4,969**	29,267
Net assets at end of the period	**391,940**	392,789	**391,940**	392,789
	(Rupees)			
Net assets value / Ex-distribution net asset value per unit at beginning of the period	**14.33**	13.32	**13.37**	13.30
Net assets value per unit at end of the period	**13.55**	14.31	**13.55**	14.31

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2015

	Six months period ended 31 December		Three months period ended 31 December	
	2015	2014	2015	2014
	(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the period	**14,395**	17,493	**6,903**	10,966
Adjustments for:				
Profit on bank balances	**(139)**	(450)	**(139)**	(150)
Element of (income) / loss and capital (gains) / losses - included in prices of units sold less those in units redeemed - net	**(43)**	(1,001)	**108**	(1,497)
	14,213	16,042	**6,872**	9,319
Decrease / (increase) in assets				
Investments	**(10,827)**	(14,745)	**(6,446)**	(379)
Receivable against sale of securities	**2,434**	568	**-**	(525)
Profit received on bank balances	**98**	445	**98**	145
Dividend, prepayments, markup and other receivables	**156**	29	**4,901**	3,020
	(8,139)	(13,703)	**(1,447)**	2,261
(Decrease) / increase in liabilities				
Remuneration payable to the Management Company	**(6)**	21	**5**	18
Remuneration payable to the Trustee	**(2)**	5	**11**	5
Annual fee payable to the Securities and Exchange Commission of Pakistan	**(177)**	(128)	**95**	91
Payable against purchase of investment	**(397)**	-	**-**	-
Accrued expenses and other liabilities	**(20)**	1,087	**38**	946
Provision for Workers' Welfare Fund	**-**	357	**-**	224
	(602)	1,342	**149**	1,284
Net cash generated from operating activities	**5,472**	3,681	**5,574**	12,864
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received on issuance of units	**7,290**	1,163	**3,640**	62
Cash paid on redemption of units	**(4,524)**	(6,015)	**(401)**	(5,890)
Net cash generated from / (used in) financing activities	**2,766**	(4,852)	**3,239**	(5,828)
Net increase / (decrease) in cash and cash equivalents during the period	**8,238**	(1,171)	**8,813**	7,036
Cash and cash equivalents at beginning of the period	**1,933**	14,056	**1,358**	5,849
Cash and cash equivalents at end of the period	**10,171**	12,885	**10,171**	12,885

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Nadeem Saulat Siddiqui
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

The Pakistan Credit Rating Company Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned asset manager/management quality rating of 'AM3' to the Management Company on 16 June 2015 and 06 January 2016 respectively.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 This condensed interim financial information does not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2015.

2.3 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited. 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.

3. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2015.

In preparing this condensed interim financial information, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2015.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2015.

5. BANK BALANCES	Note	31 December 2015 (Unaudited)	30 June 2015 (Audited)
		(Rupees in '000)	
Saving Accounts	5.1	**9,779**	1,539
Current Accounts		**392**	394
		10,171	1,933

5.1 These represent saving accounts maintained with various banks carrying profit rates ranging from 4% to 5.75% (30 June 2015: 4.5% to 6%) per annum.

6. INVESTMENTS

Investments in securities classified as 'available for sale'

Listed equity securities	6.1	**384,147**	409,795

6.1 Listed equity securities - available for sale

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the period 1st July 2015	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the period end 31 Dec 2015	Cost as of the period ended 31 Dec 2015	Market value as of 31 Dec 2015	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										
Indus Motor Company Limited	3,369	-	-	-	3,369	680	3,408	0.87	0.89	0.003
Honda Atlas Cars (Pakistan) Limited	6,200	-	-	100	6,100	1,399	1,458	0.37	0.38	0.004
Millat Tractors Limited	3,793	-	-	-	3,793	1,411	2,097	0.54	0.55	0.005
Atlas Honda Limited	2,200	-	-	2,200	-	-	-	-	-	-
Pak Suzuki Motors Company Limited	4,670	-	-	-	4,670	301	2,313	0.59	0.60	0.006
						3,791	**9,276**			
Automobile Parts & Accessories										
Thal Limited (Face value Rs. 5/- each) (note 6.4)	8,621	-	-	-	8,621	1,006	2,184	0.56	0.57	0.050
Atlas Battery Limited	772	-	-	772	-	-	-	-	-	-
						1,006	**2,184**			
Cable & Electrical Goods										
Pak Electron Limited	38,700	-	-	-	38,700	2,680	2,419	0.62	0.63	0.010
						2,680	**2,419**			
Cement										
Attock Cement Pakistan Limited	4,886	-	-	500	4,386	175	736	0.19	0.19	0.004
Cherat Cement Company Limited	24,296	-	-	-	24,296	1,188	2,191	0.56	0.57	0.014
D.G. Khan Cement Company Limited	51,887	-	-	500	51,387	2,003	7,584	1.93	1.97	0.012
Fauji Cement Company Limited	157,250	-	-	2,000	155,250	1,169	5,716	1.46	1.49	0.012
Pakcement Limited	78,799	-	-	38,500	40,299	502	686	0.18	0.18	-
Lucky Cement Limited	27,833	-	-	350	27,483	3,646	13,605	3.47	3.54	0.018
Kohat Cement Company Limited	10,000	-	-	500	9,500	1,028	2,288	0.58	0.60	0.001
Pioneer Cement Limited	26,500	-	-	-	26,500	1,726	2,408	0.61	0.63	0.008
Maple Leaf Cement Factory Limited	51,000	-	-	-	51,000	1,367	3,804	0.97	0.99	0.010
						12,804	**39,018**			
Chemical										
ICI Pakistan Limited	2,938	-	-	100	2,838	413	1,374	0.35	0.36	-
Colgate Palmolive (Pakistan) Limited	1,016	-	-	-	1,016	324	1,473	0.38	0.38	0.003
Archroma Pakistan Limited	1,790	-	-	-	1,790	274	825	0.21	0.21	0.004
						1,011	**3,672**			
Close - End Mutual Fund										
PICIC Growth Fund	48,512	-	-	-	48,512	**752**	**1,093**	0.28	0.28	0.017

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the period 1st July 2015	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the period end 31 Dec 2015	Cost as of the period ended 31 Dec 2015	Market value as of 31 Dec 2015	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	(Number of Shares)					(Rupees in '000)		Percentage		
Commercial Banks										
Allied Bank Limited	36,962	-	-	600	36,362	2,136	3,427	0.87	0.89	0.003
Askari Bank Limited	80,813	-	-	-	80,813	1,156	1,757	0.45	0.46	0.006
The Bank of Punjab	138,659	-	-	8,500	130,159	1,360	1,199	0.31	0.31	0.008
Bank Al Habib Limited (note 6.4)	143,347	12,000	-	-	155,347	3,819	6,462	1.65	1.68	0.014
Bank Al-Falah Limited	153,305	5,000	-	5,000	153,305	2,119	4,418	1.13	1.15	0.013
Faysal Bank Limited	89,952	-	-	10,000	79,952	467	1,234	0.31	0.32	0.005
Habib Bank Limited	140,983	17,000	-	-	157,983	28,353	31,616	8.07	8.23	0.015
Habib Metropolitan Bank Limited	101,568	-	-	1,000	100,568	1,998	3,064	0.78	0.80	0.009
MCB Bank Limited	95,228	-	-	12,000	83,228	11,851	18,048	4.60	4.70	0.008
Meezan Bank Limited	21,032	-	-	-	21,032	232	962	0.25	0.25	0.001
National Bank of Pakistan	108,738	-	-	8,000	100,738	3,413	5,444	1.39	1.42	0.005
Soneri Bank Limited (note 6.4)	69,447	-	-	-	69,447	424	1,051	0.27	0.27	0.006
Standard Chartered Bank (Pakistan) Limited	41,098	-	-	-	41,098	329	900	0.23	0.23	0.001
United Bank Limited	104,679	1,000	-	350	105,329	14,111	16,321	4.16	4.25	0.007
						71,768	**95,903**			
Engineering										
International Steels Limited	40,500	-	-	-	40,500	695	989	0.25	0.26	0.003
						695	**989**	-	-	-
Fertilizer										
Dawood Hercules Corporation Limited	72,296	-	-	500	71,796	3,831	8,554	2.18	2.23	0.016
Engro Corporation Limited	55,924	500	-	150	56,274	6,363	15,722	4.01	4.09	0.012
Fauji Fertilizer Bin Qasim Limited	70,451	-	-	1,000	69,451	2,215	3,659	0.93	0.95	0.013
Fauji Fertilizer Company Limited	149,450	2,000	-	600	150,850	13,501	17,797	4.54	4.63	0.011
Arif Habib Corporation Limited	23,937	5,000	-	2,000	26,937	723	1,377	0.35	0.36	0.001
Engro Fertilizers Limited	43,075	28,500	-	-	71,575	5,253	6,022	1.54	1.57	0.008
Fatima Fertilizer Company Limited (note 6.4)	90,234	21,500	-	-	111,734	2,776	4,998	1.28	1.30	0.009
						34,662	**58,129**			
Food & Personal Care Products										
Nestle Pakistan Limited	969	-	-	-	969	4,419	7,558	1.93	1.97	0.000
Engro Foods Limited	24,691	-	-	-	24,691	1,285	3,619	0.92	0.94	0.107
Rafhan Maize Products Company Limited	92	-	-	-	92	135	833	0.21	0.22	0.000
National Foods Limited (Face Value Rs. 5)	10,000	-	-	-	10,000	2,059	3,170	0.81	0.83	0.022
Shezan International Limited	751	-	-	751	-	-	-	-	-	-
Murree Brewery Company Limited	2,317	-	-	-	2,317	323	2,314	0.59	0.60	0.029
						8,221	**17,494**			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the period 1st July 2015	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the period end 31 Dec 2015	Cost as of the period ended 31 Dec 2015	Market value as of 31 Dec 2015	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	(Number of Shares)					(Rupees in '000)		Percentage		
Glass & Ceramics										
Ghani Glass Limited (note 6.4)	10,500	-	-	1,400	9,100	729	801	0.20	0.21	
Ghani Glass Mills Limited-LoR	-	-	6,370	-	6,370	-	497	0.13	0.13	
						729	**1,298**			-
Insurance										
Adamjee Insurance Company Limited	52,240	-	-	-	52,240	1,181	2,951	0.75	0.77	0.015
EFU General Insurance Limited	20,713	-	-	400	20,313	1,081	2,915	0.74	0.76	0.013
Jubilee General Insurance Company Limited	8,644	-	-	500	8,144	235	839	0.21	0.22	0.008
IGI Insurance Limited	8,797	-	-	-	8,797	591	2,081	0.53	0.54	0.007
Jubilee Life Insurance Company Limited	3,100	-	-	-	3,100	971	1,562	0.40	0.41	0.002
EFU Life Assurance Limited (note 6.4)	4,184	-	-	-	4,184	195	833	0.21	0.22	0.006
						4,254	**11,181**			
Inv. Banks/ Inv. Cos../ Securities Cos.										
Jahangir Siddiqui & Company Limited (note 6.4)	57,253	-	11,450	-	68,703	**729**	**1,439**	0.37	0.37	0.095
Jahangir Siddiqui & Company Limited - LoR	-	11,450	-	11,450	-	**-**	**-**	-	-	-
						729	**1,439**			-
Leasing Companies										
Orix Leasing Pakistan Limited	8,570	-	-	-	8,570	548	518	0.13	0.13	
						548	**518**			-
Leather & Tannaries										
Bata Pakistan Limited	377	-	-	-	377	192	1,233	0.31	0.32	0.005
Service Industries Limited	1,288	-	-	-	1,288	1,060	1,095	0.28	0.29	0.011
						1,252	**2,328**			
Miscellaneous										
Shifa International Hospital Limited	3,200	-	-	-	3,200	252	982	0.25	0.26	0.027
Shifa International Hospital Limited-LoR	-	-	254	-	254	-	12	0.00	0.00	0.001
Pakistan Services Limited	6,200	-	-	-	6,200	1,917	3,410	0.87	0.89	0.012
						2,169	**4,404**			
Modarabas										
Allied Rental Modaraba	15,000	-	-	2,500	12,500	519	375	0.10	0.10	
Allied Rental Modaraba - LoR	-	-	2,500	-	2,500	-	10	0.00	0.00	
						519	**385**			-

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the period 1st July 2015	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the period end 31 Dec 2015	Cost as of the period ended 31 Dec 2015	Market value as of 31 Dec 2015	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----------------------- (Number of Shares) -----------------------					------- (Rupees in '000) -------		------------ Percentage ------------		
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	4,681	-	-	-	4,681	248	3,263	0.83	0.85	0.004
Mari Petroleum Company Limited. - Pref. Shares (note 6.3)	42,806	-	-	42,806	-	-	-	-	-	-
Oil and Gas Development Company Limited (note 6.2)	137,787	-	-	350	137,437	16,583	16,127	4.11	4.20	0.003
Pakistan Oil Fields Limited	23,229	-	-	150	23,079	7,585	6,186	1.58	1.61	0.010
Pakistan Petroleum Limited	102,724	1,000	-	-	103,724	10,361	12,635	3.22	3.29	0.005
						34,777	**38,211**			
Oil & Gas Marketing Companies										
Attock Petroleum Limited (note 6.4)	4,450	-	-	-	4,450	1,267	2,248	0.57	0.59	0.005
Pakistan State Oil Company Limited	27,156	-	-	-	27,156	4,424	8,847	2.26	2.30	0.010
Shell Pakistan Limited	4,451	-	-	-	4,451	388	1,016	0.26	0.26	0.004
Sui Northern Gas Pipelines Limited	33,670	-	-	-	33,670	525	809	0.21	0.21	0.005
Sui Southern Gas Company Limited	46,343	-	-	-	46,343	691	1,731	0.44	0.45	0.005
						7,295	**14,651**			
Paper and Board										
Packages Limited	6,539	-	-	-	6,539	1,279	3,806	0.97	0.99	0.007
						1,279	**3,806**			
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	4,465	-	-	-	4,465	606	2,835	0.72	0.74	0.005
The Searle Company Limited (note 6.4)	8,194	2,000	1,556	100	11,650	2,345	4,610	1.18	1.20	
The Searle Company Limited - LoR	-	-	819	-	819	-	160	0.04	0.04	
Ferozsons Laboratories Limited	-	2,200	-	-	2,200	1,759	2,435	0.62	0.63	
GlaxoSmithKline Pakistan Limited	10,773	-	-	-	10,773	514	2,370	0.60	0.62	0.003
						5,224	**12,410**			
Power Generation & Distribution										
Hub Power Company Limited	185,541	2,000	-	800	186,741	8,704	19,160	4.89	4.99	0.016
Kohinoor Energy Limited	14,000	-	-	14,000	-	-	-	-	-	-
Kot Addu Power Company Limited	97,779	-	-	1,000	96,779	6,140	7,839	2.00	2.04	
K-Electric Limited. (Face Value Rs.3.5)	593,148	-	-	7,000	586,148	3,037	4,361	1.11	1.14	0.003
Nishat Chunian Power Limited	38,665	-	-	-	38,665	949	2,129	0.54	0.55	0.023
Pakgen Power Limited	35,000	-	-	-	35,000	697	1,030	0.26	0.27	0.010
Lalpir Power Limited	-	17,000	-	-	17,000	511	506	0.13	0.13	0.005
Nishat Power Limited	34,070	-	-	-	34,070	682	1,829	0.47	0.48	0.009
						20,720	**36,854**			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the period 1st July 2015	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the period end 31 Dec 2015	Cost as of the period ended 31 Dec 2015	Market value as of 31 Dec 2015	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		
Refinery										
Attock Refinery Limited	7,219	-	-	-	7,219	1,031	1,530	0.39	0.40	0.008
National Refinery Limited	5,543	-	-	100	5,443	1,168	1,215	0.31	0.32	0.007
						2,199	**2,745**			
Sugar & Allied Industries										
JDW Sugar Mills Limited	6,450	-	-	-	6,450	651	1,935	0.49	0.50	0.011
Synthetic & Rayon										
Ibrahim Fibres Limited	3,000	-	-	-	3,000	216	129	0.03	0.03	0.001
Technology & Communication										
TRG Pakistan Limited (note 6.4)	81,138	98,217	-	80,000	99,355	3,018	3,443	0.88	0.90	0.032
TRG Pakistan Limited - LoR	-	80,000	18,217	98,217	-	-	-	-	-	-
Hum Network Limited (Face Value Re. 1)	70,100	10,000	-	-	80,100	274	1,053	0.27	0.27	0.026
Pakistan Telecommunication Company Limited "A"	125,517	-	-	-	125,517	1,428	2,070	0.53	0.54	0.003
						4,720	**6,566**			
Textile Composite										
Nishat Mills Limited	37,847	-	-	500	37,347	2,031	3,543	0.90	0.92	0.016
Nishat Chunian Limited	21,130	-	-	-	21,130	702	718	0.18	0.19	0.009
Kohinoor Textile Mills Limited	39,500	-	-	-	39,500	1,171	2,824	0.72	0.74	0.016
Gul Ahmed Textile Mills Limited	16,855	-	-	-	16,855	915	611	0.16	0.16	0.008
						4,819	**7,696**			
Textile Spinning										
Indus Dyeing & Manufacturing Co Limited	550	-	-	-	550	**514**	**513**	0.13	0.13	0.003
Textile Weaving										
Feroze 1888 Mills Limited	1,500	-	-	-	1,500	**94**	**87**	0.02	0.02	0.000
Tobacco										
Pakistan Tobacco Company Limited	2,640	-	-	-	2,640	**213**	**2,941**	0.75	0.77	0.001
Transport										
Pakistan International Bulk Terminal Limited	65,280	22,195	-	-	87,475	2,505	2,447	0.62	0.64	0.034
Pakistan International Bulk Terminal Limited. - LoR	-	-	22,195	22,195	-	-	-	-	-	-
						2,505	**2,447**			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the period 1st July 2015	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the period end 31 Dec 2015	Cost as of the period ended 31 Dec 2015	Market value as of 31 Dec 2015	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		
Jute										
Associated Services Limited	-	500	-	-	500	33	41	0.01	0.01	0.000
Real Estate Investment Trust										
Dolmen City Reit	-	120,000	-	-	120,000	1,245	1,288	0.33	0.34	0.047
Vanaspati & Allied Industries										
Punjab Oil Mills Limited	-	300	-	-	300	80	72	0.02	0.02	0.000
Woollen										
Bannu Wollen Mills Limited	500	-	-	-	500	24	25	0.01	0.01	0.005
Total as at 31 Dec 2015						**234,198**	**384,147**			
Total as at 30 June 2015						223,370	409,795			

6.2 These include 100,000 shares having market value of Rs. 11.734 million of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan Limited as on 31 December 2015.

6.3 These are physical preference shares of Mari Petroleum Company Limited received as specie dividend from Mari Petroleum Company Limited (MARI) @ 877% on 21 May 2015 and redeemed during the period.

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

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

		31 December 2015 (Unaudited)	30 June 2015 (Audited)
		(Rupees in '000)	
Balance as of 1 July 2015		**186,425**	175,922
Unrealised appreciation in the value of investments during the period		**(31,029)**	31,796
Gain recognized in the income statement on sale - net		**(5,446)**	(21,293)
Balance as of period / year end recognised directly in the unit holders' fund		**149,950**	186,425

7. ACCRUED EXPENSES AND OTHER LIABILITIES

		31 December 2015 (Unaudited)	30 June 2015 (Audited)
Auditors' remuneration		**133**	239
Sindh Sales Tax on Management remune	*7.1*	**40**	44
Federal Excise Duty on Management ren	*7.2*	**1,119**	874
Sind Sales Tax on Trustee Fee		**9**	-
Withholding tax payable		**8**	216
Zakat Payable		**58**	53
Other Liabilities		**386**	347
		1,753	1,773

7.1 During the current period, an amount of Rs. 0.249 million was charged on account of sales tax on Management fee levied through Sindh Sales Tax on Services Act, 2011. As at period end, sales tax on Management Company remuneration of Rs. 0.04 million was due, which was paid subsequent to the period end to the Management Company, who then has to pay to the Government of Sindh.

7.2 The Finance Act, 2013 introduced an amendment to Federal Excise Act 2005 where by Federal Excise Duty (FED) has been imposed at the rate of 16% of the services rendered by assets management companies. However MUFAP has filed a petition in the Sindh High Court (SHC) challenging the levy of FED on assets management services. The SHC in its short order of September 2013 directed the FBR not to take any coercive action against the petitioners pursuant to impugned notices till next date of hearing. In view of uncertainty regarding the applicability of FED on asset management services, the management, as a matter of abundant caution, has decided to maintain the provision for FED amounting to of Rs. 1.119 million as at 31 December 2015. Had the said provision of FED not been recorded in the books of account of the Fund, the NAV of the Fund would have been higher by Re. 0.039 / 0.29%.

8. OTHER EXPENSES

	31 December 2015 (Unaudited)	31 December 2014 (Unaudited)
	(Rupees in '000)	
Printing and stationery	**50**	20
National Clearing Company of Pakistan Limited charges	**127**	127
Central Depository Company of Pakistan Limited charges	**5**	6
Karachi Stock Exchange listing fee	**20**	25
Bank charges	**5**	4
Federal excise duty on Management Remuneration	**246**	227
Sales tax on Management Company's remuneration	**249**	247
Sales tax on Trustee Fee	**58**	-
Legal and Professional Charges	**151**	-
Fee and Subscription	**6**	
	917	656

9. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), whereby the definition of 'Industrial Establishment' had been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, all Collective Investment Schemes (CISs) / mutual funds whose income exceeds Rs.0.5 million in a tax year had 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 Collective Investment Schemes (CISs) through their trustees in the Honorable Sindh High Court (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In 2011, a single judge of the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts, 2006 and 2008 have been declared unconstitutional and therefore struck down. However in 2013, the Larger Bench of SHC issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity. In 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution.

The Finance Act 2015 makes amendment in WWF Ordinance by excluding Collective Investment Schemes (CIS) from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 01, 2015. Owing to the fact that the decision of SHC on the applicability of WWF (till December 31, 2015) to the CISs is currently pending for adjudication, the Management Company has decided to retain provision of WWF in its books of account and financial statements till June 30, 2015 which aggregates to Rs. 2.679 million . Had the above recognition not been made, the net assets value per unit of the Fund would be higher by Re. 0.09 / 0.68%. However, with effect from July 01, 2015, the Fund stopped making further provision of WWF in pursuance to the said amendment of the Finance Act 2015.

10. CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments at the period end.

11. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The Fund has not recorded any tax liability in respect of the income relating to current period as the management intends to distribute at least 90% of the income earned by the year ending 30 June 2016 as reduced by capital gains (whether realised or unrealised) to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include AKD Investment Management Limited (AKDIML), being the asset management company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited, AKD Securities Limited (holding company of the management company) being the related companies of the management company, Central Depository Company of Pakistan Limited being the trustee, associated companies of the Management Company / holding company of the management company and other associates, other collective investment schemes managed by the Management Company and directors and key management personnel of the Management Company and also includes entities holding 10% or more in the units of the Fund as at 31 December 2015. It also includes staff retirement funds of the above connected persons / related parties and entities in which the above parties or their connected persons have a material interest. All related party transactions have been transacted at arm's length basis. Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively. Purchase and redemptions of the Fund's units by the connected persons / related parties are recorded at the applicable net asset value per unit. Other transactions are recorded in accordance with the agreed terms.

12.1 Transactions during the period	For the six months period ended 31 December 2015 (Un-audited)	31 December 2014 (Un-audited)
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration	**1,535**	1,420
Sindh Sales tax on Management Company's Remuneration*	**249**	247
Federal excise duty on Management Company's Remuneration*	**246**	227
Sales Load	**2**	10

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

AKD Securities Limited - Brokerage House		
Commission expenses	**6**	-
AKD Investment Management Limited Staff Provident Fund		
Issue of units - 512,876 (2014: Nil) units	**7,100**	-
Redemption of units - 255,093 (2014: 345,409) units	**3,647**	4,604
Gain / (loss) on redemption of units - net	**47**	(290)
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	**409**	379
Central Depository Service charges	**5**	6

12.2 Balances outstanding at the period end	31 December 2015 (Unaudited)	30 June 2015 (Audited)
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration payable	**249**	255
Sindh sales tax payable on Management Company`s remuneration*	**40**	44
Federal Excise Duty payable on Management Company`s remuneration*	**1,119**	874
Sales Load payable	**1**	1
Payable to Central Depository Company of Pakistan - Trustee		
Remuneration	**65**	67
Security deposit	**100**	100
CDS charges	**1**	1

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

Mr. Aqeel Karim Dhedhi - Chairman of the Group		
Units outstanding - 390 (30 June 2015: 390) units	**5**	6
AKD Investment Management Limited Staff Provident Fund		
Units outstanding - 257,783 (30 June 2015: Nil) units	**3,493**	-
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)		
Units outstanding - 26,402,224 units (91.29% of the total units in issue as at the period end) {(30 June 2015: 26,402,224 units) 91.96% of the total units in issue as at year end}	**357,750**	378,080
AKD Securities Limited - Brokerage House		
Brokerage payable	**-**	9

13 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

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

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

	--------- As at December 31, 2015 ---------			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	-------------- (Rupees in '000) --------------			
Investment in securities - Available for sale				
- Listed Equity securities	**384,147**	**-**	**-**	**384,147**
	384,147	**-**	**-**	**384,147**

	------------- As at June 30, 2015 -------------			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	-------------- (Rupees in '000) --------------			
Investment in securities - Available for sale				
- Listed Equity securities	409,795	-	-	409,795
	409,795	-	-	409,795

14. GENERAL

14.1 This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, the figures for the quarter ended 31 December 2015 in this condensed interim financial information wherever appearing have not been reviewed by the auditors.

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

15 DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorised for issue on February 19, 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

AKD Investment
Management Ltd.

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