Golden Arrow
SELECTED STOCKS FUND LIMITED

# 1st Quarter Report
# September 30, 2012
# (Un-audited)

# Quarterly report

**Partner with AKD Profit from the Experience**

AKD Investment Management Ltd.

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# COMPANY INFORMATION

## BOARD OF DIRECTORS

### Chairman
Mr. Ahmed Abdul Sattar

### Chief Executive Officer
Mr. Imran Motiwala

### Directors
Mr. Aurangzeb Ali Naqvi
Ms. Ayesha Aqeel Dhedhi
Ms. Parveen Akhtar Malik
Mr. Muhammad Amin Hussain
Mr. M. Ramzan Sheikh

## CHIEF FINANCIAL OFFICER
Mr. Muhammad Munir Abdullah

## COMPANY SECRETARY
Mr. Muhammad Yaqoob

## AUDIT COMMITTEE
Ms. Parveen Akhter Malik (Chairperson)
Ms. Ayesha Aqeel Dhedhi (Member)
Mr. Aurangzeb Ali Naqvi (Member)
Mr. M. Ramzan Sheikh (Member)
Mr. Muhammad Yaqoob (Secretary)

## 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, Shahrah-e-Faisal,
Karachi - 75350.

## CUSTODIAN
Central Depository Company
of Pakistan Limited
CDC House 99-B, Block 'B'
S.M.CH.S., Main Shahra-e-Faisal,
Karachi - 74400.

## AUDITORS
Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road,
Karachi - 75530.

## LEGAL ADVISER
Ali Daraz Siddiqui,
Room No. 201, Noorani Building,
Campbell Street, Opp. Distt. Court,
Karachi - 74200.

## REGISTERED OFFICE
216-217, Continental Trade Centre, Block-8,
Clifton, Karachi - 74000.

## REGISTRAR & SHARE TRANSFER OFFICE
Noble Computer Services (Pvt.) Limited.
First Floor, House of Habib Building
(Siddiqsons Tower)
3-Jinnah Cooperative Housing Society,
Main Shahrah-e-Faisal, Karachi
Tel: 34325482-87

## RATING
JCR-VIS: MFR 5-Star (3-year period)
JCR-VIS: MFR 5-Star (2-year period)
JCR-VIS: MFR 5-Star (1-year period)

## MANAGEMENT COMPANY
JCR-VIS: AM3- (AM Three Minus)

# *Mission Statement*

To set a standard of investing in better performing and result oriented securities by adopting best business practices and ethics.

# *Vision*

To be a leading investment Company in finanical industry with diversifying its business activities by good asset allocation and generating better financial results and yield to the stakeholders.

# DIRECTORS' REPORT

The Board of Directors of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its quarterly report along with the Fund's accounts for the first quarter ended September 30, 2012.

**Fund's Financial Performance**

For the quarter ended September 30, 2012, GASSF posted a return of 14.29% versus KSE-100 Index return of 11.91%, an outperformance of 2.38% viz-a-viz its benchmark. GASSFL posted a profit of Rs. 165.336 million as compared to a loss of Rs. 36.322 million in the same period last year.

**Investment Strategy**

The manager's of GASSFL continue to position the Fund to take advantage of the investment opportunities available in the equity markets keeping in view local and global macroeconomic environments. The core philosophy of investment remains intact in terms of taking appropriate exposures in sectors and companies that are likely to exhibit long term growth and enhanced risk adjusted returns.

**Macro Perspective**

Despite volatile economic and political conditions, our current account marked a surplus of US$432 million for the quarter ended September 30, 2012, as compared to a deficit of US$1,339 million witnessed during the corresponding period last year. The surplus was mainly on the back of strong remittances recorded at US$3.6 billion and a receipt of US$ 1.12 billion on account of the Coalition Support Fund subsequent to the revamping of ties with the US following an apology by the US on the Salala incident. The Trade Deficit also declined by 9.97% in the first quarter both due to rise in exports by 4.26% YoY to stand at US$ 6.19 billion as well as a decline in imports by 2.4% YoY to US$ 10.85 billion. The foreign exchange reserves of the country stood at US$ 14.9 billion at the end of September 2012 a decline of 2.37% on a year to date basis. However, had there been no payment under the Coalition Support Fund the situation would have been grave due to the ongoing repayments to the International Monetary Fund. CPI inflation during July-September FY 2012-13 averaged 9.1% as compared to 11.5% during July-September FY 2011-12. With the decline in CPI inflation the State Bank of Pakistan decided to decrease the discount rate further by 200 basis points to stand at 10.00%.

**Equity Market**

The market continues to remain bullish on the back of healthy foreign inflows, single digit CPI inflation and significant cut in the discount rate. The market seems to have moved through three distinct phases, 1) sharp increase in July, 2) stable in August and 3) range bound during September with low volumes. The Index increased sharply by 1,643 points or 11.91% during the first quarter, making Pakistan the best performing market among its regional peers. Net foreign investment for the quarter stood at US$93 million. Average daily volumes for the quarter stood at 140 million shares. While inflation continues to ease there are expectations for further reduction in the discount rate as the market run-up remains on track. On the other hand, investors will exercise caution as the volatile political scenario coupled with key institutions still at an impasse on a numerous issues will keep the market in check.

**Future Outlook**

Declining momentum in the CPI inflation during July-September FY13 as it averaged 9.1% as compared to 11.5% for the corresponding yearly position, the SBP citing it as an opportunity decreased the discount rate to 10.00% enhancing its effort to promote private sector credit off-take. Further aggressive rate cuts may be witnessed which seem unsustainable in the long run due to weakening of fiscal accounts. With no measures to increase the country's revenue (taxes) and increasing expenditures on account of upcoming elections the economy will remain in the woods for some time.

As general elections are around the corner we expect that the present Government will continue to announce a series of populist measures which will focus on boosting economic activity in the short-term which will bode well for the stock market.

Comparing to regional markets the KSE-100 is trading at a forward FY-13 PE of 7.39x as compared to its regional peers of 12.33x. Furthermore the equity markets offer an attractive average dividend yield of 6.5% compared to the regional average of only 3.1% giving room for further upside. However impediments to this upside would be declining foreign exchange reserves due to repayments to the IMF and other donor agencies, weakening current and fiscal accounts and political volatility due to elections.

For and on behalf of the Board

**Imran Motiwala**
Chief Executive Officer

Karachi: October 23, 2012

# FUND MANAGER'S REPORT

During the quarter ended September 30, 2012, the KSE-100 index increased by 1,643 points a positive of 11.91% to close at 15,445. The Fund's NAV increased by 14.29% to close at Rs. 7.35. The fund reported a profit of Rs. 165.336 million as compared to loss of Rs. 36.322 a million in the same period last year. The fund reported earnings of Rs. 1.09 / share as compared to a loss of Re. 0.24 / shares in the same period last year.

**Economy**

The first quarter of the new fiscal year started on a positive note as relations between Pakistan and the US stabilized which resulted in the release of the long outstanding US$ 1.12 billion under the Coalition Support Fund coupled with US$280 million on account of Kerry Luger Bill. This resulted in the Current account posting a surplus of US$ 356 million. Head line CPI also continued to ease which supported the State Bank of Pakistan's (SBP) efforts of inducing private sector credit off-take and subsequently the SBP reduced the discount rate by a hefty 150 basis points in the first quarter and another 50 basis points in the month of October. The country continues to retire its foreign currency debt, making payments of US$ 399 million and US$ 105 million in October 2012 to the International Monetary Fund (IMF).

The Pakistani Rupee remained stable on the back of foreign inflows against the Coalition Support Fund and Kerry Luger Bill, offsetting the urgency to service scheduled debt re-payments to IMF and other donor agencies.

**Equity Market Review**

The Karachi Stock Exchange continued to perform with increased participation from retailers and high net worth individuals. Monetary easing further supported the market bull-run where the Index increased by 1,643 during the quarter to close at 15,445 points up 11.91%. Volumes continued to improve on increased participation by investors which resulted in healthy daily volumes averaging 128.53 million shares a day for the quarter ended September 30, 2012.The prime reason behind significant performance of the index is mainly on account of reduction in discount rate, better ties with US, comparatively better foreign inflows and more than expected growth in earnings of major sectors including Food Producers, Cements and Exploration and Production. Additionally, positive developments from the implementation of International Clearing House in order to limit grey trafficking of international calls kept the Fixed Line Telecommunications sector in the lime light.

**Fund Strategy and Outlook**

The Fund continues to remain in equities with exposure of 91.28%, which reflects our view of strong market performance owing to broader based under valuation of the market relative to the region.

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

| Sector Name | % of NAV | Return for the quarter ended September 30, 2012. |
|---|---|---|
| Personal Goods | 16.02% | 19.09% |
| Commercial Banks | 12.93% | 0.88% |
| Chemicals | 7.67% | -0.28% |
| Gas Water and Multiutilities | 7.37% | 15.94% |
| Food producers | 7.33% | 15.94% |

As general elections come closer we expect the Government to announce populist measures to increase economic activity in the short-term, which will bode well for equities in general.

Elections in the world's largest economy the United States of America would also be a key for the global economic outlook, assuming the current regime is re-elected would result in continuation of the ongoing economic and foreign policies. Any change in the set-up would likely result in change in policies and although we expect broader perspectives of either a democrat or republican representative elected to remain consistent uncertainties in the short-term is probable.

Global commodity prices would continue to play a role on the fate of the Pakistan's economy being an import based country and one third of the imports based on oil and oil related products. With global economies still struggling to surge from the financial turmoil, global demand for commodities would remain depressed. This would in the longer-term bode well for the Pakistani economy, while our Foreign Reserves on the other hand would remain under pressure due to re-payments to the IMF and other donor agencies. Pakistan is yet to receive an amount of US$ 2 billion on account of the Coalition Support Fund. Other foreseeable receipts include the successful auction of 3G licenses expected to raise approximately US$ 800-900 million and an outstanding balance amount of US$ 800 million from Etisalat. This would release pressure from foreign exchange reserves and would prevent the further devaluation of the Pak Rupee.

KSE-100 as compared to its regional peers is trading at very low multiples with 2013 forward price to earnings of 7.39x compared to regional average of 12.33x and historical average of 8.0 x, growth of 12.1%, return on equity of 24%, price to book value of 1.6x and dividend yield of 7.11%. Based on these fundamentals we believe interest both from the local and foreign front will remain upbeat. The KSE-100 Index had yielded a return of 23.5% over the past 10 years and with attractive valuations coupled with a declining interest scenario the Pakistani equities as an asset class is bound to outperform all other asset classes. On the other hand, infrastructural weaknesses, lack of material reforms during election year, a weaker currency, power outages and the overall law and order situation will continue to hamper Pakistan's ability to capitalize on its true potential.

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
## AS AT SEPTEMBER 30, 2012

| | Note | (Un-audited) September 30 2012 | (Audited) June 30 2012 |
|---|---|---|---|
| **ASSETS** | | -------- (Rupees in '000) | -------- |
| Bank balances | | **57,328** | 14,569 |
| Receivable against sale of investments | | **54,572** | 3,839 |
| Investments | 4 | **1,221,631** | 1,136,933 |
| Dividends and other receivables | | **2,072** | 1,972 |
| Security deposit | | **2,750** | 2,750 |
| **Total Assets** | | **1,338,353** | 1,160,063 |
| **LIABILITIES** | | | |
| Payable against purchase of investments | | **9,230** | - |
| Payable to Management Company | | **2,033** | 1,824 |
| Accrued expenses and other liabilities | | **16,386** | 13,414 |
| Dividend Payable for the year ended June 30, 2011 | | **182,518** | - |
| Unclaimed dividend | | **9,761** | 9,879 |
| **Total Liabilities** | | **219,928** | 25,117 |
| **NET ASSETS** | | **1,118,425** | 1,134,946 |
| **SHARE HOLDER'S EQUITY** | | | |
| **Authorised capital** | | | |
| 250,000,000 (June 30, 2012: 250,000,000) ordinary shares of Rs. 5 each | | **1,250,000** | 1,250,000 |
| **Issued, subscribed and paid-up capital** | | | |
| 152,098,344 (June 30, 2012: 152,098,344) ordinary shares of Rs. 5 each | | **760,492** | 760,492 |
| General reserves | | **500** | 500 |
| Unrealised appreciation on re-measurement of investments classified as "available-for-sale' - net | | **2,681** | 2,020 |
| Undistributed income | | **354,752** | 371,934 |
| | | **1,118,425** | 1,134,946 |
| | | ----------- (Rupees) | ----------- |
| **NET ASSETS VALUE PER SHARE** | | **7.35** | 7.46 |
| **CONTINGENCIES AND COMMITMENTS** | 5 | | |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

| | Note | Quarter ended September 30, 2012 | Quarter ended September 30, 2011 |
|---|---|---|---|
| | | ----- (Rupees in '000) ----- | |
| **Income** | | | |
| Capital gain on sale of investments - net | | **43,400** | (660) |
| Dividend income | | **2,050** | 3,060 |
| Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net | 4.3 | **136,488** | (33,695) |
| Income on term finance certificates | | **(1,072)** | 1,412 |
| Profit on bank deposits | | **426** | 179 |
| **Total Income** | | **181,292** | (29,704) |
| **Operating expenses** | | | |
| Remuneration of Management Company | | **6,148** | 4,491 |
| Sales Tax on Remuneration of Management Company | 8 | **984** | 718 |
| Annual fee to Securities and Exchange Commission of Pakistan (SECP) | | **292** | 213 |
| Remuneration of Custodian - Central Depository Company of Pakistan Limited (CDC) | | **212** | 79 |
| Auditors' remuneration | | **69** | 99 |
| Legal and professional charges | | **-** | 4 |
| Annual listing fee | | **253** | 73 |
| Central Depository System charges | | **92** | 137 |
| Fees and subscription | | **57** | 141 |
| Securities transaction cost | | **762** | 181 |
| Bank charges | | **2** | 2 |
| Directors' fee | | **-** | 15 |
| Printing and postage | | **-** | 465 |
| Impairment expense | | **3,711** | - |
| Provision for Workers' Welfare Fund | 6 | **3,374** | - |
| **Total Expenses** | | **15,956** | 6,618 |
| **Net income / (loss) before taxation** | | **165,336** | (36,322) |
| Taxation | 7 | **-** | - |
| **Net income / (loss) after taxation** | | **165,336** | (36,322) |
| **Other comprehensive income for the period** | | | |
| Unrealised appreciation / (diminution) during the period on re-measurement of investments classified as 'available for sale' - net | | **661** | (177) |
| **Total comprehensive income / (loss) for the period** | | **165,997** | (36,499) |
| | | --------- (Rupees) -------- | |
| **Earnings / (loss) per share** | | **1.09** | (0.24) |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

| | Quarter ended September 30, 2012 | Quarter ended September 30, 2011 |
|---|---|---|
| | ----- (Rupees in '000) ----- | |
| Undistributed income brought forward | **371,934** | 195,843 |
| Net income / (loss) after taxation for the period | **165,336** | (36,322) |
| Final dividend for the year ended June 30, 2012 @ 24% (Rs. 1.20 per share) [June 30, 2011 @ 15% (Re. 0.75 per share) ] | **(182,518)** | (114,074) |
| Undistributed income carried forward | **354,752** | 45,447 |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

| | Quarter ended September 30, 2012 | Quarter ended September 30, 2011 |
|---|---|---|
| | ----- (Rupees in '000) ----- | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income / (loss) before taxation | **165,336** | (36,322) |
| **Adjustments for non-cash and other items** | | |
| Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | **(136,488)** | 33,695 |
| Remuneration to Management Company | **6,148** | 4,491 |
| Dividend income | **(2,050)** | (3,060) |
| Remuneration of custodian | **212** | 79 |
| | **33,158** | (1,117) |
| **(Increase) / decrease in assets** | | |
| Receivable against sale of investments | **(50,733)** | 60,205 |
| Investments - net | **52,451** | 1,468 |
| Dividends and other receivables | **1,023** | (115) |
| | **2,741** | 61,558 |
| **Increase / (decrease) in liabilities** | | |
| Payable against purchase of investments | **9,230** | (29,167) |
| Accrued expenses and other liabilities | **2,968** | (208) |
| | **12,198** | (29,375) |
| **Net cash generated from operations** | **48,097** | 31,066 |
| Remuneration paid to the Management Company | **(5,939)** | (5,286) |
| Remuneration paid to custodian | **(208)** | (94) |
| Dividend received | **927** | 502 |
| **Net cash generated from operating activities** | **42,877** | 26,188 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Dividends paid | **(118)** | (26) |
| **Net increase in cash and cash equivalents** | **42,759** | 26,162 |
| Cash and cash equivalents at the beginning of the period | **14,569** | 10,047 |
| **Cash and cash equivalents at the end of the period** | **57,328** | 36,209 |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statemen

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

| | Share Capital | General Reserves | Unrealised appreciation / (diminution) on re-measurement of investments classified as available for sale - net | Undistributed income | Total |
|---|---|---|---|---|---|
| | Rupees in '000' | | | | |
| **Balance as at June 30, 2011** | 760,492 | 500 | 6,233 | 195,843 | 963,068 |
| Total Comprehensive loss for the first quarter ended September 30, 2011 | - | - | (177) | (36,322) | (36,499) |
| Final dividend for the year ended June 30, 2011 @ 15% (Re. 0.75 per share) | - | - | - | (114,074) | (114,074) |
| **Balance as at September 30, 2011** | 760,492 | 500 | 6,056 | 45,447 | 812,495 |
| **Balance as at June 30, 2012** | 760,492 | 500 | 2,020 | 371,934 | 1,134,946 |
| Total Comprehensive income for the first quarter ended September 30, 2012 | - | - | 661 | 165,336 | 165,997 |
| Final dividend for the year ended June 30, 2012 @ 24% (Rs. 1.20 per share) | - | - | - | (182,518) | (182,518) |
| **Balance as at September 30, 2012** | 760,492 | 500 | 2,681 | 354,752 | 1,118,425 |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - PER SHARE (UNAUDITED)
## FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

| | Quarter ended September 30, 2012 | 2011 |
|---|---|---|
| | --------- (Rupees) | --------- |
| Net assets value per share at the beginning of the period | **7.46** | 6.33 |
| Capital gain on sale of investments - net | **0.29** | - |
| Dividend income | **0.01** | 0.02 |
| Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | **0.90** | (0.22) |
| Income on term finance certificates | **(0.01)** | 0.01 |
| **Net income / (loss) for the period** | **1.19** | (0.19) |
| Operating expenses | **(0.10)** | (0.05) |
| Final dividend for the year ended June 30, 2012 @ 24% (Rs. 1.20 per share) [June 30, 2011 @ 15% (Re. 0.75 per share) ] | **(1.20)** | (0.75) |
| **Net assets value per share as at September 30** | **7.35** | 5.34 |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

**Imran Motiwala**
Chief Executive Officer

**Aurangzeb Ali Naqvi**
Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

# FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012

## 1 STATUS AND NATURE OF BUSINESS

**1.1** Golden Arrow Selected Stocks Fund Limited (the Company) was incorporated on May 09, 1983 in Pakistan as a public limited company under the Companies Act, 1913 (now Companies Ordinance, 1984). The Company got registered as an investment company on April 29, 2005 under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC rules). The registered office of the Company is situated at 216 - 217, 2nd floor, Continental Trade Centre, Block 8, Clifton, Karachi. The Company is listed on the Karachi and Lahore Stock Exchanges. The Company is a closed-end mutual fund and its principal activity is to make investment in marketable securities.

**1.2** The Company is being managed by AKD Investment Management Limited and Central Depository Company of Pakistan Limited is the custodian of the Company.

**1.3** JCR-VIS Credit Rating Company Limited has assigned a management quality rating of 'AM3-' to the Management Company and Company performance ranking of "MFR 5-Star" to the Company.

**1.4** As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, an asset management company managing an Investment Company shall, from the expiry of every five years from November 21, 2007, hold within one month of such period a meeting of the shareholders to seek the approval of the shareholders (by special resolution) to convert the Investment Company into an Open End Scheme or wind up the Investment Company.

Hence, the future operations of the Company are dependent on the above referred approval from the shareholders of the Company. However, the management belives that the winding up of the Company will not have any material impact on the carrying amounts of assets and liabilities for the reason that such values are not materialy different from the expected realisable / settlement amounts of the assets and liabilities of the Company. Accordingly, these condensed interim financial statements have been prepared on a going concern basis.

## 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the requirements of the Non-Banking Finance Companies (Establishment and Regulation) 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). Wherever the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

These condensed interim financial statements are unaudited.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2012.

| | Note | (Unaudited) September 30, 2012 | (Audited ) June 30, 2012 |
|---|---|---|---|
| | | ---------- (Rupees in '000) | --------- |
| **4 INVESTMENTS** | | | |
| **Financial assets at fair value through profit or loss** | | | |
| - Quoted equity securities - held for trading | 4.1 | **1,208,336** | 1,124,299 |
| **Available for sale** | | | |
| - Quoted equity securities | 4.2 | **13,295** | 12,634 |
| | | **1,221,631** | 1,136,933 |

**4.1 Quoted Equity Securities - Financial assets at 'fair value through profit or loss'**

| Name of the Investee company | Number of shares | | | | | Balance as at September 30, 2012 | | | Percentage in relation to | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance | Purchases during the period | Bonus / Rights issue | Sales during the period | Closing Balance | Carrying cost | Market value | Appreciation / (Diminution) | Market value as percentage of Investment | Market value as percentage of net assets | Investee paid up capital |
| | | | | | | Rupees in '000' | | | | | |
| **SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs. 10 each unless stated otherwise** | | | | | | | | | | | |
| **OIL AND GAS** | | | | | | | | | | | |
| Attock Refinery Limited | 50,000 | - | - | 50,000 | - | - | - | - | - | - | - |
| Pakistan State Oil Company Limited | 85,000 | 10,000 | 16,900 | 10,500 | 101,400 | 20,022 | 22,024 | 2,002 | 1.80 | 1.97 | 0.06 |
| | | | | | | 20,022 | 22,024 | 2,002 | | | |
| **CHEMICALS** | | | | | | | | | | | |
| Clariant Pakistan Limited | 124,180 | - | - | - | 124,180 | 21,980 | 27,050 | 5,070 | 2.21 | 2.42 | 0.36 |
| Dawood Hercules Chemicals Limited | - | 68,500 | - | 68,500 | - | - | - | - | - | - | - |
| Dynea Pakistan Limited (Face value Rs 5 each) | 895,233 | - | - | - | 895,233 | 18,102 | 19,919 | 1,817 | 1.63 | 1.78 | 4.74 |
| Engro Corporation Limited | 206,200 | 200,000 | - | - | 406,200 | 41,901 | 43,370 | 1,469 | 3.55 | 3.88 | 0.12 |
| Ghani Gases Limited | 6,900 | - | - | - | 6,900 | 64 | 80 | 16 | 0.01 | 0.01 | - |
| Sitara Chemical Industries Limited | 247,071 | - | - | 97,000 | 150,071 | 15,765 | 20,270 | 4,505 | 1.66 | 1.81 | 0.70 |
| | | | | | | 97,812 | 110,689 | 12,877 | | | |
| **FORESTRY AND PAPER** | | | | | | | | | | | |
| Century Paper and Board Mill Limited | 357,590 | - | - | 357,000 | 590 | 11 | 14 | 3 | - | - | - |
| | | | | | | 11 | 14 | 3 | | | |
| **INDUSTRIAL METALS AND MINING** | | | | | | | | | | | |
| Crescent Steel and Allied Products Limited | 258,035 | 72,000 | - | - | 330,035 | 7,949 | 8,548 | 599 | 0.70 | 0.76 | 0.58 |
| International Steel Limited | 382,965 | - | - | - | 382,965 | 4,580 | 5,358 | 778 | 0.44 | 0.48 | 0.09 |
| International Steel Limited | 500,000 | - | - | 132,000 | 368,000 | 10,396 | 13,793 | 3,397 | 1.13 | 1.23 | 0.37 |
| Huffaz Seamless Pipe Industries Limited | 20,245 | - | - | - | 20,245 | 469 | 420 | (49) | 0.03 | 0.04 | 0.04 |
| | | | | | | 23,394 | 28,119 | 4,725 | | | |
| **CONSTRUCTION AND MATERIALS (CEMENT)** | | | | | | | | | | | |
| Cherat Cement Company Limited | 582,484 | 47 | - | 582,531 | - | - | - | - | - | - | - |
| D.G Khan Cement Company Limited | 630,000 | 50,000 | - | 680,000 | - | - | - | - | - | - | - |
| Shabbir Tiles & Ceramics Limited | 257,793 | - | - | - | 257,793 | 1,843 | 2,449 | 606 | 0.20 | 0.22 | 0.18 |
| (Face value Rs 5 each) | | | | | | 1,843 | 2,449 | 606 | | | |
| **GENERAL INDUSTRIALS** | | | | | | | | | | | |
| Cherat Packaging Limited | 38,437 | - | - | - | 38,437 | 1,107 | 1,537 | 430 | 0.13 | 0.14 | 0.22 |
| Merit Packaging Limited | 349,615 | - | - | - | 349,615 | 7,317 | 7,866 | 549 | 0.64 | 0.70 | 7.37 |
| Macpac Films Limited | - | 296,629 | - | - | 296,629 | 5,926 | 6,063 | 137 | 0.50 | 0.54 | 0.76 |
| Thal Limited (Face value Rs 5 each) | 598,007 | - | - | 117,500 | 480,507 | 44,687 | 62,528 | 17,841 | 5.12 | 5.59 | 0.65 |
| | | | | | | 59,037 | 77,994 | 18,957 | | | |
| **ELECTRONIC AND ELECTRIC GOODS** | | | | | | | | | | | |
| Johnson & Phillips (Pakistan) Limited | 79,287 | - | - | - | 79,287 | 745 | 654 | (91) | 0.05 | 0.06 | 1.45 |
| Pakistan Cables Limited | 14,357 | - | - | 14,357 | - | - | - | - | - | - | - |
| | | | | | | 745 | 654 | (91) | | | |
| **ENGINEERING** | | | | | | | | | | | |
| Al-Ghazi Tractors Limited (Face value Rs 5 each) | 48,100 | - | - | 9,500 | 38,600 | 7,926 | 7,914 | (12) | 0.65 | 0.71 | 0.09 |
| K.S.B. Pumps Company Limited | 250,000 | - | - | - | 250,000 | 13,655 | 16,978 | 3,323 | 1.39 | 1.52 | 1.89 |
| | | | | | | 21,581 | 24,892 | 3,311 | | | |

| Name of the Investee company | Number of shares: Opening balance | Purchases during the period | Bonus / Rights issue | Sales during the period | Closing Balance | Balance as at September 30, 2012: Carrying cost | Market value | Appreciation / (Diminution) | Percentage in relation to: Market value as percentage of Investment | Market value as percentage of net assets | Investee paid up capital |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | -----------Rupees in '000'----------- | | | | | |
| **INDUSTRIAL TRANSPORTATION** | | | | | | | | | | | |
| Pakistan International Bulk Terminal Limited | 65,000 | - | - | - | 65,000 | 650 | 650 | - | 0.05 | 0.06 | - |
| Pakistan National Shipping Corporation Limited | 298,808 | - | - | - | 298,808 | 4,605 | 5,259 | 654 | 0.43 | 0.47 | 0.23 |
| | | | | | | 5,255 | 5,909 | 654 | | | |
| **TECHNOLOGY HARDWARE AND EQUIPMENT** | | | | | - | | | | | | |
| TPL Trakker Limited | - | 750,000 | - | - | 750,000 | 7,500 | 6,690 | (810) | 0.55 | 0.60 | 0.40 |
| | | | | | | 7,500 | 6,690 | (810) | | | |
| **SUPPORT SERVICES** | | | | | - | | | | | | |
| TRG Pakistan Limited | 23,950,060 | - | - | - | 23,950,060 | 81,909 | 86,939 | 5,030 | 7.12 | 7.77 | 6.21 |
| | | | | | | 81,909 | 86,939 | 5,030 | | | |
| **AUTOMOBILE AND PARTS** | | | | | | | | | | | |
| General Tyre & Rubber Co. of Pakistan Limited | 152,892 | - | - | - | 152,892 | 3,134 | 4,383 | 1,249 | 0.36 | 0.39 | 0.26 |
| Atlas Battery Limited | 2,970 | - | 594 | - | 3,564 | 599 | 831 | 232 | 0.07 | 0.07 | 0.03 |
| Atlas Honda Limited | 116,121 | - | - | - | 116,121 | 13,363 | 15,729 | 2,366 | 1.29 | 1.41 | 0.16 |
| Exide Pakistan Limited | 34,510 | (5000) | - | - | 39,510 | 7,095 | 12,248 | 5,153 | 1.00 | 1.10 | 0.56 |
| | | | | | | 24,191 | 33,191 | 9,000 | | | |
| **BEVERAGES** | | | | | | | | | | | |
| Shezan International Limited | 100,000 | - | - | 100,000 | - | - | - | - | - | - | - |
| Murree Brewery Company Limited | 391,001 | - | - | - | 391,001 | 39,163 | 54,936 | 15,773 | 4.50 | 4.91 | 2.05 |
| | | | | | | 39,163 | 54,936 | 15,773 | | | |
| **FOOD PRODUCERS** | | | | | | | | | | | |
| Habib - ADM Limited (Face value Rs 5 each) | 74,889 | - | - | - | 74,889 | 1,539 | 2,131 | 592 | 0.17 | 0.19 | 0.19 |
| JDW Sugar Mills Limited | 5,073 | - | - | - | 5,073 | 512 | 520 | 8 | 0.04 | 0.05 | 0.01 |
| Noon Pakistan Limited | 31,689 | - | - | - | 31,689 | 1,172 | 1,691 | 519 | 0.14 | 0.15 | 0.61 |
| Punjab Oil Mills Limited | 100,000 | - | - | - | 100,000 | 5,301 | 4,560 | (741) | 0.37 | 0.41 | 1.86 |
| Quice Food Industries Limited | 2,289,139 | 1,615,626 | - | 1,801,735 | 2,103,030 | 24,176 | 27,066 | 2,890 | 2.22 | 2.42 | 4.95 |
| Quice Food Industries Limited-Right | 900,626 | 1,159,500 | - | 2,060,126 | - | - | - | - | - | - | - |
| Engro Foods Limited | - | 300,000 | - | - | 300,000 | 21,101 | 21,012 | (89) | 1.72 | 1.88 | 0.04 |
| Noon Sugar Mills Limited | 590,591 | 185,000 | - | - | 775,591 | 15,990 | 16,729 | 739 | 1.37 | 1.50 | 4.70 |
| Mitchell's Fruit Farms Limited | 6,428 | - | - | 6,428 | - | - | - | - | - | - | - |
| Sanghar Sugar Mills Limited | 352,865 | 144,850 | - | - | 497,715 | 7,722 | 12,294 | 4,572 | 1.01 | 1.10 | 4.17 |
| Shahtaj Sugar Mills Limited | 24,537 | - | - | - | 24,537 | 1,876 | 1,844 | (32) | 0.15 | 0.16 | 0.20 |
| Shakarganj Mills Limited | 1,982,502 | 50,000 | - | - | 2,032,502 | 26,145 | 26,118 | (27) | 2.14 | 2.34 | 2.92 |
| Kohinoor Sugar Mills Limited | - | 34,000 | - | - | 34,000 | 180 | 211 | 31 | 0.02 | 0.02 | 0.36 |
| Tandlianwala Sugar Mills Limited | 85,863 | - | - | - | 85,863 | 6,569 | 7,041 | 472 | 0.58 | 0.63 | 0.07 |
| | | | | | | 112,283 | 121,217 | 8,934 | | | |
| **HOUSEHOLD GOODS** | | | | | - | | | | | | |
| Tariq Glass Industries Limited | 1,166,271 | - | - | 1,166,271 | - | - | - | - | - | - | - |
| | | | | | | - | - | - | | | |

| Name of the Investee company | Opening balance | Purchases during the period | Bonus / Rights issue | Sales during the period | Closing Balance | Carrying cost | Market value | Appreciation / (Diminution) | Market value as percentage of investment | Market value as percentage of net assets | Investee paid up capital |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | ------------------------- Number of shares ------------------------- | | | | | Balance as at September 30, 2012 | | | Percentage in relation to | | |
| | | | | | | -----------Rupees in '000'----------- | | | | | |
| **PERSONAL GOODS (TEXTILE)** | | | | | | | | | | | |
| Artistic Denim Mills Limited | 2,057,472 | - | - | - | 2,057,472 | 49,379 | 52,157 | 2,778 | 4.27 | 4.66 | 2.45 |
| Dawood Lawrencepur Limited | 43,159 | - | - | - | 43,159 | 2,677 | 2,074 | (603) | 0.17 | 0.19 | 0.07 |
| Fazal Cloth Mills Limited | 1,211 | - | - | - | 1,211 | 109 | 124 | 15 | 0.01 | 0.01 | 0.01 |
| Gul Ahmed Textile Mills Limited | 369,647 | - | - | - | 369,647 | 7,803 | 7,763 | (40) | 0.64 | 0.69 | 0.29 |
| Rupali Polyester Limited | 12,701 | - | - | - | 12,701 | 326 | 332 | 6 | 0.03 | 0.03 | 0.04 |
| Din Textile Mills Limited | 1,067,209 | - | - | - | 1,067,209 | 18,143 | 18,324 | 181 | 1.50 | 1.64 | 5.24 |
| Ellcot Spinning Mills Limited | 1,074,554 | - | - | - | 1,074,554 | 27,938 | 36,718 | 8,780 | 3.01 | 3.28 | 9.81 |
| Indus Dyeing Manufacturing Co. Limited | 29,780 | - | - | 29,780 | - | - | - | - | - | - | - |
| Island Textile Mills Limited | 38,300 | - | - | - | 38,300 | 7,931 | 11,299 | 3,368 | 0.92 | 1.01 | 7.66 |
| Masood Textile Mills Limited | 469,170 | - | - | - | 469,170 | 9,590 | 14,427 | 4,837 | 1.18 | 1.29 | 0.78 |
| Prosperity Weaving Mills Limited | 84,591 | - | - | - | 84,591 | 793 | 1,100 | 307 | 0.09 | 0.10 | 0.46 |
| Service Industries Limited | 49,588 | - | - | - | 49,588 | 8,228 | 9,278 | 1,050 | 0.76 | 0.83 | 0.41 |
| Suraj Cotton Mills Limited | 502,082 | - | - | - | 502,082 | 14,530 | 18,828 | 4,298 | 1.54 | 1.68 | 2.54 |
| Sapphire Fibres Limited | 47 | - | - | - | 47 | 6 | 6 | - | - | - | - |
| ZIL Limited | 214,835 | - | - | - | 214,835 | 22,343 | 18,884 | (3,459) | 1.55 | 1.69 | 4.04 |
| | | | | | | 169,796 | 191,314 | 21,518 | | | |
| **FIXED LINE TELECOMMUNICATION** | | | | | | | | | | | |
| PAK Datacom Limited | 645,031 | - | - | - | 645,031 | 40,566 | 32,252 | (8,314) | 2.64 | 2.88 | 8.23 |
| WorldCall Telecom Limited | 250,000 | 2,660,000 | - | - | 2,910,000 | 8,276 | 8,730 | 454 | 0.71 | 0.78 | 0.34 |
| Pakistan Telecommunication Company Limited | - | 437,500 | - | - | 437,500 | 6,497 | 8,483 | 1,986 | 0.69 | 0.76 | 0.01 |
| | | | | | | 55,339 | 49,465 | (5,874) | | | |
| **ELECTRICITY** | | | | | | | | | | | |
| Karachi Electric Supply Company Limited | 4,439,112 | 2,000,000 | - | - | 6,439,112 | 25,037 | 41,146 | 16,109 | 3.37 | 3.68 | 0.05 |
| Kohinoor Energy Limited | 1,453,750 | - | - | - | 1,453,750 | 31,256 | 36,911 | 5,655 | 3.02 | 3.30 | 0.86 |
| Sitara Energy Limited | 263,151 | - | - | - | 263,151 | 4,342 | 5,184 | 842 | 0.42 | 0.46 | 1.38 |
| | | | | | | 60,635 | 83,241 | 22,606 | | | |
| **MULTIUTILITIES (GAS AND WATER)** | | | | | | | | | | | |
| Sui Northern Gas Pipelines Limited | - | 1,338,000 | - | 440,000 | 898,000 | 18,343 | 18,562 | 219 | 1.52 | 1.66 | 0.16 |
| Sui Southern Gas Company Limited | 4,288,740 | - | - | - | 4,288,740 | 83,630 | 94,481 | 10,851 | 7.73 | 8.45 | 0.49 |
| | | | | | | 101,973 | 113,043 | 11,070 | | | |
| **COMMERCIAL BANKS** | | | | | | | | | | | |
| Askari Bank Limited | - | 447,000 | - | - | 447,000 | 7,054 | 6,830 | (224) | 0.56 | 0.61 | 0.09 |
| Summit Bank Limited | 6,492,703 | 1,269,456 | - | - | 7,762,159 | 25,030 | 23,442 | (1,588) | 1.92 | 2.10 | 0.72 |
| Bank Al-Habib Limited | 525,000 | - | - | - | 525,000 | 14,947 | 14,863 | (84) | 1.22 | 1.33 | 0.06 |
| United Bank Limited | 90,541 | - | - | 90,541 | - | - | - | - | - | - | - |
| Bank Al-Falah Limited | 1,750,000 | - | - | 1,750,000 | - | - | - | - | - | - | - |
| Habib Bank Limited | 193,400 | - | - | - | 193,400 | 21,823 | 20,638 | (1,185) | 1.69 | 1.85 | 0.02 |
| Habib Metropolitan Bank Limited | 594,382 | - | - | - | 594,382 | 10,259 | 10,431 | 172 | 0.85 | 0.93 | 0.06 |
| MCB Bank Limited | - | 10,000 | - | 10,000 | - | - | - | - | - | - | - |
| NIB Bank Limited | 4,372,955 | - | - | | 4,372,955 | 8,702 | 11,238 | 2,536 | 0.92 | 1.00 | 0.04 |
| National Bank of Pakistan | - | 275,000 | | 25,000 | 250,000 | 11,435 | 10,985 | (450) | 0.90 | 0.98 | 0.02 |
| Soneri Bank Limited | 4,512,802 | - | - | | 4,512,802 | 33,350 | 31,183 | (2,167) | 2.55 | 2.79 | 0.50 |
| | | | | | | 132,600 | 129,610 | (2,990) | | | |

| Name of the Investee company | Number of shares | | | | | Balance as at September 30, 2012 | | | Percentage in relation to | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance | Purchases during the period | Bonus / Rights issue | Sales during the period | Closing Balance | Carrying cost | Market value | Appreciation / (Diminution) | Market value as percentage of ivnestment | Market value as percentage of net assets | Investee paid up capital |
| | | | | | | Rupees in '000' | | | | | |
| **NON LIFE INSURANCE** | | | | | | | | | | | |
| Adamjee Insurance Company Limited | - | 75,000 | - | - | 75,000 | 4,947 | 4,875 | (72) | 0.40 | 0.44 | 0.07 |
| Century Insurance Company Limited | 451,312 | - | - | - | 451,312 | 4,671 | 4,287 | (384) | 0.35 | 0.38 | 0.99 |
| Premier Insurance Limited (Face value Rs 5 each) | 2,955,389 | - | - | - | 2,955,389 | 20,688 | 22,520 | 1,832 | 1.84 | 2.01 | 4.88 |
| | | | | | | 30,306 | 31,682 | 1,376 | | | |
| **REAL ESTATE INVESTMENT AND SERVICES** | | | | | | | | | | | |
| Pace Pakistan Limited | 1,532,536 | - | - | - | 1,532,536 | 3,126 | 4,812 | 1,686 | 0.39 | 0.43 | 0.55 |
| | | | | | | 3,126 | 4,812 | 1,686 | | | |
| **FINANCIAL SERVICES** | | | | | | | | | | | |
| First Capital Securities Corporation Limited | 317,605 | - | - | - | 317,605 | 861 | 1,051 | 190 | 0.09 | 0.09 | 0.10 |
| | | | | | | 861 | 1,051 | 190 | | | |
| **HEALTH CARE EQUIPMENT AND SERVICES** | | | | | | | | | | | |
| Shifa International Hospitals Limited | 310,500 | - | - | - | 310,500 | 9,607 | 14,516 | 4,909 | 1.19 | 1.30 | 0.61 |
| | | | | | | 9,607 | 14,516 | 4,909 | | | |
| **PHARMA AND BIO TECH** | | | | | | | | | | | |
| Searle Pakistan Limited | 270,000 | - | - | 270,000 | - | - | - | - | - | - | - |
| Wyeth Pakistan Limited | 5,079 | - | - | - | 5,079 | 4,363 | 4,317 | (46) | 0.35 | 0.39 | 0.04 |
| | | | | | | 4,363 | 4,317 | (46) | | | |
| **MEDIA** | | | | | | | | | | | |
| Hum Network Limited | 404,414 | - | - | - | 404,414 | 8,494 | 9,566 | 1,072 | 0.78 | 0.86 | 8.09 |
| | | | | | | 8,494 | 9,566 | 1,072 | | | |
| **FINANCIAL SERVICES** | | | | | | | | | | | |
| Security Leasing Corp. Ltd. Preference Shares | 1,489 | - | - | - | 1,489 | 2 | 2 | - | - | - | 0.01 |
| | | | | | | 2 | 2 | - | | | |
| **Total Listed Equity Securities as at September 30, 2012** | | | | | | **1,071,848** | **1,208,336** | **136,488** | | | |
| **Total Listed Equity Securities as at June 30, 2012** | | | | | | **1,030,310** | **1,124,299** | **93,989** | | | |

### 4.2 Quoted Equity Securities - 'Available for Sale'

| Name of the Investee company | Number of shares: Opening Balance | Purchases during the period | Bonus / Rights issue | Sales during the period | Closing Balance | Balance as at September 30, 2012: Cost | Carrying cost | Market value | Appreciation / (Diminution) | Percentage in relation to: Market value as percentage of investments | Market value as percentage of net assets | Investee paid up capital |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Rupees in '000' | | | | | | |
| **FINANCIAL SERVICES** | | | | | | | | | | | | |
| Security Leasing Corporation Limited (9.1% Preference shares) | 1,000,000 | - | - | - | 1,000,000 | 10,166 | 3,295 | 3,295 | (6,871) | 0.27 | 0.29 | 8.89 |
| | | | | | | 10,166 | 3,295 | 3,295 | (6,871) | | | |
| **GENERAL INDUSTRIALS** | | | | | | | | | | | | |
| Siemens (Pakistan) Engineering Limited | 12,500 | - | - | - | 12,500 | 7,319 | 9,339 | 10,000 | 2,681 | 0.82 | 0.89 | 0.15 |
| | | | | | | 7,319 | 9,339 | 10,000 | 2,681 | | | |
| **TOTAL LISTED EQUITY SECURITIES - September 30, 2012** | | | | | | **17,485** | **12,634** | **13,295** | **(4,190)** | | | |
| **LESS: IMPAIRMENT LOSS RECOGNIZED** | | | | | | **(6,871)** | **-** | **-** | **6,871** | | | |
| **TOTAL LISTED EQUITY SECURITIES - September 30, 2012** | | | | | | **10,614** | **12,634** | **13,295** | **2,681** | | | |
| **TOTAL LISTED EQUITY SECURITIES - June 30, 2012** | | | | | | **10,614** | **16,847** | **12,634** | **(4,213)** | | | |

### 4.3 Government Securities

| Issue Date | Tenor | Face Value: As at July 1, 2012 | Purchased during the period | Disposed during the period | Matured during the period | As at September 30, 2012 | Balance as at September 30, 2012: Cost | Market Value | Appreciation / (diminution) | Market value as a percentage of net assets | Market value as a percentage of total investment |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Rupees in '000' | | | | | | | | | |
| **Pakistan Investment Bond** | | | | | | | | | | | |
| July 19, 2012 | 5 years | - | 25,000 | 25,000 | - | - | - | - | - | - | - |
| **Total - September 30, 2012** | | | | - | - | - | - | - | - | | |
| **Total - September 30, 2011** | | | | | | - | - | - | - | | |

### 4.3.1 Movement in impairment loss

| | (Unaudited) September 30, 2012 | (Audited) June 30, 2012 |
|---|---|---|
| | (Rupees in '000') | |
| Opening | 6,871 | 6,871 |
| Add: Charge for the period / year | 3,711 | - |
| Less: Reversal due to disposal | - | - |
| | 3,711 | - |
| **Closing** | **10,582** | **6,871** |

| | | Note | (Unaudited) September 30, 2012 | (Audited) June 30, 2012 |
|---|---|---|---|---|
| | | | -------- (Rupees in '000') -------- | |
| **4.4** | **Unrealised diminution on re-measurement of investments classified as 'fair value through profit or loss' - net** | | | |
| | Market value of securities | 4.1 & 4.2 | **1,208,336** | 1,124,299 |
| | Less: carrying cost of securities | 4.1 & 4.2 | **1,071,848** | 1,030,310 |
| | | | **136,488** | 93,989 |
| **4.5** | **Net unrealised appreciation on re-measurement of investments classified as ' available for sale ' - net** | | | |
| | Market value of securities | 4.2 | **13,295** | 12,634 |
| | Less: Cost of securities | 4.2 | **10,614** | 10,614 |
| | | | **2,681** | 2,020 |
| **4.6** | **Net unrealised appreciation in fair value of investments classified as 'available for sale'** | | | |
| | Market value of investments | | **13,295** | 12,634 |
| | Less: Cost of investments | | **(10,614)** | (10,614) |
| | | | **2,681** | 2,020 |
| | Less: Net unrealised appreciation in fair value of investments at the beginning of year | | **(2,020)** | (6,233) |
| | | | **661** | (4,213) |

## 5 CONTIGENCIES AND COMMITMENTS

There were no Contigencies and Commitments as at September 30, 2012 and June 30, 2012.

## 6 PROVISION FOR WORKERS' WELFARE FUND

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

During last year, in August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts, 2006 and 2008 have been declared unconstitutional and therefore struck down.

In view of the aforementioned developments of last year, the management company as a matter of abundant caution, has decided to retain and continue with the provision for WWF amounting to Rs. 14.682 million (including Rs.3.374 million for the current period) in these financial statements. Had this provision not been made the net asset value would have increase by Re.0.097 per share and the net income for the period would have increase by Re. 0.022 per share.

## 7 TAXATION

The income of the company is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for that year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the shareholders.

The company is also exempt from the provisions of section 113 (minimum tax) under clause 11 of part 1V of the Second Schedule to the Income Tax Ordinance, 2001.

## 8 SALES TAX ON REMUNERATION OF MANAGEMENT COMPANY

During the current quarter an amount of Rs.0.984 million charged against sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

## 9 TRANSACTIONS WITH CONNECTED PERSONS/ RELATED PARTIES

Connected persons include AKD Investment Management Limited, being the Management Company , Central Depository Company of Pakistan Limited, being the custodian, Aqeel Karim Dhedi Securities (Private) Limited, AKD Securities Limited other collective schemes managed by the Management Company, directors and officers of the Management Company, directors of the Fund and their connected persons.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates. Details of transactions and balances with connected persons are as follows:

| | Quarter ended September 30, 2012 | Quarter ended September 30, 2011 |
|---|---|---|
| **9.1 Transactions during the period** | -------- (Rupees in '000') | -------- |
| **AKD Investment Management Limited** | | |
| Remuneration to Management Company | **6,148** | 4,491 |
| **AKD Securities Limited - Brokerage House** | | |
| Sale of shares of various companies | **4,271** | 21,575 |
| Purchase of shares of various companies | **9,230** | 1,894 |
| Brokerage | **18** | 80 |
| **Central Depository Company of Pakistan Limited (Custodian)** | | |
| Fee charged during the year (including transaction charges) | **304** | 216 |

| | | (Un-audited) September 30, 2012 | (Audited ) June 30, 2012 |
|---|---|---|---|
| 9.2 | **Transactions outstanding at the period / year end** | -------- (Rupees in '000') | -------- |
| | **AKD Investment Management Limited - Management Company** | | |
| | Remuneration payable | **2,033** | 1,824 |
| | Sales Tax Provincial payable | **218** | - |
| | Shares in issue (No. of shares : September 30, 2012 : 27,515,395 June 30, 2012 : 27,515,395) | **137,577** | 137,577 |
| | **Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund** | | |
| | Shares in issue (No. of shares : September 30, 2012 : 2,092,812; June 30, 2012 : 2,092,812) | **10,464** | 10,464 |
| | **AKD Securities Limited - Brokerage House** | | |
| | Shares in issue (No. of shares : September 30, 2011 : 12,302,776 June 30, 2011: 2,889) | **61,514** | 14 |
| | Brokerage Payable | **18** | 6 |
| | Receivable against Sale of Securities | **4,271** | - |
| | Receivable against Sale of Securities | **9,230** | - |
| | **AKD Investment Management Limited Provident Fund** | | |
| | Shares in issue (No. of shares : September 30, 2012 : 601,046; June 30, 2012 : 601,046) | **3,005** | 3,005 |
| | **Key management personnel** | | |
| | Shares held by key management personnel | | |
| | Shares in issue (No. of shares : September 30, 2012 : 60,179 June 30, 2012 : 60,179) | **301** | 301 |
| | **Central Depository Company Of Pakistan Limited - Custodian** | | |
| | Fee payable | **81** | 81 |

## 10 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Investment Committee of the Management Company has been identified as the chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments.

The Company has determined the operating segments based on the reports reviewed by the Investment Committee, which are used to make strategic decisions.

The Investment Committee is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The Investment Committee's asset allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The Company trades in listed Pakistani equity securities with an objective to generate capital growth.

The internal reporting provided to the Investment Committee for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

There were no changes in the reportable segments during the period.

The Company is domiciled in Pakistan. All of the Company's income is from investments in entities incorporated in Pakistan.

The Company has a highly diversified portfolio of investments and no single investment accounts for more than 10% of the net assets of the Company.

## 11 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary, for the purposes of comparison. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 12 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 23, 2012 by the Board of Directors of the Company.

## 13 GENERAL

**13.1** Figures have been rounded off to the nearest thousand rupees.

**13.2** The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

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

AKD Investment
Management Ltd.

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N : 92-21-111 AKDIML (111-253-465) Fax : 92-21-35373217, 35303125
E-mail : info@akdinvestment.com    Website : www.akdinvestment.com