Funds Managed by:

AKD Investment Management Ltd.

3rd Quarter Report
March 31, 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.

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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. Farrukh Shaukat Ansari

Chief Executive Officer
Mr. Imran Motiwala

Directors
Mr. M. Ramzan Sheikh
Mr. Aurangzeb Ali Naqvi
Mr. Muhammad Amin Hussain*
Mr. Nadeem Saulat Siddiqui
Mr. Abdul Karim Memon**

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR & R)

Mr. Farrukh Shaukat Ansari (Chairman)
Mr. Imran Motiwala (Member)

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

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

*Subsequent to the period end, he has resigned from the Board and Audit Committee.

** Appointed in place of Mr. Ali Qadir Gilani, subject to approval 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 (AKDIML), the Management Company of **AKD Aggressive Income Fund (AKDAIF), AKD Cash Fund (AKDCF), AKD Opportunity Fund (AKDOF)** and **AKD Index Tracker Fund (AKDITF),** is pleased to present its Third Quarterly Report along with the Funds' accounts for the nine months period ended march 31, 2013.

Macro Perspective

Home remittances continued to provide much needed fiscal space contributing a large part of foreign inflows against depleting reserves. In 9MFY13 remittance inflows stood at $10.354 billion from $9.736 billion of corresponding prior fiscal period up 6.35%. Average monthly inflows increased rose to $1.15 billion compared to $1.082 billion of corresponding period last fiscal year, while growth under this head seems to be tampering off.

The total liquid foreign exchange reserves fell by $3.53 billion to slate down to $11.758 billion during the nine months of the current fiscal year primarily due to debt repayments to the IMF. Reserves held by State Bank were down to $6.697 billion from $10.803 billion June, 2012. The Central Bank paid $847 million to the IMF against principal amount of the Stand-By Arrangement (SBA) and Extended Credit Facility (SCF) in 3QFY13 alone. On a cumulative basis $2.04 billion had been repaid to IMF during 9MFY13. The rupee remained under pressure and continued to depreciate, breaching the psychological level of Rs 100 against greenback in the open market in February 2013. However, a nominal recovery was observed during this period as reserves held by banks registered an improvement surging by $576 million to $5.061 billion in Mar-13 against $4.485 billion in June-12.

CPI inflation on the other hand continued to decline and averaged at 8.0% for the first nine months of the current fiscal year well below the Government's target and discount rate of 9.50%. For the month of March it clocked in at 6.57%, lowest since July 2009, mostly attributable to high base effect, low food and transport inflation. It is expected that going forward, CPI inflation would average in the range of 7.75% - 8.25% in FY13 due to decline in fuel prices, continued high base effect and contained food inflation.

SBP remained committed in playing its role of reviving our ailing economy, capitalized on the declining inflation numbers and reduced the interest rates by 250 basis points in the first half of FY13 to stand at 9.5%, while restraining itself from further monetary easing on the back of the deteriorating balance of payments position.

Equity Market

Easing inflation, rising local cement prices, surging textile exports, strong corporate results and strong correlation of market performance with election year propelled the KSE-100 to breach the all time high psychological barrier of 18,000 points in Feb-13. The index increased by 4,241.90 points to close at 18,043.31 points a surge of 23.51% during 9MFY13. Foreign investors continued to purchase equity at the bourse and were net buyers of $ 227.67 million equity during the 9MFY13.

Furthermore, market sentiments were positive as for the first time in Pakistan's history an elected government completed its five year term, a tremendous achievement for the democratic process and encouraging for consistency in vision and reforms.

Money Market Dynamics

SBP auctioned T-bills of various maturities amounting around Rs 4.085 trillion during 9MFY13. Only in 3QFY13 SBP realized worth Rs. 1.163 trillion of T-Bills of various maturities. During the quarter the State Bank continued to inject liquidity into the banking system through open market operations in order to stabilize the money market as was the case in the first half of FY13.

Rupee depreciated against US$ by 4.2% in 9MFY13 on account of fading foreign exchange reserves, falling interest rate, declining inflows in financial and capital account. Despite low discount rate real cost of borrowing has increased which might lead to inflationary pressure in the economy going forward.

Future Outlook

We anticipate CPI inflation to average in the range of 7.75% to 8.25% while we expect the discount rate to remain unchanged for the remaining period of fiscal 2013. It is pertinent to note that due to low financial and capital account inflows external current account deficit could widen. Falling reserves, which cover less than two months imports, beckon Pakistan's economy for re-entry into a new IMF Program.

Compared to regional markets the KSE-100 is trading at a PE of 7.95x P/E versus 14.98x P/E of the regional peers based on forward earnings. Furthermore, the equity markets offer an attractive 2013 average dividend yield of 6.92% compared to the regional average of only 2.62% giving room for further upside potential. We advice investors to remain invested in the stock market.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: April 27, 2013

AKD Opportunity Fund
Financial Statements - Third Quarter FY13

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AKD Opportunity Fund

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

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

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

BANKERS
Bank Alfalah Limited
Habib Metropolitan Bank Limited
KASB Bank Limited
Mybank 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

The KSE-100 index increased by 4,241.90 points appreciating by 30.74% to close at 18,043.31 for the nine months period ended 31 March 2013. The Net Asset Value of the AKD Opportunity Fund for the nine months ending March 31, 2013 increased by 39.37% versus the benchmark KSE-100 increase of 30.74% outperforming the benchmark by 8.63%. The fund reported a profit of Rs.121.338 million as compared to a profit of Rs. 100.118 million in the corresponding period of last year.

The Fund's rating agency JCR-VIS rated AKDOF "5 Star" the highest rating which denotes very good performance.

AKDOF remains in line with its core investment philosophy of investing in deep value with strong capital appreciation prospects and a regular flow of dividend.

The Fund aims to hold maximum exposure in equities, with a view of strong market performance owing to broader based undervaluation of the stock market in general.

Economy

The economy continued to remain under immense pressure due to the deteriorating balance of payment situation primarily due to repayments of loans to the International Monetary Fund and ballooning current and fiscal deficits. The rupee continued to reflect these concerns and depreciated by 5.2% versus the greenback. During the nine months of FY13 USD 2.04 bn was repaid to the International Monetary Fund while another USD 838 mn is due for the remaining part of FY13. The Current Account deficit stood at USD 1.294 bn while the Trade Deficit stood at USD 11.264. Pakistan's foreign exchange reserves held by the State Bank of Pakistan declined to USD 7.128 as of March 29, 2013 versus USD 10.803 bn as of June 30, 2012 a net decline of USD 3.68 bn.

Inflows remained subdued and USD 1.8bn under the head of Coalition Support Fund was received during the first half of FY12 which provided much needed respite and financial space. Home remittances also continued to provide support to the balance of payment situation. In 9MFY13 remittance inflows stood at $10.354 billion an increase of 6.35% from $9.736 billion corresponding period last year. Furthermore, growth in monthly average inflows was also witnessed as it rose to $1.15 billion compared to $1.082 billion of comparable period last year.

CPI stood at 6.57% in Mar-13 primarily attributable to a high-base effect on the back of unprecedented inflationary numbers marked over the years. Improved inflation outlook coupled with a determination to promote private investment pushed SBP to further reduce the policy rate to single digit. The State Bank of Pakistan cut the discount rate by a hefty 250 bps during the first half of the fiscal year. However, SBP decided to maintain status quo in 3QFY13 primarily due to the deteriorating balance of payment situation and its likewise adverse affect on the local currency.

Equity Market Review

Karachi Stock Exchange continued to remain buoyant with increased participation from retailers and high net worth individuals, while foreign institutional investors also remained net buyers of worth $277.67 million. Monetary easing coupled with better than expected corporate results continued to support the market while the Index appreciated by 30.74% to close at 18,043.31 points comfortably containing itself above the 18,000 point mark.

Growing popularity of second and third line stocks by retailers supported market volume as average daily volumes soared to 169.64 million shares a day in 9MFY13 from 147.74 million shares a day of 1HFY13.

A major driver in principle of capital markets is "liquidity" which has overwhelmingly found its way into the local stock market following the revamping of the Capital Gains Tax on January 15, 2012, as the market has consistently rallied since then. While first tier stocks traded near their fair values at this juncture it is understandable that the liquidity resulted in bargain hunting for second and third line stocks, this also included illiquid stocks which were trading at cheaper price multiples due to this reason. KSE-100 Index is set on the path of making new records as it breached the psychological barrier of 18,000 points in Feb-13; however, the market is still falling short of its price to earnings record and even at current levels trades at a steep discount to regional peers and its historical multiples. In retrospect, the tremendous equity performance can be attributed to liquidity due to the revamping of Capital Gains Tax regime, monetary easing, enhanced foreign portfolio inflows, better corporate earnings and simply put "cheap valuations".

Fund Strategy and Outlook

The Fund continues to remain in equities with exposure of 96.65% which reflects our view of strong market performance owing to broader based undervaluation of the market relative to the region.

Top five sector exposure as of June 30, 2012 and their quarter performance included:

Sector Name	% of NAV	Returns for the quarter ended March 31, 2013
Chemicals	20.71%	2.10%
Gas Water and Multi-utilities	9.87%	-19.6%
General Industries	9.85%	5.0%
Personal Goods	9.82%	-6.50%
Oil and Gas	8.05%	4.0%

On the domestic politics front, with general elections approaching political instability and uncertainty is peaking. While the outgoing Government leaves the economy in a fragile state with the forthcoming elected government hard pushed to address much needed reforms, foreign policy in view of current US-Pak relations, handing over of Gwadar Port to China, US withdrawal from Afghanistan and the much criticized Pak-Iran gas line has kept investors in check besides wary of how fluid macro issues still are.

On the positive side, a democratic government for the first time in Pakistan's history completed its five year tenure and handed the rein of the country to the caretaker set-up. The completion of an elected government's term provides consistency in policies/reforms, plus a more open media has resulted in political maturity while the judiciary is providing an essential platform for accountability, which in our view will eventually result in a re-rating upwards in all asset classes.

Going forward, smooth transition of power by the care taker set-up to an elected government following elections, down trending commodity pricing in the international market, better export figures post ATP announced by the EU shall bode well for the economy in general. Nonetheless, SBP anticipates further widening of the external account deficit due to low foreign inflows and huge debt payments. Re-entry to a new IMF program is imminent for the survival of our economy as the current foreign exchange reserves barely cover two months imports; however, recent reports suggest that the IMF shall not be pursued till the new government is in place will remain a concern in the days ahead.

The KSE-100 index compared to its regional peers is trading at relatively lower price multiples with 2013 forward price to earnings of 7.95x compared to regional average of 14.98x with an EPS growth of 10.0%, return on equity of 21.59% and dividend yield of 6.92%. Based on the above fundamentals we believe interest both from the local and foreign fronts will remain upbeat. The KSE-100 Index had yielded a return of 20% over the past 10 years and with attractive valuations coupled with a steady interest scenario the Pakistani equities as an asset class is expected to outperform all other asset classes.

We strongly advice equity investors to remain invested in the Pakistani capital markets.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT MARCH 31, 2013

	Note	March 31, 2013 (Unaudited)	30 June 2012 (Audited)
		(Rupees in '000)	
ASSETS			
Bank balances	6	**2,913**	2,556
Receivable against sale of investments		**1,979**	-
Investments	7	**446,621**	335,489
Dividend and profit receivables		**7,969**	593
Security deposits and other receivables		**2,610**	4,028
Total Assets		**462,092**	342,666
LIABILITIES			
Remuneration payable to the Management Company		**723**	536
Remuneration payable to the Trustee		**70**	55
Annual fee payable to Securities and Exchange Commission of Pakistan		**283**	365
Payable on redemption of units		**22,454**	-
Accrued expenses and other liabilities	8	**669**	414
Provision for Workers' Welfare Fund	9	**8,177**	5,701
Unclaimed dividend -		**11**	11
		32,387	7,082
NET ASSETS		**429,705**	335,584
Unit holders' fund (as per statement attached)		**429,705**	335,584
		(Number of Units)	
Number of units in issue		**8,742,685**	8,033,809
		(Rupees)	
Net assets value per unit (face value per unit Rs. 50/-)		**49.15**	41.77

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

For AKD Investment Management Limited
(Management Company)

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

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

	Note	Nine months period ended March 31, 2013	Nine months period ended March 31, 2012	Three months period ended March 31, 2013	Three months period ended March 31, 2012
		--------------------	(Rupees in '000)	--------------------	
Income					
Gain on sale of investments - net		**49,555**	35,265	**26,081**	37,660
Dividend income		**18,689**	27,577	**11,513**	13,666
Financial income on					
- bank deposits		**390**	406	**124**	154
- investment in debt securities		**2**	695	**-**	205
Net unrealised appreciation / (diminution) on remeasurement of investment at 'fair value through profit or loss - held for trading	*7.1*	**72,692**	40,286	**(5,891)**	94,071
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		**(8,118)**	6,903	**(3,612)**	1,912
		133,210	111,132	**28,215**	147,668
Expenses					
Remuneration to the Management Company		**5,950**	6,032	**2,019**	2,094
Remuneration to the Trustee		**594**	603	**202**	209
Annual fee to the Securities and Exchange Commission of Pakistan		**283**	287	**96**	100
Securities transaction cost		**916**	436	**407**	291
Auditors' remuneration		**206**	189	**68**	68
Provision for workers' welfare fund	9	**2,476**	2,043	**500**	2,043
Others	*12.2*	**1,447**	1,424	**426**	403
		11,872	11,014	**3,718**	5,208
Net income for the period		**121,338**	100,118	**24,497**	142,460

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	Aurangzeb Ali Naqvi
Chief Executive Officer	Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months period ended March 31,		Three months period ended March 31,	
	2013	2012	2013	2012
	--------------------(Rupees in '000)--------------------			
Net income for the period	**121,338**	100,118	**24,497**	142,460
Other comprehensive income for the period	**-**	-	-	-
Total comprehensive income for the period	**121,338**	100,118	**24,497**	142,460

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months period ended March 31,		Three months period ended March 31,	
	2013	2012	2013	2012
	--------------------(Rupees in '000)--------------------			
Deficit at beginning of the period				
- Realised	**(154,577)**	(182,313)	**(203,422)**	(166,574)
- Unrealised	**(39,982)**	(98,667)	**53,484**	(156,748)
	(194,559)	(280,980)	**(149,938)**	(323,322)
Net income for the period	**121,338**	100,118	**24,497**	142,460
Distribution:				
Bonus units issued for the year ended 30 June 2012 (at the rate of Rs.6.5 per unit distributed on 09 July 2012)	**(52,220)**	-	**-**	-
	69,118	100,118	**24,497**	142,460
Deficit at the end of the period	**(125,441)**	(180,862)	**(125,441)**	(180,862)
Represented by:				
- Realised	**(168,030)**	(115,431)	**(168,030)**	(115,431)
- Unrealised	**42,589**	(65,431)	**42,589**	(65,431)
	(125,441)	(180,862)	**(125,441)**	(180,862)

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

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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months period ended March 31,		Three months period ended March 31,	
	2013	2012	2013	2012
	--------------------(Rupees in '000)--------------------			
Net assets at beginning of the period	**335,584**	458,984	**418,543**	347,921
Amount received on issue of 4,375,609 units (2012: 1,935,512 units)	**123,530**	61,799	**58,235**	45,870
Amount paid on redemption of 3,666,732 units (2012: 3,127,735 units)	**(158,865)**	(91,871)	**(75,182)**	(12,212)
	(35,335)	(30,072)	**(16,947)**	33,658
Final distribution of 1,480,517 bonus units for the year ended 30 June 2012	**52,220**	-	**-**	-
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net	**8,118**	(6,903)	**3,612**	(1,912)
Total comprehensive income / (loss) for the period after distribution	**69,118**	100,118	**24,497**	142,460
Net assets at end of the period	**429,705**	522,127	**429,705**	522,127
	------------------------(Rupees)--------------------------			
Net assets value per unit (face value per unit Rs.50/-)	**49.15**	38.37	**49.15**	38.37

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months period ended March 31,		Three months period ended March 31,	
	2013	2012	2013	2012
	---------------------(Rupees in '000)---------------------			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	**121,338**	100,118	**24,497**	142,460
Adjustments for non-cash and other items:				
Unrealised (appreciation) / diminution on remeasurement of investment at fair value through profit or loss' - held for trading	**(72,692)**	(40,286)	**5,891**	(94,071)
Element of loss / (income) and included in prices of units sold less those in units redeemed	**8,118**	(6,903)	**3,612**	(1,912)
	56,764	52,929	**34,000**	46,477
(Increase) / decrease in assets				
Investments	**(38,440)**	16,272	**(28,371)**	(12,467)
Dividend and profit receivables	**(7,376)**	(13,760)	**(7,819)**	(13,268)
Receivable against sale of investments	**(1,979)**	-	**(1,979)**	-
Deposits prepayments and other receivables	**1,418**	49,091	**10**	(2,177)
	(46,377)	51,603	**(38,159)**	(27,912)
Increase / (decrease) in liabilities				
Remuneration payable to the Management Company	**187**	220	**(1)**	279
Remuneration payable to the Trustee	**15**	8	**-**	23
Annual fee payable to the Securities and Exchange Commission of Pakistan	**(82)**	(158)	**96**	100
Payable against purchase of investments	-	**-**		-
Payable on redemption of units	**22,454**	-	**22,393**	-
Accrued expenses and other liabilities	**255**	(22,224)	**16**	3,260
Provision for Workers' Welfare Fund	**2,476**	2,043	**500**	2,043
	25,305	(20,111)	**23,004**	5,705
Net cash generated from operating activities	**35,692**	84,421	**18,845**	24,270
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	**123,530**	61,799	**58,235**	45,870
Amount paid on redemption of units	**(158,865)**	(91,871)	**(75,182)**	(12,212)
Net cash used in financing activities	**(35,335)**	(30,072)	**(16,947)**	33,658
Net increase in cash and cash equivalents during the period	**357**	54,349	**1,898**	57,928
Cash and cash equivalents at beginning of the period	**2,556**	4,784	**1,015**	1,205
Cash and cash equivalents at end of the period	**2,913**	59,133	**2,913**	59,133

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 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.

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.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial information for the nine months and three months period ended 31 March 2013 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance 1984, the Trust Deed, the NBFC Rules and the NBFC Regulations have been followed.

These condensed interim financial information comprise of condensed interim statement of assets and liabilities as at 31 March 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 nine months period ended 31 March 2013.

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

These condensed interim financial information are 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).

2.2 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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.

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

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 2012.

		Note	31 March 2013 (Unaudited)	30 June 2012 (Audited)
			(Rupees in '000)	
6.	**BANK BALANCES**			
	- In profit and loss sharing accounts		**2,887**	2,531
	- In current accounts		**26**	25
			2,913	2,556
7.	**INVESTMENTS**			
	Investments in securities at fair value through profit or loss - held for trading			
	Equity securities	*7.1*	**446,621**	335,489
			446,621	335,489

7.1 Listed equity securities - Held for trading

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at the beginning of the period 1 July 2012	Purchased during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the end of the period 31 March 2013	Cost	Carrying value (before revaluation as of the period ended 31 March 2013)	Market value as of the period ended 31 March 2013	Unrealised appreciation/ (diminution)	Percentage in relation to: Total market value of Investment	Net assets of the fund	Investee paid up capital
	(Number of Share)					(Rupees in '000)						
Commercial Banks												
Habib Metropolitan Bank Limited	464,010	-	-	89,500	374,510	8,161	6,464	5,678	(786)	1.27	1.32	0.04
NIB Bank Limited	823,471	-	-	-	823,471	3,739	1,639	1,927	288	0.43	0.45	0.01
National Bank of Pakistan	-	250,000	-	250,000	-	-	-	-	-	-	-	-
Soneri Bank Limited	1,579,211	-	42,263	1,621,474	-	-	-	-	-	-	-	-
						11,900	**8,103**	**7,605**		**1.70**	**1.77**	**0.05**
Non Life Insurance												
Adamjee Insurance Company Limited	-	35,000	-	35,000	-	-	-	-	-	-	-	-
						-	**-**	**-**		**-**	**-**	
Personal Goods (Textile)												
Artistic Denim Mills Limited	876,062	-	-	-	876,062	28,138	21,025	21,621	596	4.84	5.03	1.04
Cresent Fibres Limited	-	37,000	-	-	37,000	1,038	1,038	925	(113)	0.21	0.22	0.30
Ellcot Spinning Mills Limited	105,138	15,500	-	-	120,638	3,592	3,599	6,394	2,795	1.43	1.49	1.10
Fazal Cloth Mills Limited	-	500	-	-	500	56	56	58	2	0.01	0.01	-
Gul Ahmed Textile Mills Limited	3,820	62,264	-	-	66,084	1,321	1,318	1,323	5	0.30	0.31	0.04
Island Textile Mills Limited	30,800	-	-	600	30,200	4,776	6,254	28,539	22,285	6.39	6.64	6.04
Nishat Mills Limited	-	100,000	-	-	100,000	8,149	8,149	8,429	280	1.89	1.96	0.03
Saif Textile Mills Limited	-	150,000	-	50,000	100,000	1,360	1,360	1,770	410	0.40	0.41	0.38
Service Industries Limited	16,536	5,000	-	-	21,536	4,369	3,640	3,612	(28)	0.81	0.84	0.18
						52,799	**46,441**	**72,671**		**16.27**	**16.91**	**9.11**
Construction and Materials												
Cherat Cement Company Limited	115,000	-	-	115,000	-	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	-	325,000	-	325,000	-	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	250,000	-	250,000	-	-	-	-	-	-	-	-
Lafarge Pakistan Cement Limited	-	2,300,000	-	-	2,300,000	13,526	13,526	14,789	1,263	3.31	3.44	0.18
Pioneer Cement Limited	-	474,000	-	102,000	372,000	6,493	6,493	8,485	1,992	1.90	1.97	0.16
						20,019	**20,019**	**23,274**		**5.21**	**5.42**	**0.34**
Oil and Gas												
Attock Refinery Limited	95,000	-	-	95,000	-	-	-	-	-	-	-	-
National Refinery Limited	-	20,360	25,240	-	45,600	10,455	10,455	10,381	(74)	2.32	2.42	0.06
Pakistan State Oil Company Limited	65,000	-	25,240	13,800	76,440	13,830	12,519	15,527	3,008	3.48	3.61	0.03
						24,285	**22,974**	**25,908**		**5.80**	**6.03**	**0.09**
Multiutilities (Gas and Water)												
Sui Northern Gas Pipelines Limited	-	655,000	41,500	240,000	456,500	8,762	8,762	7,970	(792)	1.78	1.85	0.07
Sui Southern Gas Company Limited	1,698,595	57,500	-	57,500	1,698,595	23,056	33,294	27,415	(5,879)	6.14	6.38	0.19
						31,818	**42,056**	**35,385**		**7.92**	**8.23**	**0.26**
Electricity												
Karachi Electric Supply Company Limited	-	1,156,500	-	1,156,500	-	-	-	-	-	-	-	-
Kohinoor Energy Limited	514,250	1,200,000	-	-	1,714,250	41,878	35,656	41,999	6,343	9.40	9.77	1.01
						41,878	**35,656**	**41,999**		**9.40**	**9.77**	**1.01**
Industrial Metals and Mining												
Huffaz Seamless Pipe Industries Limited	176,675	100,000	-	-	276,675	7,931	6,190	5,282	(908)	1.18	1.23	0.50
Crescent Steel and Allied Products Limited	-	403,000	-	45,000	358,000	11,871	11,871	11,871	-	2.66	2.76	0.63
						19,802	**18,061**	**17,153**		**3.84**	**3.99**	**1.13**

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at the beginning of the period 1 July 2012	Purchased during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the end of the period 31 March 2013	Cost	Carrying value (before revaluation as of the period ended 31 March 2013)	Market value as of the period ended 31 March 2013	Unrealised appreciation/ (diminution)	Percentage in relation to: Total market value of Investment	Percentage in relation to: Net assets of the fund	Percentage in relation to: Investee paid up capital
	---------- (Number of Share) ----------					---------- (Rupees in '000) ----------						
Engineering												
Al-Ghazi Tractors Limited (Face value Rs. 5/- each)	56,600	-	-	56,600	-	-	-	-	-	-	-	-
						-	**-**	**-**		**-**	**-**	
Industrial Transportation												
Pakistan International Container Terminal Limited	1,230	-	-	1,200	30	4	4	6	2	0.00	0.00	-
Pakistan International Bulk Terminal Limited*	35,000	-	-	-	35,000	-	350	350	-	0.08	0.08	
Pakistan National Shipping Corporation Limited	240,470	25,000	-	128,500	136,970	9,564	2,729	5,398	2,669	1.21	1.26	0.10
						9,568	**3,083**	**5,754**		**1.29**	**1.34**	**0.10**
Fixed Line Telecommunication												
Pak Datacom Limited	304,227	-	-	-	304,227	22,968	19,133	18,098	(1,035)	4.05	4.21	3.10
Pakistan Telecommunication Company Limited	-	940,500	-	-	940,500	19,238	19,238	19,092	(146)	4.27	4.44	0.02
						42,206	**38,371**	**37,190**		**8.33**	**8.65**	**3.12**
Chemicals												
Clariant Pakistan Limited	180,000	-	-	162,800	17,200	2,542	3,044	3,884	840	0.87	0.90	0.05
Ghani Gases Limited	28,517	-	-	-	28,517	371	263	805	542	0.18	0.19	0.04
Sitara Chemical Industries Limited	98,844	-	-	98,844	-	-	-	-	-	-	-	-
Engro Corporation Limited	265,000	156,500	-	-	421,500	41,920	41,358	54,374	13,016	12.17	12.65	0.08
Engro Polymer & Chemicals Limited	-	1,125,000	-	-	1,125,000	11,365	11,365	11,599	234	2.60	2.70	0.17
Dawood Hercules Corporation Limited	-	243,000	-	243,000	-	-	-	-	-	-	-	-
						56,198	**56,031**	**70,663**		**15.82**	**16.44**	**0.34**
General Industrials												
Merit Packaging Limited	-	136,964	30,536	-	167,500	4,804	4,804	3,635	(1,169)	0.81	0.85	3.53
Thal Limited (Face value Rs. 5/- each)	355,369	-	30,536	50,000	335,905	27,309	28,399	32,915	4,516	7.37	7.66	0.41
						32,113	**33,203**	**36,550**		**8.18**	**8.51**	**3.94**
Pharma and Bio Tech												
Searle Pakistan Limited	206,500	-	82,600	289,000	100	3	3	6	3	0.00	0.00	-
Otsuka Pakistan Limited	168,371	-	-	-	168,371	12,628	6,036	5,767	(269)	1.29	1.34	1.68
Wyeth Pakistan Limited	961	-	-	950	11	9	9	10	1	0.00	0.00	-
						12,640	**6,048**	**5,783**		**1.29**	**1.35**	**1.68**
Media												
Hum Network Limited	300,000	-	-	150,000	150,000	3,375	3,150	4,305	1,155	0.96	1.00	0.30
						3,375	**3,150**	**4,305**		**0.96**	**1.00**	**0.30**
Support Services												
TRG Pakistan Limited	6,169,124	2,165,000	-	2,503,000	5,831,124	29,526	24,900	45,833	20,933	10.26	10.67	1.51
						29,526	**24,900**	**45,833**		**10.26**	**10.67**	**1.51**

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at the beginning of the period 1 July 2012	Purchased during the period	Bonus / right shares received during the period	Disposed during the period	Holding at the end of the period 31 March 2013	Cost	Carrying value (before revaluation as of the period ended 31 March 2013)	Market value as of the period ended 31 March 2013	Unrealised appreciation/ (diminution)	Percentage in relation to: Total market value of Investment	Percentage in relation to: Net assets of the fund	Percentage in relation to: Investee paid up capital
	(Number of Share)					(Rupees in '000)						
Food Producers												
Engro Foods Limited	-	225,000	-	200,000	25,000	2,725	2,725	3,178	453	0.71	0.74	-
JDW Sugar Mills Limited	6,577	-	-	6,500	77	6	8	7	(1)	0.00	0.00	-
Noon Sugar Mills Limited	75,370	-	-	-	75,370	1,553	1,507	1,975	468	0.44	0.46	0.46
Quice Food Limited	1,280,000	810,022	-	2,090,022	-	-	-	-	-	-	-	-
Quice Food Limited (Letter of Right)	384,000	164,500	-	548,500	-	-	-	-	-	-	-	
Sanghar Sugar Mills Limited	120,361	-	-	-	120,361	1,743	1,715	2,437	722	0.55	0.57	1.01
SHAKARGANJ MILLS Limited	-	256,000	-	-	256,000	3,919	3,919	4,390	471	0.98	1.02	0.37
Unilever Pakistan Limited	-	60	-	-	60	601	601	735	134	0.16	0.17	-
						10,547	**10,475**	**12,722**		**2.85**	**2.96**	**1.84**
Technology Hardware and Equipment												
TPL Trakker Limited	-	565,958	-	-	565,958	5,358	5,358	3,826	(1,532)	0.86	0.89	0.26
						5,358	**5,358**	**3,826**		**0.86**	**0.89**	**0.26**
Total as at 31 March 2013						**404,032**	**373,925**	**446,621**	**72,692**			
Total as at 30 June 2012						375,472	303,170	335,489	32,320			

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

7.2 Investment includes 200,000 shares of Engro Corporation Limited having market value of Rs. 25.326 million that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of Fund's trades in terms of Circular no. 11 dated 23 October 2007 issued by the SECP.

7.3 Exposure in the following securities held by the Fund exceeded the maximum limit prescribed by the regulation no. 55(5) of the NBFC Regulations. This is due to increase in the market price which resulted in significant change in scrip market value.

Name of Investee Company	Maximum limit %	Fund's Exposure (Market value of the security / net asset value of the fund)
Engro Corporation Limited	10.00	12.65
TRG Pakistan Limited	10.00	10.67

Regulation no. 55(5) of the NBFC Regulations allows to regularize the breach within threee months from the date of breach unless extension up to another three months is acquired from SECP.

8. Accrued Expenses and Other Payables	**31 March 2013 (Unaudited)**	30 June 2012 (Audited)
	(Rupees in '000)	
Auditor's remuneration	**135**	189
Brokerage payable	**219**	20
Withholding tax	**92**	-
Sales tax payable on Management Company's remuneration	**116**	85
Others	**107**	120
	669	414

9. 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 WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

The Scheme has made provisions against Workers Welfare Fund liability to the tune of Rs. 8.177 million upto March 31, 2013 (June 2012: Rs.5.701 million), if the same were not made, the NAV per unit / return would have been higher by Re. 0.94 per unit (1.91%) and net income for the oeriod would be higher by Rs. 2.47 million.

10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part 1 of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders.

Furthermore, as per regulations 63 of the Non - Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders, if by then it earns profit. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons 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, 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 and National Bank of Pakistan being holding more than ten percent of the units of the Fund as at 31 March 2012 and key management personnel of the management company.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, and Trust Deed respectively. Other transactions with connected persons are at agreed rates.

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

11.1 Balance as at period / year ended	As at 31 March 2013 (Un-audited)	As at 30 June 2012 (Audited)
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration payable	**723**	536
Sales Tax Provincial on Remuneration Payable	**116**	85
Sales load Payable	**2**	21
Units Outstanding - 179,984 (June 2012: 434,047)	**8,846**	18,131
Central Depository Company of Pakistan - Trustee		
Remuneration payable	**70**	55
AKD Securities Limited- Brokerage House		
Commission payable on purchase / sale of marketable securities	**65**	-
National Bank of Pakistan		
Units outstanding - 3,884,759 (June 2012: 3,280,255)	**190,936**	137,021
AKD Investment Management Limited-Staff Provident Fund		
Units outstanding - 51,874 (June 2012: 44,905)	**2,550**	1,876
Directors of the Management Company (Key management personnel)		
Units outstanding - 10,582 (June 2012: 28,801)	**520**	1,203
Aqeel Karim Dhedhi Securities (Pvt.) Limited-Staff Provident Fund		
Units outstanding - 37,662 (June 2012: 31,802)	**1,851**	1,328
AKD Cash Fund		
Payable against Conversion of units	**22,454**	-

	Nine months period ended 31 March	
	2013	2012
11.2 Transactions during the period	**(Rupees in '000)**	
AKD Investment Management Limited - Management Company		
Remuneration	**5,950**	6,032
Sales tax on remuneration to management company	**952**	965
Sales load paid	**76**	-
Units issued - 156,978 (2012: 174,006)	**8,425**	4,992
Units redeemed - 174,006 (2011: 174,006)	**21,215**	4,943
Issue of bonus - 79,989 (2012: nil) units	**2,821**	-
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Issue of bonus - 5,861 (2012: nil) units	**207**	-
National Bank of Pakistan		
Issue of bonus - 604,504 (2012: Nil) units	**21,322**	-
AKD Investment Management Limited - Staff Provident Fund		
Issue of bonus - 8,275 (2012: nil) units	**292**	**-**
Units issued - 51,874 (2012: 168,347)	**2,000**	**4,851**
Units redeemed - 53,180 (2012: nil)	**2,004**	**4,069**
AKD Securities Limited - Brokerage House		
Commission paid on purchase and sale of marketable securities	**86**	88
Golden Arrow Selected Stocks Fund Limited (Fund managed by the Management company)		
Sale of Investments	**13,486**	-
Directors of the Management Company (Key management personnel)		
Issue of bonus units - 5,903 (2012: Nil) units	**208**	-
Redemption of units - 27,356 units (2012: Nil) units	**1,209**	-
Central Depository Company of Pakistan - Trustee of the Fund		
Remuneration	**594**	**603**
Central depository service charges	**29**	**11**

12. General

12.1 These condensed interim financial statements are unaudited.

12.2 Others includes Sindh Government sales tax of Rs. 0.952 million (2012: Rs. 0.965 million) charged on the management remuneration, effective from 01 July 2011.

12.3 These condensed interim financial information were authorized for issue on April 27, 2013 by the board of directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

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

AKD Investment
Management Ltd.

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