Funds Managed by:

AKD Investment Management Ltd.

3rd Quarter Report
March 31, 2017
(Un-audited)



quarterly 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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MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Abdul Karim Memon

Director & Chief Executive Officer
Mr. Imran Motiwala

Directors
Mr. Ali Wahab Siddiqui
Mr. Hasan Ahmed
Mr. Saim Mustafa Zuberi
Ms. Aysha Ahmed
Mr. Nadeem Saulat Siddiqui

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT OF THE MANAGEMENT COMPANY

Ms. Noureen Nadir Ali

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)
Mr. Hasan Ahmed (Member)
Mr. Saim Mustafa Zuberi (Member)
Ms. Noureen Nadir Ali (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

Mr. Abdul Karim Memon (Chairman)
Mr. Imran Motiwala (Member)
Mr. Saim Mustafa Zuberi (Member)

RATING

AKD Investment Management Ltd. (AMC)
AM3+ (AM Three Plus) issued by PACRA

CORPORATE INFORMATION

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF) and AKD Aggressive Income Fund (AKDAIF) is pleased to present its interim report along with the Funds' accounts for the nine months ended on March 31, 2017.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 9MFY17, the return of AKD Opportunity Fund stood at 46.59% compared to the benchmark KSE-100 Index return of 27.45%, thus significantly outperforming the benchmark by 19.14%.

AKD Index Tracker Fund (AKDITF)

For the 9MFY17, the return of AKD Index Tracker Fund stood at 25.47% compared to the benchmark KSE-100 Index return of 27.45%.

AKD Cash Fund (AKDCF)

For the 9MFY17, the annualized return of AKD Cash Fund stood at 6.57% compared to benchmark return of 5.20%.

AKD Aggressive Income Fund (AKDAIF)

For the 9MFY17, the annualized return of AKD Aggressive Income Fund stood at 6.83% compared to the benchmark return of 6.38%.

MACRO PERSPECTIVE

The major macroeconomic indicators continued their positive trend in 9MFY17, on the back of strong growth led by China Pakistan Economic Corridor (CPEC), stable exchange rate and adequate foreign reserves. Moreover, foreign direct investment (FDI) from CPEC and up gradation of Pakistan's capital market from MSCI frontier Markets (FM) index to MSCI Emerging Market (EM) index is expected to further improve the stance of Pakistan stock market exchange in the global market.

CPI inflation during 9MFY17 clocked in 4.00%YoY as compared to 2.65%YoY during the corresponding period last year. Throughout 9MFY17, inflation remained within the SBP target range of 4.5%-5.5% and as a result the State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75 percent.

During the period under review, international oil prices recovered and traded in the range of USD 45-55 per barrel, positively impacted by OPEC's production cuts. The next OPEC meeting will take place in May 2017 where key decisions of supply cuts will have a significant impact on the oil prices going forward.

On the other hand, we believe that there will be an upward inflationary trend in 4Q FY17, driven by seasonal impact (Ramzan/Eid-ul-Fitr) and pass-through impact of oil prices. We believe the Consumer Price Index (CPI) will remain within the SBP's target range of 4.5-5.5% for

FY17. A reversal in the monetary policy seems less probable in FY17 due to SBP focus on investment growth and improved private sector lending. (+13.6%YoY as of Feb'17).

According to SBP the current account deficit (CAD) clocked in at USD 6.13 billion (2.6% of GDP) in 9MFY17 against USD 2.35 billion (1.1% of GDP) in corresponding period last year. This is due to the tepid remittances in 9MFY17 (-2.3% YoY) and the trade balance deficit of USD 22.94 billion, up 26.8%.

Imports have increased by 12% YoY, on the back of rising machinery and equipment demand for CPEC related projects. While at the same time exports have suffered a decline of 2%, mainly owing to strong PKR relative to regional currencies, hurting the competitiveness of our export oriented industry. In this regard the Government has offered an incentive package for the Textile Industry to support its ailing exports. The Government has also imposed restriction to maintain 100% cash balance on the import of certain items to curb imports.

The total liquid foreign exchange reserves of Pakistan reached USD 21.55 billion (5-6 month import cover) by the end of 9MFY17, from its all-time high level of USD 24.02 billion in October 2016. Going forward, we expect some pressure on the reserves as external repayments (cumulative USD 1.5 bn- 1.75 bn) under Eurobond, Paris Club and China SAFE debt retirement to begin in June FY'17, while IMF re-payments will start in FY18. Despite these expected outflows we expect foreign inflows (Eurobond issue, multilateral and CPEC Loans) to compensate the same.

On the fiscal front, FBR has collected total tax revenue of PKR 2,258bn in 9MFY17, reflecting shortfall of 7% (PKR 168bn) against target PKR 2,426bn for the period. The Government has set the target of tax collection to PKR 3.62tn for FY17, which is ambitious in our view.

FDI has posted an increase of 12% YoY during the 9MFY17 as reported by SBP. Pakistan attracted FDI of USD 1.602 billion compared to USD 1.425 billion in the same period last year. Net foreign investment in Pakistan, comprising FDI, portfolio investment and foreign public investment increased by 116.4 percent to USD 2.232 billion in July-March of FY17 compared to USD 1.032 billion in the same period of last fiscal year. The increase is mainly due to foreign acquisitions of local companies as well as other funds from bilateral and multilateral sources. This is going to be a positive sign in future as China and other countries are expressing interest in investing in Pakistan to provide support to the external account.

In this regard The National Assembly in December, approved a mega tax amnesty scheme for real estate sector that would approve whitening of black money invested in the sector by paying only three per cent tax on the difference between the property prices notified in FBR valuation tables and the rates recorded by the property registration authority in transfer documents. As per the news flows, an amount of PKR 1.1 billion tax revenue has so far been collected by FBR under the amnesty scheme, implying total asset declaration of PKR 37 billion. The government is also considering introducing another amnesty scheme to bring back assets of Pakistan in overseas accounts.

EQUITY MARKET REVIEW

The 9MFY'17, has been an impressive period for the KSE-100 index, which posted its all-time high closing of 50,192 in January, posting a return of 27% in 9MFY'17. Major Bull run was seen in the months of November and December, in which the index grew by 7% and 12% respectively; subsequently the index has remained highly volatile since the start of the calendar year, advancing only 0.73% since January, mainly due to crack-down on In-house financing by brokers and pending decision of the Panama case.

The performance of the index in 9MFY'17 is mainly attributed to

- Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy.

- Renewed investor confidence due to Morgan Stanley Capital International (MSCI)'s re-classification of Pakistan in to Emerging Market Index.

- Country's successful completion of IMF program.

- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years.

- Sales uptick in Pakistan auto sector, on the back of renewed consumer spending and rise in consumer financing.

- S&P raising Pakistan's sovereign credit rating to B from B-.

- Announcement of a PKR 180 billion Export/Textile package to boost exports.

- 40% stake sale in the management of PSX, a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company (PCIC), and Habib Bank Ltd. (HBL) submitted the highest bid of PkR28/share for the 40% strategic stake.

- FBR's Revaluation of properties and regularization of real estate sector to increase tax net, as many investors switched from real estate to equity markets.

- SECP's crack-down on In-house lending activities of brokerage houses.

- Supreme Court's proceedings and un-disclosed verdict on Panama case.

MONEY MARKET REVIEW

During 9MFY17, The SBP carried out 20 T-bills auctions where the government managed to raise PKR 5.674 trillion. During this period, weighted average yield on 3, 6, and 12 months T-bills clocked in at 5.90%, 5.93%, 5.93% respectively down from 6.45%, 6.47%, 6.48% during the corresponding period last year. SBP also conducted 6 auctions of PIB's and managed to raise PKR 646 billion during HYFY17. The PIB auctions followed suit where weighted average maturities yield on 3, 5, 10 years PIB declined to 6.17%, 6.67%, 7.76% respectively from 7.34%, 8.29%, 9.24% in the corresponding period last year. The Government announced Monetary Policy Statement on March 25, 2017, where the Monetary Policy committee decided to keep the policy rate unchanged at 5.75%. State Bank of Pakistan conducted 62 open market operations (OMOs) of different maturities and injected average amount of PKR 662 billion per OMO at an average cut off yield of 5.81%.

FUTURE OUTLOOK

Pakistani equity market offer great opportunities for long term fundamental investors, after a long period of under-performance of the economy due to supply side bottlenecks, the economy is finally taking-off, spurred by capital investments under CPEC, low oil prices, export incentivization, increasing business confidence and democratic stability.

Annual GDP growth averaged at 3% under the previous political regime, the current government has delivered average growth of 4.3% in the last three years; while Fiscal year 2016's GDP growth of 4.7% is the highest since FY07. We foresee that the government's target GDP growth rate of 7% by FY'19 is well within the reach mainly owing to resolution of supply side bottlenecks and materialization of CPEC.

The KSE100 index has out-performed both MSCI Emerging and Frontier Markets, consistently in the past 5 years (posting an average annual surplus return of 31% above the MSCI EM&FM index).

Furthermore, In September Pakistan became signatory of "Multilateral Convention on Mutual Administrative Assistance in Tax Matters", a framework created by OECD. The Convention is the most powerful instrument for international tax cooperation. It provides for all forms of administrative assistance in tax matters: exchange of information on request, spontaneous exchange, automatic exchange, tax examinations abroad, simultaneous tax examinations and assistance in tax collection. It guarantees extensive safeguards for the protection of taxpayers' rights.

By becoming a signatory of the convention, Pakistan has sent a strong signal of its intention to curb offshore tax evasion and avoidance. The benefit of such a step will be two folds, first it will help increase the tax net and secondly, it might trigger another wave of liquidity in local equity markets.

In addition to foreign portfolio investments we believe many strategic investments (apart from CPEC related investments), similar to RFC of Netherlands acquiring Engro Foods and Shanghai Electric's management takeover of K-Electric, are going to be the prime drivers of growth in the coming years.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: April 27, 2017

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے کے ڈی انوسٹمنٹ مینجمنٹ لمیٹیڈ (AKDIML)، مینجمنٹ کمپنی برائے اے کے ڈی اپر چونیٹی فنڈ (AKDOF)، اے کے ڈی انڈیکس ٹریکر فنڈ (AKDITF)، اے کے ڈی کیش فنڈ (AKDCF) اور اے کے ڈی ایگریسو انکم فنڈ (AKDAIF) کے بورڈ آف ڈائریکٹرز مسرت کیساتھ 31 مارچ 2017 کو اختتام پزیر ہونے والے 9 ماہ کے فنڈز کا حساب بمع عبوری رپورٹ پیش کررہے ہیں۔

فنڈز کی مالیاتی کارکردگی:

اے کے ڈی اپر چونیٹی فنڈ (AKDOF)

9MFY17 کیلیئے اے کے ڈی اپر چونیٹی فنڈ (AKDOF) کا منافع 46.59% رہا جبکہ بنچ مارک KSE-100 انڈیکس کا منافع 27.45% رہا اور اس طرح بنچ مارک سے 19.14% آگے نکل گیا۔

اے کے ڈی انڈیکس ٹریکر فنڈ (AKDITF)

9MFY17 کیلیئے اے کے ڈی انڈیکس ٹریکر فنڈ (AKDITF) کا منافع KSE-100 انڈیکس کے بنچ مارک منافع 27.45% کے مقابلے میں 25.47% رہا۔

اے کے ڈی کیش فنڈ (AKDCF)

9MFY17 کیلیئے اے کے ڈی کیش فنڈ (AKDCF) کا سالانہ منافع 6.57% رہا جبکہ بنچ مارک کا منافع 5.2% رہا۔

اے کے ڈی ایگریسو انکم فنڈ (AKDAIF)

9MFY17 کیلیئے اے کے ڈی ایگریسو انکم فنڈ (AKDAIF) کا سالانہ منافع 6.83% رہا جبکہ بنچ مارک کا منافع 6.38% رہا۔

میکرو پرسپیکٹو:

نمایاں میکرواکنامکس کے اشاریوں نے پاک چائنا اقتصادی راہداری کے باعث ہونے والی ترقی، مستحکم شرح مبادلہ اور مناسب زرمبادلہ کے ذخائر، مثبت رجحانات کا مظاہرہ جاری رکھا۔ مزید برآں سی پیک (CPEC) کی وجہ سے براہ راست غیرملکی سرمایہ کاری (FDI)، پاکستان کی کیپیٹل مارکیٹ کی ایم ایس سی آئی (MSCI) فرنٹیئر مارکیٹ (FM) سے ایم ایس سی آئی (MSCI) ایمرجنگ مارکیٹ (EM) میں اپ گریڈیشن سے عالمی مارکیٹ میں پاکستان اسٹاک مارکیٹ ایکسچینج کی حیثیت مزید بہتر ہونے کا امکان ہے۔

سی پی آئی (CPI) افراطِ زر 9MFY17 میں سال بہ سال بنیاد پر 4.00% رہا جو کہ اسی مدت کیلئے گزشتہ سال 2.65% تھا 9MFY17 کے دوران افراط زر اسٹیٹ بینک کے 4.5%-5.5% کے ہدف میں رہا جس کی وجہ سے اسٹیٹ بینک پاکستان (SBP) نے اپنا پالیسی ریٹ 5.75% رکھا۔

زیرِ جائزہ دورانیہ کیلئے OPEC کی تیل کی پیداوار میں کمی کے فیصلے کی وجہ سے تیل کی بین الاقوامی قیمتوں میں بہتری نظر آئی جو کہ USD 45-55 کے درمیان ہے۔ OPEC کی اگلی میٹنگ مئی 2017 میں ہے جس میں تیل کی سپلائی میں کمی کا فیصلہ مستقبل میں تیل کی قیمتوں پر گہرا اثر ڈالے گی۔

ہمارا یہ بھی خیال ہے کہ 4QFY17 میں افراط زر میں رمضان اور عیدالفطر کے باعث اور تیل کی قیمتوں کی وجہ سے اضافے کا رجحان رہے گا۔ ہمیں یقین ہے کہ کنزیومر پرائس انڈکس (CPI) FY17 میں اسٹیٹ بینک کے 4.5%-5.5% کے ہدف میں رہے گا۔ FY17 میں معاشی پالیسی میں واپسی کا امکان کم نظر آتا ہے کیونکہ اسٹیٹ بینک پاکستان سرمایہ کاری میں اضافہ اور نجی شعبے میں قرضے کے اوپر توجہ دے رہی ہے۔

اسٹیٹ بینک کے مطابق کرنٹ اکاؤنٹ میں خسارہ 9MFY17 میں 6.13 بلین ڈالر (GDP کا 2.6%) تک جا پہنچا جبکہ گذشتہ سال کے اسی دورانیے کیلئے یہ خسارہ 2.35 بلین ڈالر (GDP کا 1.1%) تھا اس کی وجہ 9MFY17 میں ترسیلات زر میں کمی اور 22.94 بلین ڈالر کا (26.8%) کا تجارتی خسارہ ہے۔

سال بہ سال بنیاد پر درآمدات میں 12% کا اضافہ ہوا ہے جس کی وجہ سی پیک (CPEC) منصوبوں سے متعلق مشینری و آلات کی طلب میں اضافہ ہے۔ اسی اثنا برآمدات میں بھی 2% کی کمی واقع ہوئی ہے جسکی وجہ دیگر علاقائی ممالک کے مقابلے میں پاکستان روپے کی قدر میں اضافہ جو ہمارے برآمدات سے متعلق صنعتوں کو نقصان پہنچانے کا سبب بنا حکومت نے اس حوالے سے ٹیکسٹائل کی صنعت کو اپنی گرتی برآمدات کو سنبھالنے کیلئے ترغیبی پیکج کا اعلان کیا ہے۔ حکومت نے کچھ چیزوں کی درآمدات کیلئے 100% کیش بیلنس کی بھی پابندی لگائی ہے تاکہ کچھ مخصوص چیزوں کی درآمدات کی حوصلہ شکنی کی جاسکے۔

9MFY17 کے اختتام پر پاکستان کے کل بیرونی زرمبادلہ کے ذخائر اکتوبر 2016 کے بلند ترین سطح کے مقابلے میں 21.55 بلین ڈالر ہوگیا۔ ہمارے خیال میں ذخائر پر مزید دباؤ تب آئے گا جب بیرونی ادائیگیاں (مجموعی طور پر 1.5 بلین ۔1.75 بلین ڈالر) جن میں یوروبونڈ، پیرس کلب اور چائنا سیف (SAFE) ریٹائرمنٹ JUNFY17 میں شروع ہونگی جبکہ IMF کی ادائیگیوں کا FY18 میں آغاز ہوگا۔ ان متوقع ادائیگیوں کی تلافی کے طور پر ہم کچھ فنڈز کی آمد (یوروبونڈ کا اجراء، ملٹی لیٹرل Multilateral اور CPEC قرضے) کی بھی توقع کررہے ہیں۔

معاشی محاذ پر ایف بی آر (FBR) نے 9MFY17 کیلئے 2,258 بلین روپے ٹیکس کی مد میں اکٹھا کئے جو کہ اس مدت میں ٹارگٹ کے مقابلے میں 2,426 بلین روپے کی کمی دیکھی گئی۔ حکومت نے FY17 کیلئے 3.62 ٹریلین روپے کا ہدف مقرر کیا ہے جو ہمارے خیال میں اولوالعزمی ہے۔

اسٹیٹ بینک پاکستان نے سال بہ سال کی بنیاد پر براہ راست بیرونی سرمایہ کاری میں 12% کا اضافہ بتایا ہے۔ پاکستان میں گزشتہ سال اسی مدت میں ہونے والی براہ راست 1.425 بلین ڈالر کی براہ راست سرمایہ کاری کے مقابلے میں 1.602 بلین ڈالر کی سرمایہ کاری ہوئی ہے۔ پاکستان میں کل بیرونی سرمایہ کاری جن میں براہ راست بیرونی سرمایہ کاری، پورٹ فولیو انوسٹمنٹ اور بیرونی ملک پبلک انوسٹمنٹ شامل ہیں Jul-MarFY کے مالی دورانیے کیلئے 116.4% کے اضافے کیساتھ 2.232 بلین ڈالر ہوگی جو کہ اسی دورانئے کیلئے گزشتہ مالی سال میں 1.032 بلین ڈالر تھی۔ اس اضافے کی بڑی وجہ مقامی کمپنیوں کی بیرونی ذرائع سے خریداری اور اس کے علاوہ دوطرفہ اور کئی طرفہ ذرائع کی طرف سے فنڈز کی فراہمی ہے۔ چائنا اور دوسرے ممالک کا پاکستان میں سرمایہ کاری میں دلچسپی کا اظہار بیرونی اکاؤنٹ کو سپورٹ کرنے میں مثبت کردار ادا کرے گا۔

اس حوالے سے قومی اسمبلی نے دسمبر میں رئیل اسٹیٹ سیکٹر کیلئے ایک بڑی ٹیکس ایمنسٹی اسکیم منظور کی ہے۔ اس اسکیم کے تحت پراپرٹی کی ٹرانسفر کے کاغذات میں دی گئی قیمت اور FBR کی قیمت کے تعین کے فرق کا 3 فیصد ادا کرنے کے بعد اس پراپرٹی میں استعمال شدہ سرمایہ کالا دھن سے سفید ہو جائیگا۔ اس ایمنسٹی اسکیم کے تحت ایک خبر کے مطابق اب تک 1.1 بلین روپے کی ٹیکس کی مد میں آمدنی ہوئی ہے۔ جس سے 37 بلین روپے کے اثاثے ظاہر کئے گئے۔ حکومت پاکستان سے باہر موجود اثاثوں کیلئے بھی ایمنسٹی اسکیم پر غور کر رہی ہے۔

ایکوٹی مارکیٹ کا جائزہ:

9MFY17 KSE-100 انڈیکس کیلئے متاثر کن دورانیہ رہا جس میں جنوری میں تمام وقتوں کی 50,192 کی بلند ترین سطح حاصل ہوئی، یعنی 9MFY17 میں 27.45% کا منافع ریکارڈ کیا۔ نمایاں تیزی نومبر اور دسمبر کے مہینوں میں دیکھنے میں آئی جس میں انڈیکس بالترتیب 7% اور 12% سے بڑھا۔ سال کے آغاز سے، بروکرز کی ان ہاؤس فائننسنگ اور پانامہ کیس کے فیصلے میں تاخیر کے باعث، انڈیکس انتہائی غیر مستحکم رہا اور جنوری سے صرف 0.73% کا اضافہ ہوا۔

9MFY17 میں انڈیکس کی کارکردگی کی وجوہات درج ذیل ہیں۔

۱) سی پیک (CPEC) پروجیکٹس کی مثبت ڈیولپمنٹ، جو بجلی کی کمی کو پورا کر کے معیشت میں دوبارہ جان ڈال سکتے ہیں۔

۲) مورگن اسٹینلے کیپیٹل انٹرنیشنل (MSCI) کی پاکستان کی ایمرجنگ مارکیٹ انڈیکس میں ازسرنو درجہ بندی نے سرمایہ کاروں کا اعتماد بحال کر دیا۔

۳) ملک میں IMF پروگرام کی کامیابی کی تکمیل۔

۴) اوپیک(OPEC) ممبران کی آٹھ سالوں میں پہلی بارتیل کی پیداوار میں کمی کے باعث تیل کی قیمت میں استحکام۔

۵) صارفین کی قوت خرید اور کنزیومر فائیننگ میں کی وجہ سے آٹو سیکٹر کی سیلز میں اضافہ۔

۶) ایس اینڈ پی(S&P) کا پاکستان کو سووین(Soverign) کریڈٹ ریٹنگ میں B- سے B میں کر دینا۔

۷) برآمدات میں اضافہ کیلئے 180 بلین روپے کا ٹیکسٹائل کی برآمدات کے پیکیج کا اعلان۔

۸) PSX کی مینجمنٹ کیلئے 40% اسٹیک(Stake) کی فروخت جسمیں ایک کنسورشم جو چائنا فیوچرا یکسچینج، شنگھائی اسٹاک ایکسچینج، شینزن اسٹاک ایکسچینج، پاک چائنا انوسٹمنٹ کمپنی اور حبیب بنیک لمیٹیڈ (HBL) پر مشتمل ہے۔ 40% اسٹریٹجک اسٹیک(Startegic Stake) کیلئے 28 روپے فی شیئر کی بلندترین بولی(Bid) دی گئی۔

۹) ایف بی آر(FBR) کی جائیدادوں کی از سر نو تخمینہ لگانا اور رئیل اسٹیٹ سیکٹر کو ٹیکس کے دائرہ کار میں لانے کیلئے ریگولر ائیزیشن، کیونکہ کئی سرمایا کار رئیل اسٹیٹ سیکٹر سے ایکوٹی مارکیٹ کی طرف مبذول ہوئے۔

۱۰) ایس ای سی پی کا ان ہاؤس قرضوں کی سرگرمیوں پر کاری ضرب۔

۱۱) پانامہ کیس پر سپریم کورٹ کی کاروائی اور غیر منکشف فیصلہ۔

منی مارکیٹ کا جائیزہ(Money Market Review):

9MFY17 کے دوران اسٹیٹ بینک پاکستان نے 20 ٹی بلز(T-Bills) کی نیلامی کی جسکے نتیجے میں حکومت 5.674 ٹریلین روپے اکٹھا کر پائی ۔ اس دورانیہ میں 3, 6اور 12 ماہ کے ٹی بلز (T-BILLS) میں اوسطاً ویٹیڈ(Weighted) منافع بالترتیب 5.90%, 5.93%اور 5.93% رہی جو کہ گذشتہ سال کے اسی دورانیہ کیلئے بالترتیب منافع 6.45%, 6.47%اور 6.48% سے کم تھی۔ اسٹیٹ بینک پاکستان نے PIB کی بھی 6 نیلامیوں کا انعقاد کیا جس سے HYF17 کے دوران 646 بلین روپے حاصل ہوئے۔ ان 3، 5اور 10 سالوں کی پی آئی بی شرح منافع پچھلے سال کے منافع کی بالترتیب شرح 7.34%، 8.29%اور 9.24% سے کم ہو کر 6.17%، 6.67%اور 7.76% ہوگئی۔ حکومت نے مالی پالیسی کے متعلق بیان 25 مارچ 2017 کو جاری کیا۔ جسمیں پالیسی کی شرح 5.75% پر برقرار رکھنے کا فیصلہ کیا۔ اسٹیٹ بینک پاکستان نے مختلف میچورٹیز کے 62 اوپن مارکیٹ آپریشن جاری کئے اور اوسطاً کم از کم منافع 5.81% (Cut Off) کے ساتھ فی OMO 662 ملین روپے کے سرمائے کا اجراء کیا۔

مستقبل کی شکل:

سپلائی کی مشکلات کے باعث معیشت کافی عرصے تک بری کارکردگی کا مظاہرہ کرنے کے بعد پاکستان کی ایکوٹی مارکیٹ طول المدتی فنڈ امینٹل سرمایہ کاروں کیلئے روشن مواقع رکھتی ہے۔ سی پیک(CPEC) کیوجہ سے حوصلہ افزاء سرمایہ کاری، تیل کی کم قیمت، برآمدات کی ترغیبات، بڑھتے ہوئے کاروباری اعتماد اور جمہوری استحکام کیوجہ سے معیشت ٹیک آف کیلئے پوری طرح سے تیار ہے۔

گذشتہ سیاسی حکومت کے دور میں جی ڈی پی(GDP) کی نمو اوسطاً 3% کے نیچے تھی، حالیہ حکومت نے گذشتہ 3 سالوں میں اوسطاً نمو 4.3% دی ہے۔ مالی سال 2016 میں حاصل ہونے والی 4.7% شرح نمو، FY07 کے بعد بلند ترین تھی، ہم پیش گوئی کر سکتے ہیں کہ سپلائی کی مشکلات کے حل اور سی پیک (CPEC) پر عمل درآمد گی کے باعث FY19 میں حکومت کی 7% شرح نمو کے ہدف کو حاصل کر لینا عین ممکن ہے۔

KSE-100 انڈیکس نے MSCI ایمرجنگ اور فرنٹیئر مارکیٹس کو مسلسل 5 سالوں میں کافی پیچھے چھوڑ دیا ہے (دونوں MSCI ایمرجنگ مارکیٹ اور فرنٹیئر مارکیٹس انڈیکس کے مقابلے میں KSE-100 انڈیکس نے 31% اضافی منافع دیا)

مزید برآں، ستمبر میں پاکستان ٹیکس کے معاملات میں میوچل ایڈمنسٹریٹو اسسٹنس کے ملٹی لیٹرل کنونشن کا دستخط کنندہ ہو گیا، اس فریم ورک کو OECD نے تخلیق کیا ہے۔ یہ کنونشن بین الاقوامی سطح پر ٹیکس کے معاملات پر تعاون کا طاقتور ترین نظام ہے۔ یہ ٹیکس کے معاملات میں تمام اشکال کی انتظامی مدد کی درخواست پر معلومات کا تبادلہ، موقع پر تبادلہ، خود کار تبادلہ، بیرون ملک ٹیکس کی ایگزامینیشن، بیک وقت ٹیکس ایگزامینیشن اور ٹیکس کے حصول میں مدد شامل ہیں۔ یہ ٹیکس دہندہ کے حقوق کی مکمل تحفظ کی ضمانت دیتا ہے۔

دستخط کنندہ ہونے کے باعث پاکستان نے آف شور ٹیکس کی چوری اور پہلوتہی کو روکنے کے حوالے سے اپنی نیت کے بارے میں کافی مظبوط ارادوں کا اظہار کیا ہے۔ اس قدم کے دو پہلو فوائد ہونگے، اول یہ کہ ٹیکس نیٹ میں اضافہ اور دوسرا یہ کہ اس سے مقامی ایکوٹی مارکیٹ میں لیکوڈیٹی کی دوسری لہر آ سکتی ہے۔

پورٹ فولیو انوسٹمنٹ کے ساتھ ساتھ ہمیں یقین ہے کہ کئی اسٹریٹیجک انوسٹمنٹ (CPEC) سے متعلق سرمایہ کاری کے علاوہ، جیسا کہ اینگروفوڈکو ہالینڈ کی آر ایف سی (RFC) کا حاصل کر لینا، شنگھائی الیکٹرک کا کے الیکٹرک (K-Electric) کو لے لینا شامل ہیں، آنے والے سالوں میں ترقی کیلئے اہم وجہ ہوگی۔

برائے ومنجانب بورڈ

عمران موتی والا
چیف ایگزیکیٹو آفیسر

کراچی 27 اپریل 2017

AKD Opportunity Fund
Financial Information - Third Quarter FY17

Contents

AKD Opportunity Fund

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

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

BANKERS
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
BankIslami Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Soneri Bank Limited
Summit Bank Limited

AUDITORS
Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
1st Floor, Modern Motors House,
Beaumont Road, Karachi.

LEGAL ADVISER
Sattar & Sattar
Attorneys - at - law
3rd Floor, UBL Building,
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
Foundation Securities (Private) Limited
First Street Capital (Private) Limited
Savings Lounge (Pvt.) Limited
First Street Capital (Private) Limited
Finox (Private) Limited
4 Sight Investments

RATING - AKDOF
BY PACRA
Performance Ranking

Long-term	Short-term
5-Star	4-Star

FUND MANAGER'S REPORT

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

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.

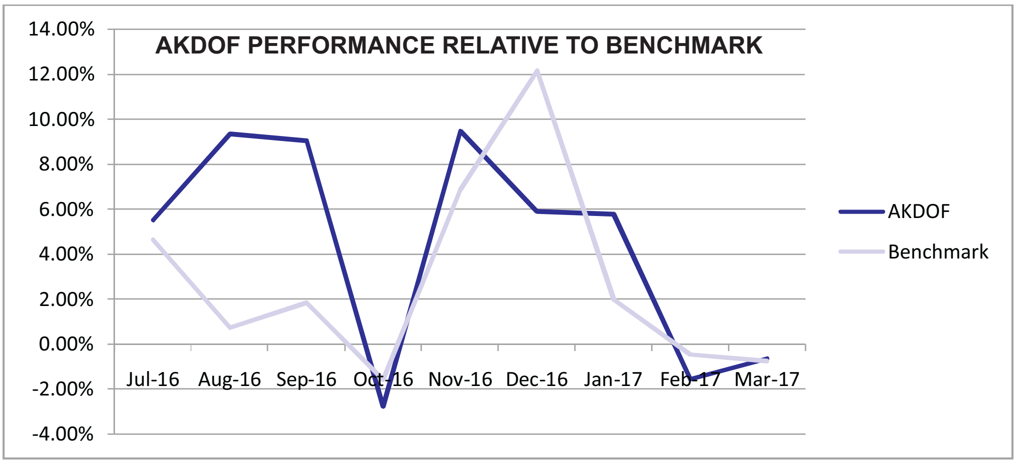
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 9MFY17, the return of AKD Opportunity Fund stood at 46.59% compared to the benchmark KSE-100 Index return of 27.45%, thus significantly outperforming the benchmark by 19.14%.

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 its said benchmark:



Monthly yield	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
AKDOF	5.50%	9.33%	9.03%	-2.78%	9.44%	5.90%	5.77%	-1.56%	-0.65%
Benchmark	4.62%	0.71%	1.84%	-1.60%	6.84%	12.16%	1.99%	-0.46%	-0.78%

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 requirements.

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

Asset Allocation (% of Total Assets)	31-Mar-17	31-Dec-16
Equities	92.26%	98.90%
Cashand Cash Equivalents	7.29%	0.73%
Other Assets	0.45%	0.37%

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

9MFY17 Return	46.59%
Benchmark Return	27.45%

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

Net Asset Value		Change in Net Assets	NAV Per Unit	
31-Mar-17	31-Dec-16		31-Mar-17	31-Dec-16
(Rupees In 000)			Rs.	Rs.
3,468,684	2,519,374	37.68%	117.57	113.66

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

The major macroeconomic indicators continued their positive trend in 9MFY17, on the back of strong growth led by China Pakistan Economic Corridor (CPEC), stable exchange rate and adequate foreign reserves. Moreover, foreign direct investment (FDI) from CPEC and up gradation of Pakistan's capital market from MSCI frontier Markets (FM) index to MSCI Emerging Market (EM) index is expected to further improve the stance of Pakistan stock market exchange in the global market.

CPI inflation during 9MFY17 clocked in 4.00%YoY as compared to 2.65%YoY during the corresponding period last year. Throughout 9MFY17, inflation remained within the SBP target range of 4.5%-5.5% and as a result the State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75 percent.

During the period under review, international oil prices recovered and traded in the range of USD 45-55 per barrel, positively impacted by OPEC's production cuts. The next OPEC meeting will take place in May 2017 where key decisions of supply cuts will have a significant impact on the oil prices going forward.

On the other hand, we believe that there will be an upward inflationary trend in 4Q FY17, driven by seasonal impact (Ramzan/EidUlfitr) and pass-through impact of oil prices. We believe the Consumer Price Index (CPI) will remain within the SBP's target range of 4.5-5.5% for FY17. A reversal in the monetary policy seems less probable in FY17 due to SBP focus on investment growth and improved private sector lending. (+13.6%YoY as of Feb'17).

According to SBP the current account deficit (CAD) clocked in at USD 6.13 billion (2.6% of GDP) in 9MFY17 against USD 2.35 billion (1.1% of GDP) in corresponding period last year. This is due to the tepid remittances in 9MFY17 (-2.3% YoY) and the trade balance deficit of USD 22.94 billion, up 26.8%.

Imports have increased by 12% YoY, on the back of rising machinery and equipment demand for CPEC related projects. While at the same time exports have suffered a decline of 2%, mainly owing to strong PKR relative to regional currencies, hurting the competitiveness of our export oriented industry. In this regard the Government has offered an incentive package for the Textile Industry to support its ailing exports. The Government has also imposed restriction to maintain 100% cash balance on the import of certain items to curb imports.

The total liquid foreign exchange reserves of Pakistan reached USD 21.55 billion (5-6 month import cover) by the end of 9MFY17, from its all-time high level of USD 24.02 billion in October 2016. Going forward, we expect some pressure on the reserves as external repayments (cumulative USD 1.5 bn- 1.75 bn) under Eurobond, Paris Club and China SAFE debt retirement to begin in June FY'17, while IMF re-payments will start in FY18. Despite these expected outflows we expect foreign inflows (Eurobond issue, multilateral and CPEC Loans) to compensate the same.

On the fiscal front, FBR has collected total tax revenue of PKR 2,258bn in 9MFY17, reflecting shortfall of 7% (PKR 168bn) against target PKR 2,426bn for the period. The Government has set the target of tax collection to PKR 3.62tn for FY17, which is ambitious in our view.

FDI has posted an increase of 12% YoY during the 9MFY17 as reported by SBP. Pakistan attracted FDI of USD 1.602 billion compared to USD 1.425 billion in the same period last year. Net foreign investment in Pakistan, comprising FDI, portfolio investment and foreign public investment increased by 116.4 percent to USD 2.232 billion in July-March of FY17 compared to USD 1.032 billion in the same period of last fiscal year. The increase is mainly due to foreign acquisitions of local companies as well as other funds from bilateral and multilateral sources. This is going to be a positive sign in future as China and other countries are expressing interest in investing in Pakistan to provide support to the external account.

In this regard The National Assembly in December, approved a mega tax amnesty scheme for real estate sector that would approve whitening of black money invested in the sector by paying only three per cent tax on the difference between the property prices notified in FBR valuation tables and the rates recorded by the property registration authority in transfer documents. As per the news flows, an amount of PKR 1.1 billion tax revenue has so far been collected by FBR under the amnesty scheme, implying total asset declaration of PKR 37 billion. The government is also considering introducing another amnesty scheme to bring back assets of Pakistan in overseas accounts.

Equity Market

The 9MFY'17, has been an impressive period for the KSE-100 index, which posted its all-time high closing of 50,192 in January, posting a return of 27% in 9MFY'17. Major Bull run was seen in the months of November and December, in which the index grew by 7% and 12% respectively; subsequently the index has remained highly volatile since the start of the calendar year, advancing only 0.73% since January, mainly due to crack-down on In-house financing by brokers and pending decision of the Panama case

The performance of the index in 9MFY'17 is mainly attributed to

- Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy.
- Renewed investor confidence due to Morgan Stanley Capital International (MSCI)'s re-classification of Pakistan in to Emerging Market Index.
- Country's successful completion of IMF program.
- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years.
- Sales uptick in Pakistan auto sector, on the back of renewed consumer spending and rise in consumer financing.
- S&P raising Pakistan's sovereign credit rating to B from B-.
- Announcement of a PKR 180 billion Export/Textile package to boost exports.
- 40% stake sale in the management of PSX, a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company (PCIC), and Habib Bank Ltd. (HBL) submitted the highest bid of PkR28/share for the 40% strategic stake.

- FBR's Revaluation of properties and regularization of real estate sector to increase tax net, as many investors switched from real estate to equity markets.
- SECP's crack-down on In-house lending activities of brokerage houses.
- Supreme Court's proceedings and un-disclosed verdict on Panama case.

Future Outlook

Pakistani equity market offer great opportunities for long term fundamental investors, after a long period of under-performance of the economy due to supply side bottlenecks, the economy is finally taking-off, spurred by capital investments under CPEC, low oil prices, export incentivization, increasing business confidence and democratic stability.

Annual GDP growth averaged at 3% under the previous political regime, the current government has delivered average growth of 4.3% in the last three years; while Fiscal year 2016's GDP growth of 4.7% is the highest since FY07. We foresee that the government's target GDP growth rate of 7% by FY'19 is well within the reach mainly owing to resolution of supply side bottlenecks and materialization of CPEC.

The KSE100 index has out-performed both MSCI Emerging and Frontier Markets, consistently in the past 5 years (posting an average annual surplus return of 31% above the MSCI EM&FM index).

Furthermore, In September Pakistan became signatory of "Multilateral Convention on Mutual Administrative Assistance in Tax Matters", a framework created by OECD. The Convention is the most powerful instrument for international tax cooperation. It provides for all forms of administrative assistance in tax matters: exchange of information on request, spontaneous exchange, automatic exchange, tax examinations abroad, simultaneous tax examinations and assistance in tax collection. It guarantees extensive safeguards for the protection of taxpayers' rights.

By becoming a signatory of the convention, Pakistan has sent a strong signal of its intention to curb offshore tax evasion and avoidance. The benefit of such a step will be two folds, first it will help increase the tax net and secondly, it might trigger another wave of liquidity in local equity markets.

In addition to foreign portfolio investments we believe many strategic investments (apart from CPEC related investments), similar to RFC of Netherlands acquiring Engro Foods and Shanghai Electric's management takeover of K-Electric, are going to be the prime drivers of growth in the coming years.

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 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 Fund Manager's report under review.

xii) Disclosure of any split (if any), comprising:

There were no unit splits during the period.

xiii) Break down of unit holding size:

Range (Units)	No. of Investors
0.1 - 9,999	1141
10,000 - 49,999	154
50,000 - 99,999	39
100,000 - 499,999	32
500,000 and above	12
	1378

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 broker or dealer by virtue of transactions conducted by the Collective Investment Scheme.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT MARCH 31, 2017

	Note	31 March 2017 (Unaudited)	30 June 2016 (Audited)
		(Rupees in '000)	
Assets			
Bank balances	5	**109,577**	101,494
Investments	6	**3,428,904**	1,534,327
Dividend, prepayment, profit and other receivable	7	**13,425**	7,801
Security deposits		**2,600**	2,600
Total assets		**3,554,506**	1,646,222
Liabilities			
Remuneration payable to the Management Company	13.1	**5,879**	2,505
Remuneration payable to the Trustee	13.1	**377**	205
Annual fee payable to Securities and Exchange Commission of Pakistan		**1,759**	1,242
Payable against purchase of investments (subsequently paid)		**17,909**	1,553
Amount payable on redemption of units		**10,267**	4,582
Accrued expenses and other liabilities	8	**18,626**	16,599
Provision for Workers' Welfare Fund	10	**-**	23,772
Provision for Sindh Workers' Welfare Fund	10	**30,743**	-
Unclaimed dividend		**262**	11
Total liabilities		**85,822**	50,469
Contingencies and commitments	11		
Net assets		**3,468,684**	1,595,753
Unit holders' fund (as per statement attached)		**3,468,684**	1,595,753
		(Number of Units)	
Number of units in issue		**29,502,550**	19,895,551
		(Rupees)	
Net assets value per unit (face value per unit Rs. 50/-)		**117.57**	80.21

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

		Nine months period ended 31 March		Three months period ended 31 March	
		2017	2016	**2017**	2016
	Note	----------------(Rupees in '000)----------------			
Income					
Gain on sale of 'held for trading investments' - net		**365,945**	81,235	**160,406**	(7,196)
Dividend income from held for trading investments		**34,325**	20,890	**10,982**	6,467
Profit on bank balances		**4,119**	2,127	**1,408**	380
Profit on Treasury Bills		**1,079**	-	**1,079**	-
Unrealised appreciation / (diminution) in the fair value of investments 'at fair value through profit or loss - held for trading' - net		**430,081**	(64,777)	**(63,674)**	(69,428)
		835,549	39,475	**110,201**	(69,777)
Expenses					
Remuneration to the Management Company		**37,022**	19,137	**16,302**	5,831
Remuneration to the Trustee		**2,602**	1,708	**1,062**	540
Annual fee to the Securities and Exchange Commission of Pakistan		**1,759**	909	**775**	277
Securities transaction cost		**6,133**	3,518	**2,595**	437
Auditors' remuneration		**229**	219	**62**	62
Other expenses	9	**7,968**	7,395	**3,395**	2,402
		55,713	32,886	**24,191**	9,549
Net income / (loss) from operating activities		**779,836**	6,589	**86,010**	(79,326)
Element of income and capital gains included in prices of units sold less those in units redeemed - net		**329,519**	4,912	**281,896**	1,820
Provision for Sindh Workers' Welfare Fund	*10*	**(30,743)**	-	**(30,743)**	-
Reversal for Provision worker Welfare Fund	*10*	**23,772**	-	**23,772**	-
Net Expense		**(6,971)**	**-**	**(6,971)**	
Net income / (loss) for the period before taxation		**1,102,384**	11,501	**360,935**	(77,506)
Taxation	*12*	**-**	-	**-**	-
Net income / (loss) for the period after taxation		**1,102,384**	11,501	**360,935**	(77,506)

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months period ended 31 March		Three months period ended 31 March	
	2017	2016	**2017**	2016
	--------------------(Rupees in '000)--------------------			
Net income / (loss) for the period	**1,102,384**	11,501	**360,935**	(77,506)
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income for the period	**1,102,384**	11,501	**360,935**	(77,506)

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months period ended 31 March		Three months period ended 31 March	
	2017	2016	**2017**	2016
	-----------------(Rupees in '000)-----------------			
Surplus at beginning of the period				
Represented by:				
- Realised	**208,062**	17,294	**486,727**	212,445
- Unrealised	**227,250**	255,225	**690,034**	149,081
	435,312	272,519	**1,176,761**	361,526
Net income / (loss) for the period	**1,102,384**	11,501	**360,935**	(77,506)
Surplus at end of the period	**1,537,696**	284,020	**1,537,696**	284,020
Represented by:				
- Realised	**918,024**	207,985	**918,024**	207,985
- Unrealised	**619,672**	76,035	**619,672**	76,035
	1,537,696	284,020	**1,537,696**	284,020

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon	**Imran Motiwala**
Chairman	Chief Executive Officer

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

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months period ended 31 March		Three months period ended 31 March	
	2017	2016	**2017**	2016
	--------------------(Rupees in '000)--------------------			
Net assets at beginning of the period	**1,595,753**	1,161,061	**2,519,374**	1,305,262
Cash received on issue of 24,778,727 (2016: 5,558,573) units	**2,721,926**	434,301	**1,277,091**	96,005
Cash paid on redemption of 15,171,728 (2016: 6,163,380) units	**(1,621,860)**	(472,950)	**(406,820)**	(192,940)
	1,100,066	(38,649)	**870,271**	(96,935)
Element of (income) and capital (gains) included in prices of units sold less those in units redeemed - net	**(329,519)**	(4,912)	**(281,896)**	(1,820)
Total comprehensive income / (loss) for the period (profit / (loss) for the period)	**1,102,384**	11,501	**360,935**	(77,506)
Net assets at end of the period	**3,468,684**	1,129,001	**3,468,684**	1,129,001
	------------------------- (Rupees) -------------------------			
Net assets value / Ex-distribution net asset value per unit at beginning of the period	**80.21**	72.02	**113.66**	77.29
Net assets value per unit at end of the period	**117.57**	72.77	**117.57**	72.77

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Note	Nine months period ended 31 March		Three months period ended 31 March	
		2017	2016	**2017**	2016
		-----------------(Rupees in '000)-----------------			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss) for the period		**1,102,384**	11,501	**360,935**	(77,506)
Adjustments for:					
Net unrealised (appreciation) / diminution in the fair value of investments 'at fair value through profit or loss - held for trading'		**(430,081)**	64,777	**63,674**	69,428
Element of (income) / loss and capital (gains) / losses - net included in prices of units sold less those in units redeemed - net		**(329,519)**	(4,912)	**(281,896)**	(1,820)
		342,784	71,366	**142,713**	(9,898)
(Increase) / decrease in assets					
Investments		**(1,315,126)**	(56,366)	**(800,776)**	75,409
Dividend, prepayment, profit and other receivable		**(5,624)**	(2,994)	**(6,661)**	(1,626)
Amount receivable on sale of units		**-**	24,473	**-**	3,216
		(1,320,750)	(34,887)	**(807,437)**	76,999
Increase / (decrease) in liabilities					
Remuneration payable to the Management Company		**3,374**	(22)	**1,740**	(357)
Remuneration payable to the Trustee		**172**	1	**87**	(18)
Annual fee payable to the Securities and Exchange Commission of Pakistan		**517**	41	**775**	277
Payable against purchase of investments		**16,356**	(23,809)	**17,909**	-
Payable on redemption of units		**5,685**	7,493	**8,352**	20,556
Accrued expenses and other liabilities		**2,027**	(1)	**(1,276)**	750
Provision For Worker Welfare Fund		**(23,772)**	-	**(23,772)**	-
Provision For Sindh Worker Welfare Fund		**30,743**	-	**30,743**	-
Unclaimed dividend		**251**	-	**-**	-
		35,353	(16,297)	**34,558**	21,208
Net cash used in / generated from operating activities		**(942,613)**	20,182	**(630,166)**	88,309
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received on issuance of units		**2,721,926**	434,301	**1,277,091**	96,005
Cash paid on redemption of units		**(1,621,860)**	(472,950)	**(406,820)**	(192,940)
Net cash used in / generated from financing activities		**1,100,066**	(38,649)	**870,271**	(96,935)
Net (decrease)/increase in cash and cash equivalents during the period		**157,453**	(18,467)	**240,105**	(8,626)
Cash and cash equivalents at beginning of the period		**101,494**	34,087	**18,842**	24,246
Cash and cash equivalents at end of the period	5.2	**258,947**	15,620	**258,947**	15,620

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Opportunity Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules). The Fund is governed under the Rules and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). 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 Rules. Accordingly title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund. The Fund is registered as a notified entity under the Regulations.

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

The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange Limited. 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 is categorised as Equity Scheme as per circular 7 of 2009 by SECP. As per the circular, 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 Pakistan Credit Rating Company Limited (PACRA) has assigned asset manager rating of 'AM3+' to the Management Company dated 08 June 2016. PACRA has also assigned performance ranking of "MFR 4-Star" to the Fund in performance period of 1 year and 3 year category and "MFR 5-Star" in performance period of 5 year category on December 07, 2016.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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 2016.

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

3. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2016.

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 sources of estimation uncertainty were the same as those that applied to the annual financial expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Fund's accounting policies and the key statements as at and for the year ended 30 June 2016.

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 2016.

	Note	**31 March 2017 (Unaudited)**	30 June 2016 (Audited)
		(Rupees in '000)	
5. BANK BALANCES			
Saving accounts	*5.1*	**109,567**	101,477
Current accounts		**10**	17
		109,577	101,494

5.1 These represents profit and loss sharing accounts maintained with various banks carrying profit at the rate ranging from 3.75 % to 4.75%. (30 June 2016: 3.75% to 5.50%) per annum.

5.2 CASH AND CASH EQUIVALENTS

Bank Balances		**109,577**	101,494
Treasury Bills having original matuirty of 3 months		**149,370**	-
		258,947	101,494

6. INVESTMENTS

Investments in securities at fair value through profit or loss - held for trading

Listed equity securities	6.1	**3,279,534**	1,534,327
Government securities		**149,370**	-
		3,428,904	1,534,327

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 1st July 2016	Acquired during the Period	Bonus / Right shares received during the Period	Disposed during the Period	Holding at end of the 31 March 2017	Cost as of the Period ended 31 March 2017	Carrying value (before revaluation as of the year ended 31 March 2017)	Market value as of the Period ended 31 March 2017 (revised carrying value)	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	..........................Number of shares..........................					.... (Rupees in '000')..............			...................Percentage...................		
AUTOMOBILE ASSEMBLER											
Atlas Honda Limited	175,100	-	-	34,000	141,100	50,354	52,066	78,975	2.28	2.30	0.14
Dewan Farooq Motors Limited	100,000	-	-	100,000	-	-	-	-	0.00	-	0.00
Honda Atlas Cars (Pakistan) Limited	-	55,000	-	55,000	-	-	-	-	0.00	-	0.00
						50,354	**52,066**	**78,975**			
AUTOMOBILE PARTS & ACCESSORIES											
General Tyre & Rubber Company Of Pakistan Limited	-	50,000	-	7,300	42,700	9,990	9,990	11,575	0.33	0.34	0.07
Thal Limited (Face value of Rs. 5 each)	287,700	29,000	-	41,200	275,500	60,954	80,920	146,015	4.21	4.26	0.34
						70,944	**90,910**	**157,590**			
CABLE & ELECTRICAL GOODS											
Pak Electron Limited	-	1,020,000	-	645,000	375,000	26,991	26,991	34,538	1.00	1.01	0.08
Pakistan Cables Limited	361,200	-	-	58,400	302,800	44,747	51,633	89,414	2.58	2.61	1.06
TPL Trakker Limited	360,500	25,000	-	-	385,500	5,324	4,894	5,424	0.16	0.16	0.18
						77,062	**83,518**	**129,376**			
CEMENT											
Dewan Cement Limited	1,575,500	1,500,000	-	3,075,500	-	-	-	-	0.00	-	0.00
Javedan Corporation Limited	2,518,500	504,000	-	-	3,022,500	89,566	91,198	106,060	3.06	3.09	2.42
						89,566	**91,198**	**106,060**			
CHEMICALS											
Archroma Pakistan Limited	46,900	-	-	9,900	37,000	10,958	18,032	28,120	0.81	0.82	0.11
Biafo Industries Limited	280,100	-	26,609	45,900	260,809	42,525	61,927	74,526	2.15	2.17	1.30
Buxly Paints Limited	31,500	-	-	-	31,500	1,356	1,244	4,095	0.12	0.12	2.19
Dynea Pakistan Limited (Face value of Rs. 5 each)	10,000	-	-	1,000	9,000	522	410	590	0.02	0.02	0.05
Engro Polymer & Chemicals Limited	-	2,635,000	-	500,000	2,135,000	38,372	38,372	53,973	1.56	1.57	0.32
Lotte Chemical Pakistan Limited	-	5,055,000	-	2,175,500	2,879,500	28,582	28,582	30,523	0.88	0.89	0.19
Nimir Industrial Chemical Limited	124	-	-	-	124	1	4	6	0.00	-	0.00
						122,316	**148,571**	**191,833**			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at beginning of the Period 1st July 2016	Acquired during the Period	Bonus / Right shares received during the Period	Disposed during the Period	Holding at end of the 31 March 2017	Cost as of the Period ended 31 March 2017	Carrying value (before revaluation as of the year ended 31 March 2017)	Market value as of the Period ended 31 March 2017 (revised carrying value)	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	.........................Number of shares				....	.... (Rupees in '000')		....	...................Percentage		....
COMMERCIAL BANKS											
Allied Bank Limited	-	337,500	-	100,300	237,200	22,771	22,771	22,297	0.64	0.65	0.02
Askari Bank Limited	-	150,000	-	150,000	-	-	-	-	0.00	-	0.00
BankIslami Pakistan Limited	3,342,067	2,606,000	-	-	5,948,067	59,924	67,567	77,325	2.23	2.26	0.59
Faysal Bank Limited	-	1,500,000	47,500	1,000,000	547,500	12,197	12,197	10,950	0.32	0.32	0.05
JS Bank Limited	-	4,000,000	-	4,000,000	-	-	-	-	0.00	-	0.00
MCB Bank Limited	-	40,000	-	40,000	-	-	-	-	0.00	-	0.00
National Bank of Pakistan	-	303,000	-	103,000	200,000	15,309	15,309	14,934	0.43	0.44	0.01
NIB Bank Limited	1,823,471	-	-	-	1,823,471	5,939	3,483	3,337	0.10	0.10	0.02
Samba Bank Limited	412,000	-	-	-	412,000	1,957	3,152	3,292	0.09	0.10	0.04
Summit Bank Limited	2,990,500	18,046,500	-	7,463,000	13,574,000	49,137	48,020	58,775	1.69	1.71	0.76
The Bank Of Punjab	-	1,350,000	-	1,350,000	-	-	-	-	0.00	-	0.00
						167,234	**172,499**	**190,910**			
ENGINEERING											
Aisha Steel Mills Limited	2,454,500	6,695,500	-	1,100,000	8,050,000	137,286	142,095	204,953	5.91	5.98	2.97
Huffaz Seamless Pipe Industries Limited	234,675	-	-	-	234,675	6,571	4,107	5,508	0.16	0.16	0.42
Pakistan Engineering Company Limited	-	6,900	-	-	6,900	2,401	2,401	2,008	0.06	0.06	0.12
						146,258	**148,603**	**212,469**			
FERTILIZER											
Arif Habib Corporation Limited	-	400,000	-	200,000	200,000	8,589	8,589	8,558	0.25	0.25	0.04
Dawood Hercules Corporation Limited	-	60,100	-	25,000	35,100	4,623	4,623	4,651	0.13	0.14	0.01
Engro Corporation Limited	-	803,000	-	192,900	610,100	206,316	206,316	224,529	6.47	6.55	0.12
Engro Fertilizers Limited	-	603,500	-	-	603,500	42,670	42,670	37,815	1.09	1.10	0.05
						262,198	**262,198**	**275,553**			
FOOD & PERSONAL CARE-PRODUCTS											
Al Shaheer Corporation Limited	-	120,500	-	120,500	-	-	-	-	0.00	-	0.00
Engro Foods Ltd	-	130,000	-	130,000	-	-	-	-	0.00	-	0.00
Murree Brewery Company Limited	25,000	28,400	-	16,750	36,650	32,433	31,884	28,221	0.81	0.82	0.16
Quice Food Industries Limited	2,732,500	1,360,500	-	458,500	3,634,500	30,274	30,984	32,311	0.93	0.94	3.69
Treet Corporation Limited	-	191,000	-	75,000	116,000	8,680	8,680	8,438	0.24	0.25	2.77
						71,387	**71,548**	**68,970**			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at beginning of the Period 1st July 2016	Acquired during the Period	Bonus / Right shares received during the Period	Disposed during the Period	Holding at end of the 31 March 2017	Cost as of the Period ended 31 March 2017	Carrying value (before revaluation as of the year ended 31 March 2017)	Market value as of the Period ended 31 March 2017 (revised carrying value)	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	..........................Number of shares........................					.... (Rupees in '000').............			...................Percentage...................		
GLASS & CERAMICS											
Balochistan Glass Limited	1,300,000	-	-	-	1,300,000	9,076	6,279	19,318	0.56	0.56	0.76
Ghani Glass Limited	-	25,000	-	-	25,000	3,769	3,769	3,141	0.09	0.09	0.01
Shabbir Tiles & Ceramics (Face value of Rs. 5 each)	101,120	250,000	-	150,000	201,120	2,626	2,628	3,244	0.09	0.09	0.08
						15,471	**12,676**	**25,703**			
INSURANCE											
Adamjee Insurance Company Limited	-	196,000	-	-	196,000	14,896	14,896	14,823	0.43	0.43	0.17
Askari General Insurance Company Limited	-	406,000	-	-	406,000	15,992	15,992	15,895	0.46	0.46	1.05
EFU General Insurance Limited	-	299,300	-	-	299,300	46,260	46,260	51,842	1.49	1.51	0.15
Pakistan Reinsurance Company Limited	113,000	-	-	-	113,000	2,938	3,419	5,820	0.17	0.17	0.04
TPL Direct Insurance Company	64,976	-	-	-	64,976	686	1,160	1,543	0.04	0.04	0.09
						80,772	**81,727**	**89,923**			
INVESTMENT BANK/INV.COS/SEC COS.											
Jahangir Siddiqui & Company Limited	-	7,452,500	-	1,000,000	6,452,500	156,682	156,682	171,056	4.93	4.99	0.70
JS Investments Limited	3,158,000	-	-	-	3,158,000	55,763	43,580	47,054	1.36	1.37	3.94
						212,445	**200,262**	**218,110**			
MISCELLENOUS											
Macpac Films Limited	436,500	-	-	-	436,500	8,843	8,294	9,625	0.28	0.28	1.12
TPL Properties Limited	2,500,000	-	-	-	2,500,000	31,250	31,250	23,000	0.66	0.67	1.20
Tri-Pack Films Limited	-	92,300	-	42,300	50,000	13,491	13,491	12,662	0.37	0.37	0.13
						53,584	**53,035**	**45,287**			
OIL & GAS EXPLORATION COMPANIES											
Oil and Gas Development Company Limited	650,000	900,000	-	392,200	1,157,800	173,514	177,824	171,713	4.95	5.01	0.03
Pakistan Petroleum Limited	80,000	-	-	-	80,000	9,560	12,404	12,393	0.36	0.36	0.00
						183,074	**190,228**	**184,106**			
OIL & GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	-	770,600	-	43,700	726,900	314,290	314,290	307,857	8.88	8.98	0.27
Sui Northern Gas Pipelines Limited	4,050,000	50,000	-	4,100,000	-	-	-	-	0.00	-	0.00
						314,290	**314,290**	**307,857**			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at beginning of the Period 1st July 2016	Acquired during the Period	Bonus / Right shares received during the Period	Disposed during the Period	Holding at end of the 31 March 2017	Cost as of the Period ended 31 March 2017	Carrying value (before revaluation as of the year ended 31 March 2017)	Market value as of the Period ended 31 March 2017 (revised carrying value)	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	........................Number of shares				....	.... (Rupees in '000')		....	...................Percentage		....
PAPER AND BOARD											
Century Paper & Board Mills Limited	-	238,000	-	238,000	-	-	-	-	0.00	-	0.00
Merit Packaging Limited	729,500	229,000	-	-	958,500	15,704	18,197	24,921	0.72	0.73	2.38
Pakistan Paper Products Limited	65,500	1,000	-	-	66,500	5,548	4,519	4,711	0.14	0.14	1.11
						21,252	**22,716**	**29,632**			
PHARMACEUTICALS											
GlaxoSmithKline Pakistan Limited	-	235,100	-	-	235,100	62,772	62,772	53,043	1.53	1.55	0.07
						62,772	**62,772**	**53,043**			
POWER GENERATION & DISTRIBUTION											
Japan Power Generation Limited	2,602,000	1,805,000	-	400,000	4,007,000	20,492	19,812	23,601	0.68	0.69	2.57
K-Electric Limited (Face value Rs. 3.5/- each)	14,400,000	22,000,000	-	5,515,000	30,885,000	275,085	273,832	252,638	7.28	7.37	0.11
						295,577	**293,644**	**276,239**			
REFINERY											
Attock Refinery Limited	435,400	95,000	-	475,400	55,000	25,612	25,612	24,685	0.71	0.72	0.06
Byco Petroleum Pakistan Limited	-	400,000	-	400,000	-	-	-	-	0.00	-	0.00
Pakistan Refinery Limited	-	150,500	-	-	150,500	7,073	7,073	11,995	0.35	0.35	0.05
						32,685	**32,685**	**36,680**			
SUGAR & ALLIED INDUSTRIES											
Imperial Sugar Limited	-	73,500	-	-	73,500	2,039	2,039	2,246	0.06	0.07	0.07
Shakarganj Limited	2,185,469	-	-	2,185,000	469	7	7	35	0.00	-	0.00
						2,046	**2,046**	**2,281**			
SYNTHETICS AND RAYON											
Pakistan Synthetics Limited	-	200,000	-	-	200,000	7,200	7,200	5,694	0.16	0.17	0.36
						7,200	**7,200**	**5,694**			
TECHNOLOGY & COMMUNICATION											
Hum Network Limited (Face value Rs. 1/- each)	-	760,000	-	-	760,000	11,438	11,438	9,424	0.27	0.27	0.01
Pak Datacom Limited	798,258	-	-	798,258	-	-	-	-	0.00	-	0.00
Pakistan Telecommunication Company Limited	2,001,500	2,657,000	-	2,158,500	2,500,000	48,747	42,359	40,425	1.17	1.18	0.07
Systems Limited	-	80,000	-	-	80,000	7,422	7,422	6,684	0.19	0.19	0.07
Telecard Limited	1,750,000	-	-	1,750,000	-	-	-	-	0.00	-	0.00
TRG Pakistan Limited (6.1.1)	4,475,745	1,430,000	-	-	5,905,745	102,277	211,748	307,571	8.87	8.97	1.08
Worldcall Telecom Limited	12,500	-	-	12,500	-	-	-	-	0.00	-	0.00
						169,884	**272,967**	**364,104**			

Sectors / companies (Ordinary shares have a face value of Rs 10 each unless stated otherwise)	Holding at beginning of the Period 1st July 2016	Acquired during the Period	Bonus / Right shares received during the Period	Disposed during the Period	Holding at end of the 31 March 2017	Cost as of the Period ended 31 March 2017	Carrying value (before revaluation as of the year ended 31 March 2017)	Market value as of the Period ended 31 March 2017 (revised carrying value)	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	........................Number of shares........................					.... (Rupees in '000')................			....................Percentage....................		
TEXTILE COMPOSITE											
Gul Ahmed Textile Mills Limited	-	505,000	-	-	505,000	20,213	20,213	21,209	0.61	0.62	0.28
Gul Ahmed Textile Mills Limited (LoR)	-	101,000	-	-	101,000	-	-	1,717	0.05	0.05	0.06
Nishat Mills Limited	-	186,900	-	161,900	25,000	4,362	4,362	4,130	0.12	0.12	0.01
The Crescent Textile Mills Limited	-	140,000	-	-	140,000	3,989	3,989	5,106	0.15	0.15	0.18
						28,564	**28,564**	**32,162**			
TEXTILE SPINNING											
Colony Textile Mills Limited	-	400,000	-	-	400,000	2,375	2,375	2,116	0.06	0.06	0.08
Crescent Fibres Limited	37,000	-	-	-	37,000	1,038	1,476	1,203	0.03	0.04	0.30
Ellcot Spinning Mills Limited	444,138	190,500	-	-	634,638	50,348	53,281	76,225	2.20	2.22	5.80
Fazal Cloth Mills Limited	600	-	-	-	600	56	85	117	0.00	-	0.00
Gadoon Textile Mills Limited	-	13,600	-	13,600	-	-	-	-	0.00	-	0.00
Island Textile Mills Limited	33,600	1,350	-	50	34,900	8,915	32,970	38,354	1.11	1.12	6.98
Saif Textile Mills Limited	141,000	-	-	-	141,000	2,529	2,506	3,029	0.09	0.09	0.53
						65,261	**92,693**	**121,044**			
TEXTILE WEAVING											
Samin Textiles Limited	53,500	-	-	-	53,500	440	386	429	0.01	0.01	0.20
						440	**386**	**429**			
TRANSPORT											
Pakistan International Airlines Corporation Limited	-	907,500	-	907,500	-	-	-	-	0.00	-	0.00
						-	**-**	**-**			
VANASPATI & ALLIED INDUSTRIES											
Punjab Oil Mills Limited	195,900	5,000	-	-	200,900	51,160	53,635	68,305	1.97	1.99	3.73
S.S. Oil Mills Limited	156,500	-	-	-	156,500	6,066	6,808	7,199	0.21	0.21	2.77
						57,226	**60,443**	**75,504**			
Total as at 31 March 2017						**2,659,862**	**2,849,445**	**3,279,534**			
Total as at 30 June 2016						**1,307,077**	**1,445,663**	**1,534,327**			

6.1.1 These include 2.5 million shares having market value of Rs. 130.2 million of TRG Pakistan Limited as pledged with National Clearing Company of Pakistan Limited as on 31 March 2017.

6.2 Government Securities

Treasury Bills	Holding at beginning of the Period 1st July 2016	Acquired during the Period	Disposed during the Period	Holding at end of the 31 March 2017	Carrying value (before revaluation as of the year ended 31 March 2017)	Market value as of the Period ended 31 March 2017 (revised carrying value)	Market value as a percentage of net assets
Treasury Bills 3 Months (Face Value Rs 5,000 Each)	-	30,000	-	30,000	149,377	149,370	4.31

	Note	31 March 2017 (Unaudited)	30 June 2016 (Audited)
7. DIVIDEND, PREPAYMENT, PROFIT AND OTHER RECEIVABLE		(Rupees in '000)	
Dividend receivable		**10,210**	350
Prepayments		**52**	-
Markup receivable Habib Metropolitan Bank		**453**	336
Advance Tax		**175**	116
Amount receivable on conversion of units		**2,535**	6,999
		13,425	7,801

	Note	31 March 2017 (Unaudited)	30 June 2016 (Audited)
8. ACCRUED EXPENSES AND OTHER PAYABLES			
Auditors' remuneration		**190**	200
Brokerage payable		**709**	172
Sindh Sales Tax	8.1	**814**	436
Federal Excise Duty on Management remuneration	8.2	**10,092**	10,092
Withholding tax payable		**1,635**	3,733
Zakat payable		**526**	285
Allocated expenses by the Management Company	8.3	**1,079**	125
Others		**3,581**	1,556
		18,626	16,599

8.1 During the period, an amount of Rs. 4.812 million was charged on account of sales tax on Management fee levied through Sindh Sales Tax on Services Act, 2011 and 0.358 million on trustee remuneration & CDS charges levied through Sindh Sales Tax on Finance Act 2015. As at period end, sales tax on Management Company remuneration of Rs. 0.764 million and on trustee remuneration & CDS charges amounting 0.05 million was due, which was paid subsequent to the period end to the Management Company and Central Depository Company respectively, for onwards payment to the Government of Sindh.

8.2 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Fund, as a matter of abundant caution, has charged FED and sales tax thereon in its financial statements with effect from June 13, 2013.

As per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016. Accordingly, no provision for FED is made from July 01, 2016 onwards.

The Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be ‘Ultra Vires’ the Constitution. The management is however of the view that since the Federal

Government has appealed against the order, the previous balance of FED shall not be reversed.

The Management Company, in view of the pending decision and as a matter of abundant caution, has made a provision for FED with effect from June 13, 2013 to June 30, 2016 aggregating to Rs.10.092 million. Had the said provision of FED not been recorded in the books of account of the Fund, the net asset value per unit of the Fund for period ended 31 March 2017 would have been higher by Re. 0.342 (30 June 2016: Re. 0.507) per unit.

8.3 The reimbursable expenses have been charged as per NBFC Regulation 60, which states that fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum unto 0.1% of average net assets of the Scheme or actual whichever is less. During the Period an amount of Rs 1.851 million is charged related to reimbursable expense as per regulation 60.

8.4 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the current period ended March 31, 2017 is 3.17% which includes 1.23% representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations.

9. Other Expenses		**31 March 2017 (Unaudited)**	31 March 2016 (Unaudited)
		(Rupees in '000)	
Printing and stationery		**98**	71
National Clearing Company of Pakistan Limited charges		**315**	263
Central Depository Company of Pakistan Limited charges		**161**	100
Pakistan Stock Exchange listing fee		**41**	38
Fees and subscription		**259**	263
Allocated expense by the Management Company	8.3	**1,851**	220
Bank charges		**72**	18
Federal excise duty		**-**	3,062
Sales tax on Management Remuneration / CDC / CDS		**5,171**	3,360
		7,968	7,395

10. REVERSAL OF WORKERS' WELFARE FUND AND PROVISION FOR SINDH WORKERS' WELFARE FUND

The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

The Sindh Revenue Board (SRB) had written to mutual funds in January 2016 to register and pay Sindh WWF for the accounting year closing on or Dec 31,2013.MUFAAP had written to SRB that mutual funds are not establishments and are pass through vehicles hence they don't have any workers and no WWF is payable by them. In August 2016 we had taken an opinion from A.F Ferguson on the same too. SRB responded back on November 11,2016 that as mutual funds are included in definition of financial institutions as per the financial institution (Recovery of finances) Ordinance 2001 . However the companies ordinance 1984,the master law applicable for mutual funds did not include the mutual funds in the definition . The new companies Ordinance 2016 signed on November 11 2016, had included the mutual funds in the definition of Financial Institution but that was not approved by the senate so we are back to the Companies Ordinance 1984 where mutual funds are not included in the definition of financial institution. We have responded back to SRB vice our letter dated December 26, 2016 and taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from Sindh WWF. This however would be in due course of time and we will be challenging the same in the

Courts if SRB persists on claiming Sindh WWF from mutual funds. However for the sake of prudence we feel that while we are considering reversing the provision of Federal WWF, we need to consider provisioning for Sindh WWF in the funds.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds. MUFAP has recommended the following to all its members on 12 January 2017:

1 based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and

2 the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, the provision for SWWF is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds. Accordingly, the Fund has recorded these adjustments in its books on 12 January 2017.

Had the provision for SWWF not been made, the Net Asset Value per unit of the Fund as at March 31, 2017 would have been higher by Re. 1.042 per unit.

11. CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments at the period and year end.

12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to 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 capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending 30 June 2016 as reduced by capital gains (whether realised or unrealised) to its 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.

13. 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 (holding company of the management company), AKD Securities Limited being the related parties of the Management company, Central Depository Company of Pakistan Limited being the trustee, associated companies of the

Management Company / holding company of management company and other associates, other collective investment schemes managed by the Management Company and directors and key management personnel of the Management Company and above entities and also includes entities holding 10% or more in the units of the Fund as at 31 March 2017. It also includes staff retirement funds of the above connected persons / related parties and entities in which the above parties or their connected persons have a material interest. All related party transactions have been transacted at arm's length basis.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively. Purchase and redemptions of the Fund's units by the connected persons / related parties are recorded at the applicable net asset value per unit. Other transactions are recorded in accordance with the agreed terms.

13.1 Balance as at period / year ended	31 March 2017 (Unaudited)	30 June 2016 (Audited)
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration payable	**5,879**	2,505
Allocated expenses by the Management Company	**1,079**	125
Sales load payable	**1,867**	844
Units outstanding : 1,700 (June 2016: 12,672)	**200**	1,016
Sales tax payable on Management Company's remuneration*	**764**	407
Federal Excise Duty*	**10,092**	10,092
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	**377**	205
Security deposit	**100**	100
CDS charges	**18**	4
Sales tax payable on Trustee fee & CDS charges	**50**	30
Receivable from other Funds Managed by the Management Company		
Receivable from Funds under Management of AKD Investment Management Ltd. against Conversion of units	**2,535**	6,999
Payable to other Funds Managed by the Management Company		
Payable to Funds under Management of AKD Investment Management Ltd. against Conversion of units	**10,214**	2,933
Arabian Sea Enterprises Limited (having invested more than 10% in the units of the Fund)		
Units outstanding : 3,573,194 (12.11% of the total units in issue as at the period end) June 2016: 2,068,043 (10.39% of the total units in issue as at the year end)	**420,029**	165,857
Aqeel Karim Dhedhi Securities (Pvt.) Limited Staff Provident Fund		
Units outstanding : 64,395 (June 2016: 64,395)	**7,570**	5,165

	31 March 2017 (Unaudited)	30 June 2016 (Audited)
	(Rupees in '000)	
AKD Investment Management Ltd Staff Provident Fund		
Units outstanding : 43,103 (June 2016: 91,999)	**5,067**	7,378
Ms Anum**		
Chief Investment Officer of the Management Company		
Units outstanding : 22,960 (June 2016: 22,960)	**2,699**	1,841
Spouse - Chief Investment Officer of the Management Company		
Units outstanding : 123,087 (June 2016: 123,087)	**14,469**	9,872
Ms Hina Aqeel		
Close relative of Mr. Aqeel Karim Dhedhi		
Units outstanding : 27,155 (June 2016: 27,155)	**3,192**	2,178
Spouse - Chief Executive Officer of the Management Company		
Units outstanding : 607,273 (June 2016: 608,674)	**71,385**	48,816
AKD Securities Limited - Brokerage House		
Brokerage payable on purchase and sale of marketable securities	**54**	-
Mr. Imran Motiwala- Chief Executive Officer***		
Units Outstanding: 23,455 (June 2016 : 6,919)	**2,757**	555
Mr. Ali Wahab Siddiqui***		
Units Outstanding: 1,636 (June 2016 : Nil)	**192**	-
Mr. Muhammad Yaqoob **		
Units Outstanding : 10,831 (June 2016 : 4,313)	**1,273**	346
Mr. Hasan Ahmed ***		
Units Outstanding : 18,986 (June 2016 : Nil)	**2,232**	-
Mrs. Noureen Nadir **		
Units Outstanding: 1,293 (June 2016 : Nil)	**152**	-
Mr. Abdul Karim ***		
Units Outstanding : 531 (June 2016 : Nil)	**62**	-
Mr. Toqir Hussain **		
Units Outstanding : 58 (June 2016 : Nil)	**7**	-
Mr. Ubaid ur Rehman **		
Units Outstanding : 583 (June 2016 : Nil)	**69**	-
Mr. Murtaza Wahab Siddiqui		
Spouse of the Director of Management Company		
Units Outstanding : 13,653 (June 2016 : 13,653)	**1,605**	1,095

	31 March 2017 (Unaudited)	30 June 2016 (Audited)
	(Rupees in '000)	
Mr.Muhammad Siddiq Khokar		
Director of the Golden Arrow Selected Stocks Fund Limited		
Units Outstanding : 54 (June 2016 : Nil)	6	-

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

** Key Management personnel of the Management Company

*** Director of the Management Company

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

	Nine Months period Ended 31 March 2017 (Unaudited)	Nine Months period Ended 31 March 2016 (Unaudited)
	(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration	37,022	19,137
Sindh sales tax on Management Company's Remuneration*	4,813	3,108
Federal excise duty on Management Company's Remuneration*	-	3,062
Allocated expense by the Management Company	1,851	220
Sales load	4,766	1,770
Units issued : 235,353 (2016 : 42,723) units	26,552	2,987
Units redeemed : 246,325 (2016 : 50,065) units	28,190	4,200
Central Depository Company of Pakistan - Trustee of the Fund		
Remuneration	2,602	1,708
Central Depository Service charges	161	100
Sales Tax Provincial (Trustee & CDS)	358	253
AKD Investment Management Limited- Staff Provident Fund		
Units issued : 84,694 (2016 : 205,087)	10,066	16,012
Units redeemed : 133,590 (2016 : 112,208)	15,080	9,468
Spouse- Chief Executive Officer of the Management Company		
Units issued : Nil (2016 : 608,674)	-	47,932
Units redeemed : 1,402 (2016 : 146,896)	150	12,121
Ms. Anum ** Chief Investment Officer of the Management Company		
Units Issued : Nil (2016: 22,472)	-	1,700
Ms Hina Aqeel Close relative of Mr. Aqeel Karim Dhedhi		
Units Issued : Nil (2016: 26,577)	-	2,002

	Nine Months period Ended 31 March 2017 (Unaudited)	31 March 2016 (Unaudited)
	(Rupees in '000)	
AKD Securities Limited - Brokerage House		
Commission on purchase and sale of marketable securities	**422**	236
Arabian Sea Enterprise Limited (having invested more than 10% in the units of the Fund)		
Units issued : 1,505,151 (2016 : Nil)	**172,021**	-
Mr. Imran Motiwala- Chief Executive Officer* **		
Units issued : 16,537 (2016 : Nil)	**1,400**	-
Mr. Ali Wahab Siddiqui* **		
Units issued : 1,636 (2016 : Nil)	**200**	-
**Mr. Muhammad Yaqoob ** **		
Units issued : 6,518 (2016 : 1,170)	**703**	80
Mr. Hasan Ahmed * **		
Units issued : 37,944 (2016 : Nil)	**4,334**	-
Units redeemed : 18,958 (2016 : Nil)	**2,248**	-
Mr.Muhammad Siddiq Khokar		
Director of the Golden Arrow Selected Stocks Fund Limited		
Units issued : 54 (2016 : Nil)	**5**	-
**Mrs. Noureen Nadir ** **		
Units issued : 1,394 (2016 : Nil)	**160**	-
Units redeemed : 101 (2016 : Nil)	**10**	-
Mr. Abdul Karim * **		
Units issued : 531 (2016 : Nil)	**50**	-
Mr. Toqir Hussain **		
Units issued : 58 (2016 : Nil)	**5**	-
Mr. Ubaid ur Rehman **		
Units issued : 583 (2016 : Nil)	**51**	-

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

** Key Management personnel of the management company

*** Director of the Management Company

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

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

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

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

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

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

The table below analyze financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurements is categorized:

	As at March 31 2017			
ASSETS	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Rupees in '000)			
Investment in securities - at fair value through profit or loss - held for-trading				
- Quoted equity securities	**3,279,534**	**149,370**	**-**	**3,428,904**
	3,279,534	**149,370**	**-**	**3,428,904**

	As at June 30, 2016			
ASSETS	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Rupees in '000)			
Investment in securities - at fair value through profit or loss - held for-trading				
- Quoted equity securities	1,534,327	-	-	1,534,327
	1,534,327	-	-	1,534,327

15. GENERAL

15.1 This condensed interim financial information is unaudited.

15.2 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.

16. DATE OF AUTHORIZATION OF ISSUE

This condensed interim financial information was authorized for issue on 27 April 2017 by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

Abdul Karim Memon
Chairman

Imran Motiwala
Chief Executive Officer

Printed by : Kodwavi 32214433

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