Funds Managed by:

AKD Investment Management Ltd.

1st Quarter Report
September 30, 2013
(Un-audited)

Quarterly 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. Abdul Karim Memon*

Director & Chief Executive Officer
Mr. Imran Motiwala

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

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT & COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Mohammad Yasir Khan Ghouri

AUDIT COMMITTEE

Mr. M. Ramzan Sheikh (Chairman)
Mr. Aurangzeb Ali Naqvi (Member)
Mr. Ali Wahab Siddiqui (Member)
Mr. Muhammad Yaqoob (Secretary)

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR & R)

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

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

*Approval pending from SECP.

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited, the Management Company of AKD Aggressive Income Fund (AKDAIF), AKD Cash Fund (AKDCF), AKD Opportunity Fund (AKDOF)and AKD Index Tracker Fund (AKDITF) is pleased to present its quarterly report along with the Funds' accounts for the first quarter ended September 30, 2013.

Funds' Financial Performance

AKD Aggressive Income Fund (AKDAIF)

For the quarter ended September 30, 2013, AKDAIF posted annualised return of 7.74% versus Benchmark return of 9.55%, hence underperforming the benchmark by 1.81%. The reason for underperformance is mainly due to certain portion of investments in nonperforming assets, while the management continues as far as possible to reposition the portfolio by reducing exposure in such nonperforming assets going forward.

AKDAIF posted a net income of Rs. 9.077 million as compared to a net income of Rs. 7.9 million in the corresponding period last year.

AKD Cash Fund (AKDCF)

For the quarter ended September 30, 2013, AKDCF posted annualised return of 7.99% versus the Benchmark return of 7.89%, an outperformance of 0.1% viz-a-viz benchmark.

AKDCF posted a net income of Rs. 10.626 million as compared to a profit of Rs. 3.224 million in the corresponding period last year.

AKD Opportunity Fund (AKDOF)

For the quarter ended September 30, 2013, AKDOF posted a return of 4.52% versus KSE-100 return of 3.94%, an outperformance of 0.58% viz-a-viz benchmark.

AKDOF posted a net income of Rs. 35.452 million as compared to a net income of Rs. 47.503 million in the same period last year.

AKD Index Tracker Fund (AKDITF)

For the quarter ended September 30, 2013, AKDITF posted a return of 3.40% versus KSE-100 return of 3.94%.

AKDITF posted a profit of Rs. 5.861 million as compared to a profit of Rs. 3.386 million in the corresponding period last year.

Macro Perspective

In the absence of external flows, the Current Account (CA) depicted dismal performance of the economy. The CA recorded deficit of US$1.2bn in first quarter of FY14, against a surplus of US$439mn in 1QFY13. This is mainly attributable to considerable pick-up in imports (primarily driven by higher oil prices and rising energy demand in summer) which increased by sizeable 8.9% to US$10.6bn. On the flip side, exports registered an increase of meager 1.3%QoQ to US$6.2bn. Widening current account deficit coupled with large debt payments have led to sharp depletion in State Bank's foreign exchange reserves which stood at US$4.402bn at the end of Sep'13.Total foreign exchange reserves amounted to US$9.923bn. Reserves slipped the level of US$10bn as Pakistan repaid a total of US$720mn to IMF in the first quarter. Home remittances amounted to US$3.927bn in 1QFY14, depicting a growth of 9.14%YoY to US$3.599bn, which gave some respite to the CA. CPI in 1QFY14 averaged a moderate 8.06%YoY against 9.04% in the same period last year. Stable inflation numbers came on the back of lower than expected inflation in the month of September which dropped by 0.29%MoM to clock in at 7.39% YoY. This is mainly attributable to decline in food and non-alcoholic beverages inflation (dropped by 2% MoM). However core inflation on the other hand is heading upward, clocking in at 8.7% YoY in September 2013 versus a low of 7.8% in June 2013. Going forward, we believe that inflationary pressures in coming quarters to persist on the back of a depreciating currency making imports expensive (fueling inflation) and an increase in gas and electricity tariffs coupled with the hike in oil prices due to unrest in oil producing countries.

The SBP in its latest monetary policy has raised its inflation estimate for FY14 to 11%, versus government's estimate of 8%, repositioning its monetary stance and raised the discount rate by 50 basis points to 9.5%. This is expected to set a stage for the discount rate to inch up further in coming months.

On the global front, episodes like a proposed US military strike on Syria haunted the investors and forced commodity prices to remain volatile. In the absence of foreign inflows coupled with mounting debt repayments to the IMF and other donor agencies, the Pak Rupee remained under pressure and after touching an all-time high of PkR112 as of September 25, 2013 to close at in the range of Rs105 further fueling inflation.

Equity Market

During the 1QFY14, equity market witnessed mixed sentiments. Where on one hand, staff level agreements between IMF and Pakistan regarding US$6.7bn loan under Extended Fund Facility (EFF) to help the country rebuild its reserves and resolve of the newly elected PML-N government to clear circular debt issue spurred new hopes for the investors. However, volatility of PkR/US$ parity, unanticipated hike in discount rate by the State bank of Pakistan by 50 basis point, increase in power tariffs for industrial consumers, rumors of breakup of informal marketing arrangement of cement manufacturers and SBP's regime of linking saving account deposit rates to the Discount rate window kept investor optimism in check. The KSE -100 in last month of the preceding quarter depicted the worst performance in comparison to the regional markets, declining by 4.8%MoM in Frontier Market Index against regional market average return of 3.4% MoM. The benchmark KSE-100 Index gained 3.94% during the 1QFY14 to close at 22,387 points against 16% in last quarter of FY13. Top performing sectors during the quarter were Tobacco (+87.3%), Health Care Equipment and Services (+82%), Software and Computer (+39%), Media (+26%), Commercial Banks (+17%) and Fixed Line Telecommunication (+16.5%). On the flip side, laggards were Food Producers (-32%), Equity Investment Instruments (-25%), Travel and Leisure (-22%), Real Estate Investment and Services (-16%), Technology Hardware and Equipment (-15%) and Leisure Goods (-15%).

Money Market Review

SBP auctioned T-Bills and PIBs of various maturities in 1QFY14. In total five T-Bills auction conducted during the period, government could only raise PkR835bn against target of PkR1.35 trillion. This was on account of decline in cut off yields in first four auctions conducted by the SBP. Following the hike in policy rate, some improvement was seen in cut off yields for MTBs. Government in last auction of the quarter raised impressive PkR506bn against target of PkR250bn. 3 month cut off yield of T bills surged by some 45 basis points to 9.4114%. Against the expectations, PIBs on other hand could not fetch targeted participation. Despite the enticing increase of 54, 50 and 60 basis points in cut off yields of 3-year, 5-year and 10-year government bonds, participation remained highly subdued. It stood at PkR28.89bn against target of PkR50bn.

The Central Directorate of National Savings (CDNS) revised the profit rates on all National Saving Schemes (NSS) by 183bps to 450bps after the SBP announced policy rate hike. The rates were increased to foster savings and reduce government's reliance to borrow from commercial banks. Higher rates offered is expected to compel investors to withdraw their savings from commercial banks which offer a minimum return of 6.5% p.a and into National Saving schemes.

Future Outlook

Although the government has been able to strike a new funding facility with the International Monetary Fund, the amount shall be disbursed in quarterly tranches subsequent to meeting pre-defined targets, not providing immediate liquidity to our cash starved economy. Funding from other bi-lateral and multi-lateral agencies, have yet to materialize. Any positives from recent visit by the newly elected prime minister to China, Saudi Arabia and United States of America may also take some time to mature. This has led to the import cover reduced from 2.7 months of imports in June 2013 to 1.2 months as of Sep 2013. In the absence of these the Government is solely dependent to finance the gap from internal sources where the government has increased the rate on savings schemes ranging from 183bps to 450bps. Further, the government has also taken one of the most unpopular decisions to increase gas and electricity tariffs in order to extinguish the non productive subsidies. The government has also accelerated its process for privatization which coupled with subsidies continues to drain state finances. The government is also actively pursuing and is hopeful for a successful auction of the much awaited 3G licenses which should add respite to the local currency and economy. These positive developments are expected to result in a more stable Pak Rupee.

While the economic scenario is expected to remain volatile, securities listed on the Karachi Stock Exchange have continued to show resilience as broad valuations remain attractive, most of the listed equity securities continue to show strong growth. The Karachi Stock Exchange trades at an attractive P/E of 7.5x, EPS growth of 17%, ROE of 21.75% and a dividend yield of 6.82%.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: October 29, 2013

AKD Opportunity Fund
Financial Statements - First Quarter FY14

Contents

AKD Opportunity 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
Habib Metropolitan Bank Limited
KASB Bank Limited
Summit Bank 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,
I.I. 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
IGI Investment Bank Limited
The Bank of Punjab
Accesss Financial Services (Private) Limited
Al-Falah Securities (Private) Limited
Foundation Securities (Private) Limited
Reliance Financial Products (Private) Limited
Bulls & Bulls (Private) Limited

RATING - AKDOF
JCR-VIS: MFR 5-Star

FUND MANAGER'S REPORT

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

Open End - Equity Scheme

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

The investment objective of the Fund is to invest in the capital markets, searching for the optimal combination of investment strategies, mainly in equities, followed by fixed income and money market as contingent defensive strategy.

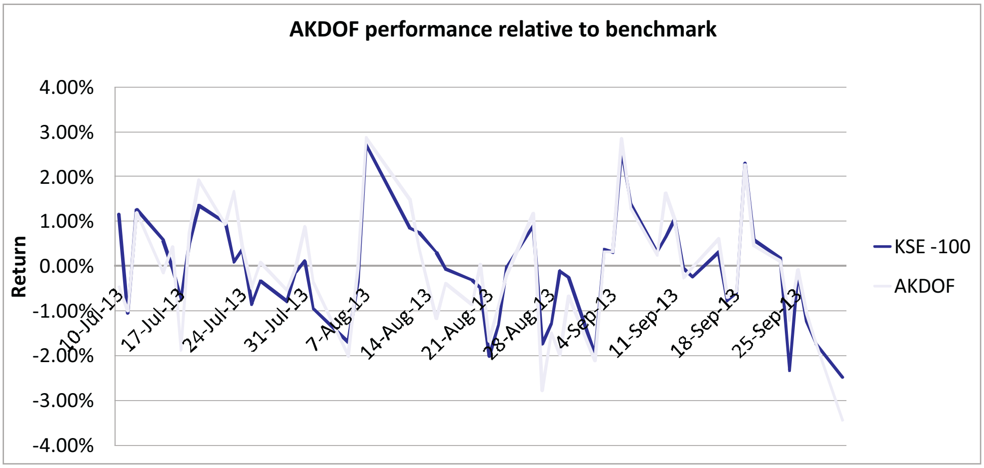
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1QFY14, the return of the AKD Opportunity Fund (AKDOF) stood at a 4.52% versus the benchmark KSE -100 index of 3.94%, thus outperforming the benchmark by 0.58%

iv) Statement of benchmark (s) relevant to the Collective Investment Scheme:

KSE -100 Index

v) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmark:



Monthly Yield	July 2013	Aug 2013	Sep 2013
AKD Opportunity Fund	14.21%	-8.34%	-0.16%
Benchmark	10.98%	-4.94%	-1.48%

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

AKDOF is an open end equity scheme; the return of the Fund is generated through investment in value stocks which have strong growth potential. AKDOF is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

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)	Sep 2013	June 2013
Equities	97.31%	94.23%
Cash	1.91%	5.34%
Other Assets	0.77%	0.43%
Leverage	Nil	Nil

viii) Analysis of the collective investment scheme's performance:

1QFY14 Return	4.52%
Benchmark	3.94%

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

Net Asset Value		NAV per Unit		
Sep 2013	June 2013	Change	Sep 2013	June 2013
(Rupees in '000)				
820,572	675,980	111.86%	49.61	60.97

x) 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

FY14 started with the Government pinning hopes on a successful negotiation of a three year $6.68 billion package from the IMF to help build up reserves and address the alarming Balance of Payment situation. Subsequent to the successful negotiations, IMF released the first tranch of US$581 million which has inadvertently cleared the way for further inflows from bilateral and multilateral donor agencies. However, in a surprise move the State Bank of Pakistan in its recent monetary policy statement increased the discount rate by 50bps to 9.5% in contrast to the preceding policy statement which was a cut-off 50bps. This may have been a result of a condition set by the IMF to keep the real rates positive. As the SBP rational was a foreseeable increase in CPI numbers going forward.

CPI inflation remained subdued in 1QFY14 at 8.06% (9.14% in the corresponding period last year). In September 2013, head line inflation witnessed a slight dip and clocked in at 7.39% YoY as compared to August 2013. During the quarter, Government borrowing once again shifted to the Central Bank. On the fiscal front, the Government was able to collect amount of PkR800billion on account of tax and non tax revenue. This quarter FBR had collected a record amount of PkR480billion (both tax and non tax revenue), which was also higher by 17% from last year.

Trade deficit showed an increasing trend and narrowed by 5.15%. It stood at US$ 4.47 billion during the period ended September 2013 against the deficit of US$ 4.0 billion in the corresponding period last year. This was mainly due to severe energy crisis and crowding out of the private sector due to unprecedented government borrowing.

We believe that further monetary tightening is on the cards going forward due to widening of fiscal deficit coupled with depreciation of Pak rupee against US dollar making imports expensive and increase in gas and power tariffs all fueling inflation, while the new IMF program will certainly provide some respite on the external account front and bring fiscal discipline.

EQUITY MARKET REVIEW

During the period KSE-100 registered a return of 3.94% to close at a level of 21,832 as on September 30, 2013. Investors in the initial days of the quarter remained rejuvenated with the transition of the newly elected government and were optimistic that the government as per their election campaign would address the economic and social woes of the Country. Perhaps their first priority to resolve the menance of circular debt and re-initiation of talks with the IMF. However ballooning twin deficits and reversal in the inflationary trend has resulted a majority to realize that the revival of the economy remains an uphill task and requires time and more importantly tough decisions on the part of the Government. The Government has been able to take stern decisions including the increase in gas and power tariffs in order to do away with the menance of the circular debt and non-productive subsidies which is definitely a step in the right direction.

Pakistan received US$49 million (excluding one-off US$140 million outflow of KAPCO) against an inflow of US$83 million.

Foreigners are looking at the larger picture in terms of long-term benefits that the country would reap due to the necessary stern actions taken by the ruling government.

During the quarter Commercial Banks appreciated by 17% due to increase in the discount rate leading to increase in average spreads for the sector. The SBP subsequently increased the minimum deposit rates on saving accounts by linking MDR 50 basis point below the SBP repo rate, which means the MDR from October 01, 2013 increased from 6% to 6.5%, while the benefit of an increase did not translate as anticipated. Fixed Line Telecommunication sector appreciated by 16.5% mainly due to concrete measures in order to restrain grey traffic in the country.

The Government is reducing energy crisis by a) removing non-productive subsidiaries, which will improve the fiscal situation of the economy and b) converting power houses on coal from the most expensive furnace oil in order to reduce the cost of producing electricity. The Government increased the electricity tariff from August 01, 2013, for industrial consumers, while domestic consumers will face price hike from November 01, 2013, which was earlier targeted for October 01, 2013 and has been delayed due to the Supreme Court intervention.

In order to reduce terrorist activity an All Parties Conference was convened where it was unanimously agreed that peace talks be initiated with Taliban. While this remains an uphill task any positives from these negotiations would result in a massive re-rating of the Pakistani equities which has been unable to yield its true potential as a result of disorder.

MONEY MARKET REVIEW

Recent hike in discount rate by a 50 basis point raised the 6 month KIBOR rates by a 42 basis point to stand at 9.51% against 9.09%in June 2013. In anticipation of a recent interest rate hike banking sector participation in T-bill auction remained low during the quarter.

During the quarter SBP auctioned T-Bills and PIBs of various maturities. In total five T-Bills auctions were conducted during the period, where the Government could only raise PkR835bn against target of PkR1.35 trillion, while the majority of the amount of PkR506bn was raised in the last auction of the quarter subsequent to the rate hike. 6 months cut off yield of T-Bills surged by 53 basis points to 9.45%. Against the expectations, PIBs on other hand could not fetch targeted participation. Despite the enticing increase of 54, 50 and 60 basis points to 12%, 12.40% and 12.95% respectively in cut off yields of 3-year, 5-year and 10- year Government Bonds, participation remained highly subdued. It stood at PkR28.89bn against target of PkR50bn. There were no auctions of GoP Ijarah Sukuk during the quarter which in turn increases the prices in secondary market.

The Central Directorate of National Savings (CDNS) revised the profit rates on all National Saving Schemes (NSS) by 183bps to 450bps after the SBP announced policy rate hike. The rates were increased to foster savings and reduce Government's reliance to borrow from commercial banks and the central bank. Higher rates offered would compel the investors to withdraw their savings from commercial banks which offer return of 6.5% and invest in National Saving Accounts.

FUTURE OUTLOOK

While the economic scenario is expected to remain volatile, securities listed on the Karachi Stock Exchange have continued to show resilience as broad valuations remain attractive, most of the listed equity securities continue to show strong growth coupled with pricing power to totally pass on the inflationary pressures. The Karachi Stock Exchange trades at an attractive P/E of 7.5x, EPS growth of 17%, ROE of 21.75% and a dividend yield of 6.82%.

xi) 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 manager's report, not otherwise disclosed in the financial statements:

There were no significant changed in the state of affairs during the period and up till the date of the manager's report under review.

xii) Disclosure on unit split (if any), comprising:

There were no unit split during the period.

xiii) Break down of unit holdings by size:

Range (Units)	No. of Investors
0.1 - 9,999	329
10,000- 49,999	46
50,000- 99,999	17
100,000- 499,999	16
500,000 and above	7
	415

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

Investments are subject to credit and market risk.

xv) 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 have been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2013

	Note	(Un-audited) September 30, 2013	(Audited) 30 June 2013
		---------(Rupees in '000)---------	
ASSETS			
Bank balances	6	**15,996**	37,694
Investments	7	**813,631**	665,709
Receivable against sale of Investments		**-**	3
Dividend and profit receivables		**3,816**	473
Security deposits and other receivables		**2,637**	2,600
Total Assets		**836,080**	706,479
LIABILITIES			
Remuneration payable to the Management Company		**1,400**	1,142
Remuneration payable to the Trustee		**138**	112
Annual Fee payable to Securities and Exchange Commission of Pakistan		**201**	422
Payable against purchase of investments		**-**	3,484
Payable on redemption of units		**-**	12,461
Accrued expenses and other liabilities		**1,519**	1,351
Provision for Workers' Welfare Fund	8	**12,239**	11,516
Unclaimed dividend		**11**	11
Total Liabilities		**15,508**	30,499
NET ASSETS		**820,572**	675,980
Unit holders' fund (as per statement attached)		**820,572**	675,980
		(Number of Units)	
Number of units in issue		**16,539,959**	11,087,450
		------------(Rupees)------------	
Net assets value per unit (face value per unit Rs. 50/-)		**49.61**	60.97

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

	Note	Quarter ended September 30, 2013	Quarter ended September 30, 2012
		--------(Rupees in '000)--------	
Income			
Gain on sale of held for trading investments - net		**42,457**	8,972
Dividend income		**5,768**	649
Return / Mark-up on:			
- bank balances		**560**	175
- investment in debt securities		**-**	2
Net Unrealised (diminution) / appreciation on remeasurement of held for trading investment		**(17,511)**	40,949
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		**12,360**	655
		43,634	51,402
Expenses			
Remuneration to the Management Company		**4,237**	1,869
Sales Tax on Remuneration of the Management Company	10	**786**	299
Federal Excise Duty on Remuneration of the Management Company		**678**	-
Remuneration to the Trustee - Central Depository Company of Pakistan Limited		**424**	185
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)		**201**	89
Securities transaction cost		**836**	229
Auditors' remuneration		**60**	60
Provision for Workers' Welfare Fund	8	**724**	969
Others		**236**	199
		8,182	3,899
Net income for the period		**35,452**	47,503

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

	Quarter ended September 30, 2013	Quarter ended September 30, 2012
	---------(Rupees in '000)---------	
Net income for the period	**35,452**	47,503
Other comprehensive income	**-**	-
Total comprehensive income for the period	**35,452**	47,503

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

	Quarter ended September 30, 2013	Quarter ended September 30, 2012
	---------(Rupees in '000)---------	
Undistributed Income / (Deficit) at beginning of the period		
- Realised loss	**(70,398)**	(154,577)
- Unrealised gain / (loss)	**108,530**	(39,982)
	38,132	(194,559)
Net gain for the period	**35,452**	47,503
Distribution:		
Bonus units issued for the year ended 30 June 2013 (at the rate of Rs. 13.50 per unit distributed on 08 July 2013) (2012 : Bonus units issued for the year ended 30 June 2012 at the rate of Rs. 6.50 per unit distributed on 09 July 2012)	**(149,681)**	(52,220)
	(114,229)	(4,717)
Deficit at the end of the period	**(76,097)**	(199,276)
Represented by:		
- Realised loss	**(139,292)**	(190,234)
- Unrealised gain / (loss)	**63,195**	(9,042)
	(76,097)	(199,276)

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

	Quarter ended September 30, 2013	Quarter ended September 30, 2012
	----------(Rupees in '000)----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	35,452	47,503
Adjustments for non-cash and other items:		
Unrealised diminution / (appreciation) on remeasurement of investment at fair value through profit or loss' - held for trading	17,511	(40,949)
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed	(12,360)	(655)
	40,603	5,899
Decrease / (Increase) in assets		
Investments	(165,433)	(12,042)
Receivable against sale of investments	3	(10,032)
Dividend and profit receivables	(3,343)	(111)
Security deposits & other receivables	(37)	1,398
	(168,810)	(20,787)
(Decrease) / Increase in liabilities		
Remuneration payable to the Management Company	258	228
Remuneration payable to Trustee	26	8
Annual fee payable to the Securities and Exchange Commission of Pakistan	(221)	(276)
Payable against purchase of investments	(3,484)	3,648
Payable on redemption of units	(12,461)	10,256
Accrued expenses and other liabilities	168	142
Provision for Workers Welfare Fund	723	969
	(14,991)	14,975
Net cash (used in) / generated from operating activities	(143,198)	87
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	159,948	39,142
Amount paid on redemption of units	(38,448)	(34,261)
Net cash generated from financing activities	121,500	4,881
Net (decrease) / increase in cash and cash equivalents during the period	(21,698)	4,968
Cash and cash equivalents at beginning of the period	37,694	2,556
Cash and cash equivalents at end of the period	15,996	7,524

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

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

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

	Quarter ended September 30, 2013	Quarter ended September 30, 2012
	------(Rupees in '000)------	
Net assets at beginning of the period	**675,980**	335,584
Amount received on issue of 3,043,847 units (2012: 424,290 units)	**159,948**	39,142
Amount paid on redemption of 744,626 units (2012 : 359,751 units)	**(38,448)**	(34,261)
	121,500	4,881
Final distribution of 3,153,288 bonus units for the year ended 30 June 2013 (2012: 1,006,053 bonus units for the year ended 30 June 2012)	**149,681**	52,220
Element of income included in prices of units sold less those in units redeemed	**(12,360)**	(655)
Total comprehensive loss for the period after distribution	**(114,229)**	(4,717)
Net assets at end of the period	**820,572**	387,313
	----------(Rupees)----------	
Net assets value per unit (face value per unit Rs.50/-)	**49.61**	40.20

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Opportunity Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. It has been constituted under the trust deed, dated 19 December 2005, between AKD Investment Management Limited (AKDIML) as the Management Company, a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was Executed on 7 December 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 19 December 2005 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Accordingly title to the assets of the Fund is held in the name of Central Depository Company Limited as a Trustee of the Fund. The Fund is registered as notified entity under NBFC Regulations, 2008.

The Fund is an open end mutual fund and is listed on Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund.

The Fund shall invests at least 70% of its net assets in listed equity securities and the remaining net assets shall be invested in cash or near cash instruments which include cash in bank accounts (excluding TDRs) and treasury bills not exceeding 90 days maturity.

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 PRESENTATION

2.1 Statement of compliance

These condensed interim financial information have been presented in condensed form in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. They do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Fund as at and for the year ended 30 June 2013.

These condensed interim financial information comprise of condensed interim statement of assets and liabilities as at 30 September 2013 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 first quarter ended September 30, 2013.

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial information are presented in Pak Rupees, which is the functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupees thousand.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the published financial statements as at and for the year ended 30 June 2013.

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 financial statements as at and for the year ended 30 June 2013.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2013.

	Note	September 30, 2013 (Unaudited)	June 30, 2013 (Audited)
		-------- (Rupees in '000) --------	
6. BANK BALANCES			
-In profit and loss saving accounts		**15,969**	37,667
-In current accounts		**27**	27
		15,996	37,694
7. INVESTMENTS			
Investments in securities at fair value through profit or loss - held for trading			
Quoted equity securities	7.1	**813,631**	665,709
		813,631	665,709

7.1 Held for trading - listed equity securities

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at the beginning of the period July 1, 2013	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the end of the period September 30, 2013	Cost as of end of the period September 30, 2013	Market value/ Carrying value as at September 30, 2013	Percentage in relation to total market value of investment
	----------------	---------------- (Number of Share)	----------------	----------------				
Commercial Banks								
Bank Alfalah Limited	2,786,000	1,000,000	-	-	3,786,000	72,361	79,279	9.74
Bank Al Habib Limited	-	500,000	-	-	500,000	16,000	18,135	2.23
BankIslami Pakistan Limited	1,050,000	1,024,000	-	-	2,074,000	13,703	12,465	1.53
Habib Metropolitan Bank Limited	374,510	-	-	-	374,510	6,501	7,898	0.97
NIB Bank Limited	823,471	-	-	-	823,471	1,910	1,894	0.23
Habib Bank Limited	270,000	-	-	10,000	260,000	31,002	39,640	4.87
					7,817,981	**141,477**	**159,311**	**19.58**
Non Life Insurance								
Askari General Insurance Company Limited	561,500	-	-	-	561,500	10,669	11,780	1.45
Premier Insurance Limited *	223,000	-	-	-	223,000	1,775	1,586	0.19
					784,500	**12,444**	**13,366**	**1.64**
Personal Goods (Textile)								
Crescent Fibres Limited	37,000	-	-	-	37,000	1,158	1,184	0.15
Ellcot Spinning Mills Limited	120,638	-	-	-	120,638	7,828	9,627	1.18
Fazal Cloth Mills Limited	500	-	-	-	500	46	65	0.01
Gul Ahmed Textile Mills Limited	66,084	-	-	-	66,084	1,569	1,766	0.22
Island Textile Mills Limited	30,200	-	-	-	30,200	17,999	27,228	3.35
Saif Textile Mills Limited	100,000	-	-	-	100,000	2,439	3,031	0.37
Samin Textiles Limited	53,500	-	-	-	53,500	425	381	0.05
Service Industries Limited	21,536	-	-	-	21,536	5,621	6,245	0.77
					429,458	**37,085**	**49,527**	**6.09**
Construction and Materials (Cement)								
Dewan Cement Limited	1,752,500	2,125,000	-	-	3,877,500	23,868	22,024	2.71
D.G. Khan Cement Company Limited	-	663,500	-	-	663,500	57,135	45,695	5.62
Lafarge Pakistan Cement Limited	100,000	-	-	100,000	-	-	-	-
					4,541,000	**81,003**	**67,719**	**8.32**
Oil and Gas								
Atock Refinery Limited	-	314,700	-	25,000	289,700	71,278	58,641	7.21
Mari Petroleum Company Limited	-	50,000	-	50,000	-	-	-	-
National Refinery Limited	45,600	-	-	-	45,600	10,970	9,426	1.16
Pakistan State Oil Company Limited	64,640	125,700	-	35,000	155,340	54,479	40,715	5.00
					490,640	**136,727**	**108,782**	**13.37**

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at the beginning of the period July 1, 2013	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the end of the period September 30, 2013	Cost as of end of the period September 30, 2013	Market value/ Carrying value as at September 30, 2013	Percentage in relation to total market value of investment
	---------- (Number of Share) ----------							
Multiutilities (Gas and Water)								
Sui Northern Gas Pipelines Limited	684,000	-	-	377,500	306,500	6,148	6,320	0.78
Sui Southern Gas Company Limited	1,698,595	2,072,000	-	1,200,000	2,570,595	54,037	63,262	7.78
					2,877,095	**60,185**	**69,582**	**8.55**
Electricity								
Kohinoor Energy Limited	627,750	-	-	627,750	-	-	-	-
					-	**-**	**-**	**-**
Electronic & Electrical Goods								
Pakistan Cables Limited	-	13,500	-	-	13,500	972	955	0.12
					13,500	**972**	**955**	**0.12**
Industrial Metals and Mining								
Huffaz Seamless Pipe Industries Limited	276,675	-	-	-	276,675	6,090	5,965	0.73
Crescent Steel and Allied Products Limited	358,000	-	-	358,000	-	-	-	-
International Industries Limited	236,000	5,000	-	-	241,000	10,883	10,185	1.25
International Steel Limited	100,000	-	-	-	100,000	1,769	1,717	0.21
					617,675	**18,742**	**17,867**	**2.20**
Industrial Transportation								
Pakistan International Bulk Terminal Limited ***	35,000	-	-	-	35,000	350	350	0.04
Pakistan National Shipping Corporation Limited	136,970	-	-	-	136,970	6,301	7,962	0.98
					171,970	**6,651**	**8,312**	**1.02**
Fixed Line Telecommunication								
Pak Datacom Limited	304,227	-	-	-	304,227	22,364	24,566	3.02
Pakistan Telecommunication Company Limited	1,990,500	100,000	-	100,000	1,990,500	44,430	52,071	6.40
Telecard Limited	1,000,000	-	-	-	1,000,000	5,180	5,950	0.73
Wateen Telecom Limited	3,250,000	-	-	-	3,250,000	14,008	14,625	1.80
					6,544,727	**85,982**	**97,212**	**11.95**
Chemicals								
Arif Habib Corporation Limited	150,000	-	-	-	150,000	3,324	3,057	0.38
Fatima Fertilizer Company Limited	112,000	-	-	-	112,000	2,781	2,912	0.36
Engro Corporation Limited	421,500	-	-	421,500	-	1	1	0.00
Engro Polymer & Chemicals Limited	-	56,500	-	-	56,500	749	755	0.09
Lotte Chemical Pakistan Limited	1,024,500	476,500	-	-	1,501,000	11,521	10,072	1.24
Clariant Pakistan Limited	138,600	19,000	-	-	157,600	50,151	36,530	4.49
Nimir Industrial Chemical Limited*	-	33,500	-	-	33,500	171	247	0.03
					2,010,600	**68,698**	**53,574**	**6.58**

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at the beginning of the period July 1, 2013	Acquired during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the end of the period September 30, 2013	Cost as of end of the period September 30, 2013	Market value/ Carrying value as at September 30, 2013	Percentage in relation to total market value of investment
	---------- (Number of Share) ----------							
General Industrials								
Merit Packaging Limited	167,500	-	-	-	167,500	3,439	4,858	0.60
Siemens Pakistan Engineering Limited	-	2,450	-	2,450	-	-	-	-
Thal Limited *	335,905	-	-	-	335,905	42,331	40,406	4.97
					503,405	**45,770**	**45,264**	**5.56**
Pharma and Bio Tech								
Otsuka Pakistan Limited	168,871	-	-	-	168,871	7,599	6,724	0.83
Wyeth Pakistan Limited **	11	-	-	11	-	-	-	-
					168,871	**7,599**	**6,724**	**0.83**
Beverages								
Muree Brewery Company Limited	-	8,300	-	8,300	-	-	-	-
					-	**-**	**-**	**-**
Support Services								
TRG Pakistan Limited	5,831,124	827,000	-	-	6,658,124	67,142	62,453	7.68
					6,658,124	**67,142**	**62,453**	**7.68**
Food Producers								
National Foods Limited	-	10,400	-	10,400	-	-	-	-
Noon Sugar Mills Limited	144,870	13,500	-	-	158,370	3,903	3,730	0.46
Shakarganj Mills Limited	256,000	-	-	-	256,000	5,596	4,992	0.61
					414,370	**9,499**	**8,722**	**1.07**
Forestry (Paper & Board)								
Century Paper & Board Mills Limited	-	100,000	-	-	100,000	3,950	3,653	0.45
					100,000	**3,950**	**3,653**	**0.45**
Technology Hardware and Equipment								
TPL Trakker Limited	5,190,958	318,000	-	-	5,508,958	45,380	38,562	4.74
					5,508,958	**45,380**	**38,562**	**4.74**
Automobile and Parts								
General Tyre and Rubber Co. of Pakistan Limited	43,500	-	-	-	43,500	1,836	2,046	0.25
					43,500	**1,836**	**2,046**	**0.25**
Total as at September 30, 2013						**831,142**	**813,631**	**100.00**
Total as at June 30, 2013						539,421	665,709	

* Ordinary shares of face value Rs.5/- each

** Ordinary shares of face value Rs.100/- each

***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 at 27 July 2011. The shares of PIBTL are valued at Rs. 10 which is approximately equal to its fair value. Under the NBFC Regulations, the Fund is not allowed to invest in unlisted securities, PIBTL had applied for listing on Karachi Stock Exchange. Besides the management is of the view that it did not on its own self invest in the shares of the above company as it received specie dividend from the investee company.

7.2 Shares having market value of Rs. 20.242 million of Attock Refinery Limited are pledged with National Clearing Company of Pakistan Limited as on 30 September 2013.

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 is alleged 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, challenging the applicability of WWF to the CISs, which is pending adjudication.

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

MUFAP's legal counsel is of the view that the stay granted to mutual funds in respect of recovery of WWF remains intact and the constitutional petition filed by the Mutual Funds to challenge the Workers Welfare Fund contribution has not been affected by the Judgment passed by the larger bench of SHC.

In view of the aforementioned developments of last year, the management company as a matter of abundant caution, has decided to retain and continue with the provision for WWF amounting to Rs.12.239 million (including Rs.0.724 million for the current period) in these financial statements.

Had the above recognition not been made, the net asset value per unit of the Fund would be higher by Re.0.74 / 1.49%.

9. 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 unrealized capital gains to the unit holders.The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11 of part 1V of the Second Schedule to the Income Tax Ordinance, 2001.

10. SALES TAX ON REMUNERATION OF THE MANAGEMENT COMPANY

During the current quarter an amount of Rs. 0.786 million charged against sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include AKD Investment Management Limited (AKDIML) being the Management Company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited and AKD Securities Limited being the related parties of the Management Company, Central

Depository Company of Pakistan Limited being the trustee, other collective investment schemes managed by the Management Company and directors and key management personnel of the Management Company and also includes entities holding 10% or more in the units of the Fund as at 30 September 2013. It also includes staff retirement benefit funds of the above related parties / connected persons.

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. Other transactions are at agreed rates.

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

	September 30, 2013 (Unaudited)	June 30, 2013 (Audited)
11.1 Balance as at period / year ended	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration payable	**1,400**	1,142
Sales load payable	**24**	109
Units Outstanding - 677,766 (June 2013: 179,984)	**33,617**	10,973
Sales Tax payable on Management Company's remuneration	**260**	200
Federal Excise Duty payable on Management Company's remuneration	**788**	110
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	**138**	112
Security Deposit	**100**	100
CDS Charges	**1**	6
National Bank of Pakistan (having invested more than 10% in the units of the Fund)		
Units outstanding - 4,989,590 (30.17% of the total units in issue as at the period end) (June 2013: 3,884,759 35.04% of the total units in issue as at the year end))	**247,484**	236,846
Sindh Province Pension Fund (having invested more than 10% in the units of the Fund)		
Units outstanding - 1,659,429 (10.03% of the total units in issue as at the period end) (June 2013: 1,291,986 11.65% of the total units in issue as at the year end))	**82,308**	78,770
AKD Investment Management Limited Staff Provident Fund		
Units outstanding - 66,627 (June 2013: 51,874)	**3,305**	3,163
Directors of the Management Company (Key management personnel)		
Units outstanding - 11,392 (June 2013: 8,869)	**565**	541
Aqeel Karim Dhedhi Securities (Pvt.) Limited Staff Provident Fund		
Units outstanding - 48,374 (June 2013: 37,662)	**2,399**	2,296
AKD Securities Limited - Brokerage House		
Brokerage payable on purchase and sale of marketable securities	**-**	99

11.2 Transactions during the period	Quarter ended September 30, 2013	2012
	(Rupees in '000)	
AKD Investment Management Limited - Management Company		
Remuneration	**786**	1,869
Sales Tax Provincial on Remuneration	**329**	329
Sales load	**15**	15
Units issued - 446,595 (2012: Nil)	**21,906**	-
Redemption of units - Nil (2012: 87,438)	**-**	13,765
Issue of bonus units - 51,188 (2012: 79,989)	**2,430**	2,821
National Bank of Pakistan (having invested more than 10% in the units of the Fund)		
Issue of bonus units - 1,104,831 (2012: 604,504)	**52,446**	21,322
Sindh Province Pension Fund (having invested more than 10% in the units of the Fund)		
Issue of bonus units - 367,443 (2012: Nil)	**17,443**	-
Aqeel Karim Dehdhi Securities (Private) Limited - Staff Provident Fund		
Issue of bonus units - 10,711 (2012: 5,861)	**508**	207
AKD Investment Management Limited - Staff Provident Fund		
Issue of bonus units - 14,753 (2012: 8,275)	**700**	292
Units issued - Nil (2012: 51,874)	**-**	2,000
Redemption of units - Nil (2012: 53,180)	**-**	2,004
Spouse - Chief Executive Officer of the Management Company		
Issue of bonus units - Nil (2012: 2,775)	**-**	98
Spouse - Key Management Personnel		
Issue of bonus units - Nil (2012: 363)	**-**	13
Central Depository Company of Pakistan - Trustee of the Fund		
Remuneration	**424**	185
Central Depository Service charges	**23**	8

12. DATE OF AUTHORISATION FOR ISSUE

12.1 These condensed interim financial information are unaudited.

12.2 These condensed interim financial information were authorised for issue on October 29, 2013 by the board of directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
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