Funds Managed by:

AKD Investment Management Ltd.

Half Yearly Report December 31, 2013 (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. M. Ramzan Sheikh
Mr. Hasan Ahmed**
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

AUDIT COMMITTEE

Mr. M. Ramzan Sheikh (Chairman)
Mr. Hasan Ahmed (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.
** Appointed as Director in place of Mr. Aurangzeb Ali Naqvi on December 31, 2013 and approval is pending from SECP.
*** Appointed Member Audit Committee by Circular Resolution passed by the Board of Directors on January 7, 2014.

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 Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF) and AKD Aggressive Income Fund (AKDAIF) is pleased to present its half yearly report along with the Funds' accounts for the half year ended 31 December 2013.

Fund's Financial Performance

AKD Opportunity Fund (AKDOF)

For the first half of FY14, the return of the AKD Opportunity Fund stood at 21.65% compared to the benchmark KSE-100 index return of 20.26%, thus outperforming the benchmark by 1.39%.

AKD Index Tracker (AKDITF)

For the first half of FY14, the return of the AKD Index Tracker Fund stood at 18.30% against the benchmark KSE-100 index return of 20.26%.

AKD Cash Fund (AKDCF)

For the first half of FY14, the annualized return of the AKD Cash Fund stood at 8.15% against benchmark return of 8.13%, thus outperforming the benchmark by 0.02%.

AKD Aggressive Income Fund (AKDAIF)

For the first half of FY14, AKD Aggressive Income Fund posted an annualized return of 5.67% against the benchmark return of 9.87%, thereby underperforming the benchmark by 4.2%.

Macro Perspective

The ruling Government's initiative of "investor friendly" policies has set a stage for a quick economic recovery while recent announcements of the EU for granting GSP Plus status would also help the cause. The Government in its early days of power cleared the circular debt which resulted in increased electricity production. Resultantly the private sector credit showed a sharp increase in 1HFY14, and stood at PKR 259bn vis-à-vis PKR 73bn in the same period last year, showing an enormous increase of 254%. For the first time, the Government announced quarterly GDP figures stating that the economy grew by 5.1% positives from clearing circular debt and increase in electricity production. In order to benefit from the increase in demand from attaining GSP Plus status and sustain the global competitive edge the Government would need to work on a war footing to address infrastructural weaknesses including the gas and electricity shortages which still remains the biggest impediment towards economic growth.

The Government's initiatives since coming to power include changing the electricity production mix where the Government has started to convert the most expensive furnace oil based power plants to cheaper coal based power plants while it has also decided to import LNG as an alternative source to depleting domestic gas reserves. Without say, as these initiatives remain key to unlocking economic value, there are however no short-term solutions to these issues. The Government is also pursuing new mega hydro power, coal based and nuclear power projects in order to cope up with the increasing demand supply gap. These initiatives remain the step in the right direction.

While the foreign exchange reserves continued to deplete, Pakistan entered into an IMF program in order to avert an imminent sovereign default on its external debt. The IMF has set quarterly targets to be achieved; with the disbursements linked to the fulfillment of pre-defined targets. This will help Pakistan to attain fiscal discipline that has been lacking at large. Entering into an IMF program has also paved way for obtaining funding from other bilateral and multilateral agencies to finance infrastructural projects within the country.

The trade deficit contracted by 8.75% in 1HFY14 and stood at $9.03bn, as compared to US $ 9.9bn in 1HFY13. This decline is the outcome of an increase in exports by 5.1% while imports posted a decline of 1.14% (partial decrease in imports is on account of decline in international commodity prices). On the flip side, exports have mainly increased on account of PKR depreciation against greenback while grant of GSP Plus status accorded to Pakistani made-ups by the European Union will show its positive effects starting from 2HFY14. Despite the decline in trade deficit, the External Current Account (CA) deficit surged to US $1.5 billion against US $83 million in 1HFY13. This is mainly attributable to net debt servicing of US $952 million to International Monetary Fund (IMF) on account of Standby Agreement (SBA) and other outstanding loans that was also one of the prime reasons that forced Pakistan to re-enter into another IMF Program.

The Rupee expectedly continued to weaken against the USD with a decline in foreign exchange reserves. Although devaluation has its positives in terms of exports, however, this has not been the case for Pakistan due to infrastructural weaknesses and persistent power outages that has hampered any increase in production to cater to increased international demand.

The SBP in its latest monetary policy decided to maintain the discount rate based on anticipated improvement in dollar inflows and the tampering off of inflation. The SBP increased the policy rate by 50 basis points each in September and November 2013 mainly on account of two concerns. One was the continued deterioration in the balance of payments position while the other was worsening of inflation outlook. The overall current account deficit for FY14 is projected to increase. However, it is not deemed very high by historical standards and does not seem to pose risk to the external sector. The external current account deficit and its financing rests with inflows like Coalition Support Fund, 3G license fee, outstanding privatization proceeds of PTCL related inflows, and issuance of a euro bond. Absence of these flows could potentially result in a balance of payments deficit as against an anticipated surplus for FY14. Together with net repayments to the IMF for FY14, this suggests that there are some risks to the balance of payments position. While on the monetary side it is anticipated that the discount rate would remain unchanged from current levels for the rest of FY14.

Insurgency continued to plague the country while it remained at its all time peak. Civilians, policemen, politicians as well as personnel of the armed forces remained their targets. In its renewed efforts the Government has formed a committee for talks with different militant groups in order to eradicate the menace.

Equity Market

During the first half and especially in the second quarter a major rally was witnessed in the textile sector as the country gained access to duty free exports in to the European Union after the attainment of the GSP Plus status thereby leading to 25% gains in textile sector stocks during 2QFY14. Top performing sectors during the first half of the current fiscal year included Tobacco (+213%), Health Care Equipment and Services (+196%), Media (112%), Forestry (81%) and Software and Computer Services (52%). On the contrary, the sectors that lost the most during the same period were Equity Investment Instruments (-28%), Food Producers (-15%), Support Services (-13%), Travel and Leisure (-11%) and Real Estate Investment and Services (-10%).

Money Market

During 1HFY14 SBP auctioned T-Bills and PIBs of various maturities. In total thirteen T-Bill auctions were conducted during the period, where the Government managed to raise PKR 3.62 trillion against target of PKR 3.75 trillion, while the majority of the amount of PKR2.31 trillion was raised in 2QFY14. During 1HFY14, weighted average yields on 3, 6 and 12-months yields increased by 97, 106 and 2 basis points respectively to 9.90%, 9.98% and 8.97%. The sharp decline in the month on month Inflation in December '13 has mitigated the risk of major discount rate hike in the coming Monetary Policy Statements consequently pushing banks to increase participation in T-bills auctions. The SBP conducted six PIB auction during 1HFY14 and managed to raise PKR 163 billion against the target of PKR 300 billion with the maturity of PKR 149 billion. In 2QFY14 Government has raised 59% more than the amount raised in 1QFY14 from PIB auctions. The weighted average yields on 3, 5 and 10-years yields increased by 248, 251 and 191 basis points respectively.

Future Outlook

With the Government is all set to privatize major state owned entities, the likes of PIA, Pakistan Steel Mills and top tier banks to name a few, trading activity on the KSE is likely to continue its charm in the coming quarters. The State Bank of Pakistan's decision of maintaining the discount rate also seems to pave way to boost up private sector borrowing and consequently keep the cycle of economy running at a steady pace. Moreover, we foresee Pakistan having good relations with United States in the future to resolve all issues based on mutual understanding.

On the flip side, things that may hamper the high level of investor confidence include news of worsening of the Pakistan United States relations, the issue of Ex-President Musharraf which could lead to cold relations between the top two power circles of the Country, and finally ties with the Taliban as they are key determinant of peace and prosperity within the region.

We expect foreign inflows to continue to pour into our local bourses. Although Pakistani Stock Market is trading near its all time highs, the market continues to trade at very cheap multiples relative to its peers. We advice our investors to remain positive in the local equity markets.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: February 21, 2014

AKD Opportunity Fund
Financial Information - First Half FY14

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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.

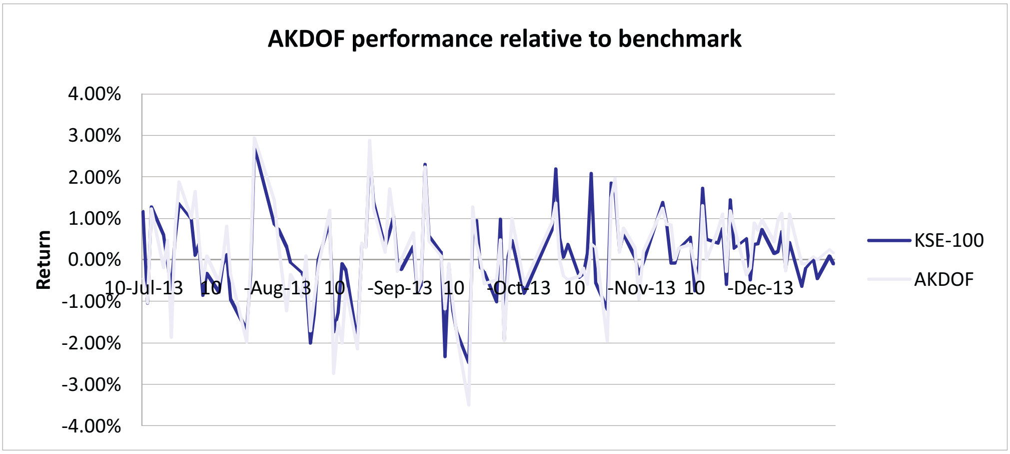
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1HFY14, the return of the AKD Opportunity Fund stood at a 21.65% versus the benchmark KSE 100 index return of 20.26%, thus outperforming the benchmark by 1.39%.

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-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
AKD Opportunity Fund	14.21%	-8.34%	-0.16%	-0.25%	6.37%	9.69%
Benchmark	10.98%	-4.94%	-1.48%	4.32%	6.70%	3.95%

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

AKD Opportunity Fund 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)	31-Dec-13	30-Sep-13
Equities	99.25%	97.31%
Cash	0.42%	1.91%
Other Assets	0.33%	0.78%
Leverage	Nil	Nil

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

1HFY14 Return	21.65%
Benchmark	20.26%

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

Net Asset Value			NAV per Unit	
31-Dec-13	30-Sep-13	Change in Net Asset	31-Dec-13	30-Sep-13
(Rupees in '000)			(Rupees)	
856,476	820,572	4.38%	57.74	49.61

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

Government's decision to clear the circular debt in the early days of coming to power resulted in some benefits for the economy. To praise itself the Government for the first time in history, published quarterly national account numbers whereby it stated that the GDP registered a growth of 5.1% in 1QFY14, while the target GDP growth for the full year FY14 has been set at 4.4%. This growth in GDP is well supported by growth in industrial and services sector, which grew by 5.2% and 5.7% respectively. Trade deficit contracted by 8.75% in 1HFY14 and stood at $9.03bn, as compared to US $ 9.9bn in 1HFY13. This decline is the outcome of slight increase in exports by 5.1% while imports posted a decline of 1.14%. Despite the decline in trade deficit, the External Current Account (CA) deficit surged to US $1.5 billion against US $83 million in 1HFY13. This is mainly attributable to net debt servicing of US $952 million to International Monetary Fund (IMF) on account of Standby Agreement (SBA) and other outstanding loans; which also forced Pakistan to re-enter into another IMF Program.

In a recent Monetary Policy report, the State Bank of Pakistan (SBP) has estimated that the net payments from the IMF will increase in 2HFY14 helping build foreign exchange reserves. This increase in net inflow from IMF, when coupled with timely receipt of remaining Coalition Support Funds, proceeds from the auction of 3G licenses and gradual increase in home remittances will lead to a gradual improvement in SBP's reserves, which have declined to as low as US $ 3.5bn by January 10, 2014. Home remittances amounted to US $ 7.80bn has depicting a growth of 9.9%YoY.

The average CPI inflation in 1HFY14 stood at 8.9%YoY against 8.3%YoY in the same period last year. International commodity prices have fairly remained stable since the beginning of FY14.

This has neutralized the impact of exchange rate volatility on inflation. Thus, the high inflation in the country is primarily due to domestic factors, which mainly includes PKR depreciation, hike in electricity tariff and the considerable increase in perishable food prices. Nevertheless, SBP expects that the average inflation figure for FY14 would remain in the range of 10-11% versus the Government's estimate of 8%.

The private sector credit has shown a sharp increase in 1HFY14, and stood at PKR 259bn vis-à-vis PKR 73bn in the same period last year, showing an enormous increase of 254%. This credit off-take has primarily been witnessed in gas, electricity, textiles, and commerce and trade sectors. It is expected that the off-take will continue on the account of improved financial position of major corporate sectors, higher demand of their products and reduction in NPL loans.

The SBP, in a latest monetary policy statement has kept the discount rate unchanged at 10%. This may have been the result of lower than expected inflation figures, expected foreign inflows from the IMF and other bilateral and multilateral donor agencies, privatization proceeds and fiscal consolidation efforts by the Government.

Equity Market

Major rally was witnessed in the textile sector scripts in the first half of FY14, specifically during the second quarter, as Pakistan gained access to make duty free exports to the European Union under the ambit of the GSP Plus Status. The sector performed phenomenally well during the second quarter and registered gains of 25% during the period. Major gainers during the first half of FY14 include Tobacco (up 213%), Health Care Equipment and Services (up 196%), Media (up 112%), Forestry (up 81%) and Software and Computer Services (up 52%). On the other side of the coin, sectors that failed to deliver include Equity Instruments (down 28%), Food Producers (down 15%), Support Services (down 13%), Travel and Leisure (down 11%) and Read Estate Investment and Services.

Future Outlook

KSE is likely to retain its charm going forward as the Pakistani Government gears up to privatize several State Owned Entities, including big names like PIA and Pakistan Steel Mills. Another factor which seems to provide stimulus to private sector borrowing and keep the cycle of the economy running smooth is the State Bank's decision of maintaining the discount rate at current levels. We expect a status quo in the discount rate for the second half of FY14.

Relations with the United States remain a focal point of concern and we expect Pakistan to maintain good relations with the former. Moreover, negotiations with the Taliban and the issue of Former President Musharraf are factors which may create a rift between the two top power circles, the army and the establishment.

We remain bullish on the Pakistani capital markets. Although the KSE - 100 Index is trading near its all time high, the Karachi Stock Market remains amongst the cheapest in terms of valuations compared to its regional peers. We advice our investors to remain positive in the Pakistani Capital Market.

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 Fund manager's report, not otherwise disclosed in the financial statements.

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

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

There was no unit split during the period.

xiii) Break down of unit holdings by size:

Range (Units)	No. of Investors
0.1 - 9,999	325
10,000 - 49,999	49
50,000 - 99,999	16
100,000 - 499,999	14
500,000 and above	5
	409

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 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 Opportunity 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, 2013 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, 2014

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AKD Opportunity Fund** ("the Fund") as at 31 December 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 to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management Company is responsible for the preparation and presentation of this 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 interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other matters

The figures for the three months ended 31 December 2013 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Pirani

Karachi: February 21, 2014

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2013

	Note	31 December 2013 (Unaudited)	30 June 2013 (Audited)
		(Rupees in '000)	
Assets			
Bank balances	5	**3,712**	37,694
Investments	6	**869,118**	665,709
Receivable against sale of investment		-	3
Dividend and profit receivables		**251**	473
Security deposits, prepayment and other receivables		**2,625**	2,600
Total assets		**875,706**	706,479
Liabilities			
Remuneration payable to the Management Company	11.2	**1,449**	1,142
Remuneration payable to the Trustee	11.2	**143**	112
Annual fee payable to Securities and Exchange Commission of Pakistan		**406**	422
Payable against purchase of investments		**-**	3,484
Payable on redemption of units		**199**	12,461
Accrued expenses and other liabilities	7	**2,396**	1,351
Provision for Workers' Welfare Fund	8	**14,626**	11,516
Unclaimed dividend		**11**	11
Total liabilities		**19,230**	30,499
Contingencies and commitments	9		
Net assets		**856,476**	675,980
Unit holders' fund (as per statement attached)		**856,476**	675,980
		(Number of Units)	
Number of units in issue		**14,832,395**	11,087,450
		(Rupees)	
Net assets value per unit (face value per unit Rs. 50/-)		**57.74**	60.97

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Nadeem Saulat Siddiqui**
Chief Executive Officer	Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2013

	Note	Six months period ended 31 December 2013	Six months period ended 31 December 2012	Three months period ended 31 December 2013	Three months period ended 31 December 2012
		--------(Rupees in '000)--------			
Income					
Gain on sale of 'held for trading investments' - net		**76,820**	23,474	**34,363**	14,502
Dividend income		**16,860**	7,176	**11,092**	6,527
Profit on bank balances		**1,006**	266	**446**	91
Profit on investment in debt securities		**-**	2	**-**	-
Net unrealised appreciation in the fair value of investments 'at fair value through profit or loss - held for trading'		**75,274**	78,583	**92,785**	37,634
		169,960	109,501	**138,686**	58,754
Expenses					
Remuneration to the Management Company		**8,557**	3,931	**4,320**	2,062
Remuneration to the Trustee		**856**	392	**432**	207
Annual fee to the Securities and Exchange Commission of Pakistan		**406**	187	**205**	98
Securities transaction cost		**1,567**	509	**731**	280
Auditor's remuneration		**140**	138	**80**	78
Provision for Workers' Welfare Fund	*8*	**3,110**	1,976	**2,386**	1,007
Others		**3,429**	1,021	**1,729**	523
		18,065	8,154	**9,883**	4,255
Net income from operating activities		**151,895**	101,347	**128,803**	54,499
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		**516**	(4,506)	**(11,844)**	(5,161)
Net income for the period before taxation		152,411	96,841	116,959	49,338
Taxation	*10*	-	-	-	-
Net income for the period after taxation		**152,411**	96,841	**116,959**	49,338

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Nadeem Saulat Siddiqui**
Chief Executive Officer	Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2013

	Six months period ended 31 December		Three months period ended 31 December	
	2013	2012	**2013**	2012
	(Rupees in '000)			
Net income for the period	**152,411**	96,841	**116,959**	49,338
Other comprehensive income for the period	**-**	-	-	-
Total comprehensive income for the period	**152,411**	96,841	**116,959**	49,338

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Nadeem Saulat Siddiqui**
Chief Executive Officer	Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2013

	Six months period ended 31 December		Three months period ended 31 December	
	2013	2012	**2013**	2012
	-------(Rupees in '000)-------			
Surplus / (Deficit) at beginning of the period				
Represented by:				
- Realised	**(70,398)**	(154,577)	**(139,292)**	(190,234)
- Unrealised	**108,530**	(39,982)	**63,195**	(9,042)
	38,132	(194,559)	**(76,097)**	(199,276)
Net income for the period	**152,411**	96,841	**116,959**	49,338
Distribution:				
Bonus units issued for the year ended 30 June 2013 at the rate of Rs.13.5 per unit distributed on 08 July 2013 (2012 : Bonus units issued for the year ended 30 June 2012 at the rate of Rs.6.5 per unit distributed on 09 July 2012)	**(149,681)**	(52,220)	**-**	-
	2,730	44,621	**116,959**	49,338
Surplus / (Deficit) at end of the period	**40,862**	(149,938)	**40,862**	(149,938)
Represented by:				
- Realised	**(83,481)**	(203,422)	**(83,481)**	(203,422)
- Unrealised	**124,343**	53,484	**124,343**	53,484
	40,862	(149,938)	**40,862**	(149,938)

The annexed notes from 1 to 13 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 2013

	Six months period ended 31 December		Three months period ended 31 December	
	2013	2012	**2013**	2012
	(Rupees in '000)			
Net assets at beginning of the period	**675,980**	335,584	**820,572**	387,313
Cash received on issue of 7,311,727 (2012: 3,122,291) units*	**215,481**	65,295	**55,533**	26,153
Cash paid on redemption of 3,566,782 (2012: 2,035,344) units	**(186,880)**	(83,683)	**(148,432)**	(49,422)
	28,601	(18,388)	**(92,899)**	(23,269)
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net	**(516)**	4,506	**11,844**	5,161
Total comprehensive income for the period (profit for the period)	**152,411**	96,841	**116,959**	49,338
Net assets at end of the period	**856,476**	418,543	**856,476**	418,543
	(Rupees)			
Net assets value per unit at beginning of the period	**60.97**	41.77	**49.61**	40.20
Net assets value per unit at end of the period	**57.74**	45.89	**57.74**	45.89

* This includes 3,153,288 (2012: 1,480,517) units issued as bonus units.

The annexed notes from 1 to 13 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 2013

	Six months period ended 31 December		Three months period ended 31 December	
	2013	2012	**2013**	2012
	--------------------(Rupees in '000)--------------------			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	**152,411**	96,841	**116,959**	49,338
Adjustments for:				
Net unrealised appreciation in the fair value of investments 'at fair value through profit or loss - held for trading'	**(75,274)**	(78,583)	**(92,785)**	(37,634)
Profit on bank balances	**(1,006)**	**(266)**	**(446)**	**(91)**
Element of (income) / loss and capital (gains) / losses - net included in prices of units sold less those in units redeemed - net	**(516)**	4,506	**11,844**	5,161
	75,615	22,498	**35,572**	16,774
(Increase) / decrease in assets				
Investments	**(128,135)**	(10,069)	**37,298**	1,973
Dividend receivables	**247**	445	**3,666**	529
Receivable against sale of investments	**3**	-	**-**	10,032
Profit received on bank balances	**981**	264	**345**	116
Deposits, prepayment and other receivables	**(25)**	1,408	**12**	10
	(126,929)	(7,952)	**41,321**	12,660
Increase / (decrease) in liabilities				
Remuneration payable to the Management Company	**307**	188	**49**	(40)
Remuneration payable to the Trustee	**31**	15	**5**	7
Annual fee payable to the Securities and Exchange Commission of Pakistan	**(16)**	(178)	**205**	98
Payable against purchase of investments	**(3,484)**	-	**-**	(3,648)
Payable on redemption of units	**(12,262)**	61	**199**	(10,195)
Accrued expenses and other liabilities	**1,045**	239	**877**	97
Provision for Workers' Welfare Fund	**3,110**	1,976	**2,387**	1,007
	(11,269)	2,301	**3,722**	(12,674)
Net cash (used in) / generated from operating activities	**(62,583)**	16,847	**80,615**	16,760
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received on issuance of units	**215,481**	65,295	**55,533**	26,153
Cash paid on redemption of units	**(186,880)**	(83,683)	**(148,432)**	(49,422)
Net cash generated from / (used in) financing activities	**28,601**	(18,388)	**(92,899)**	(23,269)
Net decrease in cash and cash equivalents during the period	**(33,982)**	(1,541)	**(12,284)**	(6,509)
Cash and cash equivalents at beginning of the period	**37,694**	2,556	**15,996**	7,524
Cash and cash equivalents at end of the period	**3,712**	1,015	**3,712**	1,015

The annexed notes from 1 to 13 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 DECEMBER 31, 2013

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 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. 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 shall invest 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.

The Management Company and the Fund were assigned 'AM3-' (Management quality) and 'MFR 5-Star' (Stability) rating by JCR-VIS on 19 June 2013 and 12 February 2013 respectively.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information for the six months period ended 31 December 2013 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). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance 1984, the NBFC Rules and the NBFC Regulations have been followed.

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 2013.

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

2.2 Judgments and estimates

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 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

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 2013.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund.

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 2013.

5. BANK BALANCES	**Note**	**31 December 2013 (Unaudited)**	30 June 2013 (Audited)
		(Rupees in '000)	
-In profit and loss sharing accounts	5.1	**3,687**	37,667
-In current accounts		**25**	27
		3,712	37,694

5.1 These represent profit and loss sharing accounts maintained with various banks carrying mark-up rates ranging from 7.5% to 8.5% (30 June 2013: 8% to 10.5%) per annum.

6. INVESTMENTS

	Note	**31 December 2013 (Unaudited)**	30 June 2013 (Audited)
		(Rupees in '000)	
Investments in securities at fair value through profit or loss - held for trading			
Listed equity securities	6.1	**869,118**	665,709
		869,118	665,709

6.1 **Listed equity securities - Held for trading**

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at beginning of the Period 1 July 2013	Acquired during the Period	Bonus / right shares received during the Period	Disposed during the Period	Holding at end of the Period 31 December 2013	Cost as of the period ended 31 December 2013	Market value / Carrying value as at 31 December 2013	Percentage in relation to total market value of investment
	---------- (Number of Share) ----------					---------- (Rupees in '000) ----------		
Commercial Banks								
Bank Alfalah Limited - note 6.2	2,786,000	1,000,000	-	500,000	3,286,000	58,133	88,853	10.22
Bank Al-Habib Limited	-	500,000	-	-	500,000	16,000	20,775	2.39
BankIslami Pakistan Limited	1,050,000	1,024,000	-	-	2,074,000	13,773	14,394	1.66
Habib Metropolitan Bank Limited	374,510	-	-	-	374,510	8,161	9,389	1.08
NIB Bank Limited	823,471	-	-	-	823,471	3,739	1,927	0.22
Habib Bank Limited	270,000	-	-	10,000	260,000	26,378	43,324	4.98
						126,184	**178,662**	
Non Life Insurance								
Askari General Insurance Company Limited	561,500	-	-	-	561,500	10,064	10,949	1.26
Premier Insurance Limited	223,000	-	-	-	223,000	1,798	1,657	0.19
						11,862	**12,606**	
Personal Goods (Textile)								
Crescent Fibres Limited	37,000	-	-	-	37,000	1,038	1,493	0.17
Ellcot Spinning Mills Limited	120,638	-	-	-	120,638	3,592	12,548	1.44
Fazal Cloth Mills Limited	500	-	100	-	600	56	103	0.01
Gul Ahmed Textile Mills Limited	66,084	-	13,216	-	79,300	1,321	3,594	0.41
Island Textile Mills Limited	30,200	300	-	-	30,500	5,029	34,625	3.98
Saif Textile Mills Limited	100,000	-	-	-	100,000	1,360	3,973	0.46
Samin Textiles Limited	53,500	-	-	-	53,500	440	689	0.08
Service Industries Limited	21,536	-	-	-	21,536	4,369	11,727	1.35
						17,205	**68,752**	
Construction and Materials								
Maple Leaf Cement Factory Limited	-	9,500	-	-	9,500	207	261	0.03
D.G. Khan Cement Company Limited	-	1,027,000	-	287,000	740,000	59,736	63,440	7.30
Dewan Cement Limited	1,752,500	4,156,000	-	-	5,908,500	36,230	41,123	4.73
Lafarge Pakistan Cement Limited	100,000	-	-	100,000	-	-	-	-
Akzo Nobel Pakistan Limited	-	40,000	-	-	40,000	3,261	4,988	0.57
						99,434	**109,812**	

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at beginning of the Period 1 July 2013	Acquired during the Period	Bonus / right shares received during the Period	Disposed during the Period	Holding at end of the Period 31 December 2013	Cost as of the period ended 31 December 2013	Market value / Carrying value as at 31 December 2013	Percentage in relation to total market value of investment
	---------- (Number of Share) ----------					---------- (Rupees in '000) ----------		
Oil and Gas								
Attock Refinery Limited - note 6.3	-	314,700	-	35,000	279,700	68,818	58,085	6.68
National Refinery Limited	45,600	-	-	-	45,600	10,455	9,828	1.13
Mari Petroleum Company Limited	-	50,000	-	50,000	-	-	-	-
Oil & Gas Development Company Limited	-	80,900	-	25,000	55,900	14,473	15,449	1.78
Shell Pakistan Limited	-	117,200	-	75,100	42,100	7,301	8,017	0.92
Pakistan State Oil Company Limited	64,640	136,300	-	200,940	-	-	-	-
						101,047	**91,379**	
Multiutilities (Gas and Water)								
Sui Northern Gas Pipelines Limited	684,000	560,000	-	637,000	607,000	12,893	12,929	1.49
Sui Southern Gas Company Limited	1,698,595	3,022,405	-	3,770,500	950,500	23,923	22,869	2.63
						36,816	**35,798**	
Electricity								
Kohinoor Energy Limited	627,750	-	-	627,750	-	-	-	-
						-	**-**	
Industrial Metals and Mining								
Huffaz Seamless Pipe Industries Limited	276,675	-	-	-	276,675	7,931	6,380	0.73
Crescent Steel and Allied Products Limited	358,000	-	-	358,000	-	-	-	-
International Industries Limited	236,000	5,000	-	-	241,000	9,536	11,175	1.29
International Steels Limited	100,000	-	-	-	100,000	1,400	1,722	0.20
						18,867	**19,277**	
Industrial Transportation								
Pakistan International Bulk Terminal Limited	35,000	-	-	-	35,000	-	654	0.08
Pakistan National Shipping Corporation Limited	136,970	-	-	-	136,970	9,564	11,523	1.33
						9,564	**12,177**	
Electronic and Electrical Goods								
Pakistan Cables Limited	-	13,500	-	-	13,500	972	1,195	0.14
						972	**1,195**	
Fixed Line Telecommunication								
Pak Datacom Limited	304,227	-	-	-	304,227	22,968	21,150	2.43
Pakistan Telecommunication Company Limited	1,990,500	100,000	-	2,090,500	-	-	-	-
Telecard Limited	1,000,000	1,000,000	-	-	2,000,000	11,200	10,420	1.20
Wateen Telecom Limited	3,250,000	-	-	-	3,250,000	17,009	14,657	1.69
						51,177	**46,227**	

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at beginning of the Period 1 July 2013	Acquired during the Period	Bonus / right shares received during the Period	Disposed during the Period	Holding at end of the Period 31 December 2013	Cost as of the period ended 31 December 2013	Market value / Carrying value as at 31 December 2013	Percentage in relation to total market value of investment
	(Number of Share)					(Rupees in '000)		
Chemicals								
Fatima Fertilizer Company	112,000	338,000	-	450,000	-	-	-	-
Engro Corporation Limited	421,500	-	-	421,500	-	-	-	-
Engro Fertilizers Limited - note 6.4	-	1,317,000	-	-	1,317,000	37,219	37,219	4.28
Engro Polymer & Chemicals	-	56,500	-	-	56,500	749	758	0.09
Lotte Chemical Pakistan Limited	1,024,500	476,500	-	-	1,501,000	11,518	11,017	1.27
Nimir Industrial Chemical Limited	-	33,500	-	-	33,500	171	250	0.03
Biafo Industries Limited	-	474,900	-	50,000	424,900	42,490	41,164	4.74
Arif Habib Corporation Limited	150,000	-	-	-	150,000	3,482	3,338	0.38
Archroma Pakistan Limited	138,600	19,000	-	-	157,600	46,673	42,517	4.89
						142,302	**136,263**	
General Industrials								
Macpac Films Limited	-	50,000	-	-	50,000	950	1,059	0.12
Thal Limited (face value of Rs. 5 each)	335,905	-	-	335,905	-	-	-	-
Merit Packaging Limited - note 6.5	167,500	1,256,250	-	-	1,423,750	17,367	25,200	2.90
Merit Packaging Limited (LOR) - note 6.5	-	-	1,256,250	1,256,250	-	-	-	-
Siemens (Pakistan) Engineering Company Limited	-	4,700	-	4,700	-	-	-	-
						18,317	**26,259**	
Pharma and Bio Tech								
Otsuka Pakistan Limited	168,871	-	16,887	-	185,758	12,645	8,801	1.01
Wyeth Pakistan Limited (face value of Rs. 100 each)	11	-	-	11	-	-	-	-
						12,645	**8,801**	
Support Services								
TRG Pakistan Limited	5,831,124	849,500	-	-	6,680,624	37,437	59,257	6.82
						37,437	**59,257**	
Beverages								
Murree Brewery Company Limited	-	8,300	-	8,300	-	-	-	-
						-	**-**	
Food Producers								
National Foods Limited	-	10,400	-	10,400	-	-	-	
Noon Sugar Mills Limited	144,870	20,000	-	-	164,870	3,906	4,667	0.54
Shakarganj Mills Limited	256,000	79,000	-	-	335,000	5,563	6,757	0.78
						9,469	**11,424**	
Technology Hardware and Equipment								
TPL Trakker Limited	5,190,958	454,500	-	-	5,645,458	45,559	41,946	4.83
						45,559	**41,946**	

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at beginning of the Period 1 July 2013	Acquired during the Period	Bonus / right shares received during the Period	Disposed during the Period	Holding at end of the Period 31 December 2013	Cost as of the period ended 31 December 2013	Market value / Carrying value as at 31 December 2013	Percentage in relation to total market value of investment
	---------- (Number of Share) ----------					---------- (Rupees in '000) ----------		
Automobile and Parts								
General Tyre and Rubber Company of Pakistan Limited	43,500	-	-	-	43,500	1,659	2,293	0.26
						1,659	**2,293**	
Foresty (Paper & Board)								
Century Paper & Board Mills Limited	-	100,000	15,000	-	115,000	3,950	6,468	0.74
						3,950	**6,468**	
Health Care Equipments And Services								
Shifa International Hospitals Limited	-	4,000	-	-	4,000	308	522	0.06
						308	**522**	
	31 December 2013					**744,775**	**869,118**	
	30 June 2013					557,179	665,709	

6.2 As per NBFC regulations, 2008 exposure of a collective investment scheme (CIS) to any single entity shall not exceed an amount equal to ten percent of total net assets of CIS. Subsequent to the period end the Fund's investment in the shares of Bank Alfalah Limited was within the prescribed limits and within the permissible time frame. The excess was due to increase in the market value of the invested shares.

6.3 Shares having market value of Rs. 20.77 million of Attock Refinery Limited are pledged with National Clearing Company of Pakistan Limited as on 31 December 2013.

6.4 During the period, the Fund paid Rs. 37.219 million for the subscription of 1,317,000 Ordinary shares at Rs. 28.26 per share of Engro Fertilizers Limited as divested by Engro Corporation Limited. The shares were successfully subscribed by the Fund on 6 December 2013. Subsequent to period end the shares were transferred in the CDC account of the Fund and trading of these shares started on 17 January 2014.

6.5 These rights were exercised by the Fund on 24 Decemeber 2013. Subsequently these shares were alloted to the Fund and transferred in the CDC account on 23 January 2014.

7. ACCRUED EXPENSES AND OTHER PAYABLES	**Note**	**31 December 2013 (Unaudited)**	30 June 2013 (Audited)
		(Rupees in '000)	
Auditors' remuneration		**121**	195
Brokerage payable		**372**	271
Sindh Sales Tax on Management remuneration	*7.1*	**269**	200
Federal Excise Duty on Management remuneration	*7.2*	**1,479**	110
Others		**155**	575
		2,396	1,351

7.1 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 16% on the remuneration of the Management Company and sales through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2011. This amount is payable to the Management Company who then pays it 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 the 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 retain and continue with the provision of FED in this condensed interim financial information which aggregates Rs. 1.479 million as at 31 December 2013. 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. 0.100 per unit (30 June 2013: Re. 0.010 per unit).

8. WORKERS' WELFARE FUND

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

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

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 14.63 million up to 31 December 2013.

Had the above recognition not been made, the net assets value per unit of the Fund would be higher by Re. 0.99 / 1.71% (30 June 2013: Rs. 1.04 / 1.7%).

9. CONTINGENCIES AND COMMITMENTS

The Fund had no contingency or commitment at the period end.

10. 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 2014 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.

11. 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 being the related companies of the management company, Central Depository Company of Pakistan Limited being the trustee, associated companies of the Management Company, 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 2013. It also includes staff retirement funds of the above connected persons / related parties.

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.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

11.1 Details of transactions with connected persons/related parties during the period

	Six months period ended 31 December	
	2013	2012
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration	**8,557**	3,931
Sindh Sales tax on Management Company's Remuneration	**1,588**	629
Federal excise duty on Management Company's Remuneration	**1,369**	110
Sales load	**201**	60
Units issued - 446,594 (2012: Nil) units	**21,906**	-
Units redeemed - 677,766 (2012: 348,472) units	**33,380**	13,765
Issue of bonus - 51,188 (2012: 79,989) units	**2,430**	2,821
Gain on redemption of units - net (earned by the investor)	**833**	383
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Issue of bonus - 10,711 (2012: 5,861) units	**508**	207
National Bank of Pakistan (having invested more than 10% in the units of the Fund)		
Issue of bonus - 1,104,831 (2012: 604,504) units	**52,446**	21,322
Sindh Province Pension Fund (having invested more than 10% in the units of the fund)		
Issue of bonus - 367,443 (2012: Nil) units	**17,443**	-
AKD Investment Management Limited - Staff Provident Fund		
Issue of bonus - 14,752 (2012: 8,275) units	**700**	292
Units issued - Nil (2012: 51,874) units	**-**	2,000
Units redeemed - Nil (2012: 53,180) units	**-**	2,004
Gain on redemption of units - net (earned by the investor)	**-**	312
AKD Securities Limited - Brokerage House		
Commission paid on purchase and sale of marketable securities	**72**	32
Golden Arrow Selected Stocks Fund Limited (Fund managed by the Management company)		
Sale of investments	**5,248**	13,486
Miss Ayesha Aqeel - close relative of Mr. Aqeel Karim Dhedhi		
Purchase of 299,900 shares of BIAFO Industries Limited by the Fund	**29,990**	-

	Six months period ended 31 December	
	2013	2012
	(Rupees in '000)	
Ms. Yasmeen Dhedhi - close relative of Mr. Aqeel Karim Dhedhi		
Purchase of 175,000 shares of BIAFO Industries Limited by the Fund	**17,500**	-
Sale of 50,000 shares of BIAFO Industries Limited by the Fund	**5,000**	-
Directors of the Management Company (Key management person)		
Issue of bonus units - 2,523 (2012: 5,308) units	**120**	208
Redemption of units - 3,850 units (2012: 6,434) units	**200**	260
Gain on redemption of units - net (earned by the investor)	**49**	15
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
Units issued - Nil (2012: 3,402)	**-**	125
Central Depository Company of Pakistan - Trustee of the Fund		
Remuneration	**856**	392
Central depository service charges	**43**	18

11.2 Balance as at period / year ended

	As at 31 December 2013 (Un-audited)	As at 30 June 2013 (Audited)
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration payable	**1,449**	1,142
Sales tax payable on Management Company's Remuneration	**269**	200
Sales load payable	**34**	109
Federal Excise Duty payable on Management Company's Remuneration	**1,479**	110
Units Outstanding - Nil (June 2013: 179,984)	**-**	10,973
Central Depository Company of Pakistan Limited- Trustee		
Remuneration payable	**143**	112
Security deposit	**100**	100
CDS charges	**9**	6

	As at 31 December 2013 (Un-audited)	As at 30 June 2013 (Audited)
	(Rupees in '000)	
AKD Securities Limited- Brokerage House		
Brokerage payable on purchase and sale of marketable securities	-	99
National Bank of Pakistan (having invested more than 10% in the units of the fund)		
Units outstanding - 4,989,590 (33.64% 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))	**288,117**	236,846
AKD Investment Management Limited-Staff Provident Fund		
Units outstanding - 66,626 (June 2013: 51,874)	**3,847**	3,163
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Units outstanding - 48,373 (June 2013: 37,662)	**2,793**	2,296
Sindh Province Pension Fund (having invested more than 10% in the units of the fund)		
Units outstanding - 1,659,429 (11.19% 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))	**95,821**	78,770
Mr. Nadeem Saulat Siddiqui - Executive Director of the Management company		
Units outstanding - 7,542 (June 2013: 8,869)	**435**	541

12. GENERAL

12.1 This condensed interim financial information is unaudited and has been reviewed by the auditors. Furthermore, the figures for the quarter ended 31 December 2013 in this condensed interim financial information wherever appeared have not been reviewed by the auditors.

12.2 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.

13 DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorised for issue on February 21, 2014 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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