

Funds Managed by:
AKD Investment Management Ltd.

Half Yearly Report
December 31, 2020
(Un-Audited)



half yearly report



Partner with AKD
Profit from the Experience



MANAGEMENT COMPANY

216-217, Continental Trade Centre, Block-8,
Clifton, Karachi-74000

**BOARD OF DIRECTORS
OF THE MANAGEMENT COMPANY**

Chairman
Mr. Abdul Karim

Director & Chief Executive Officer
Mr. Imran Motiwala

Director
Ms. Anum Dhedhi
Ms. Aysha Ahmed
Mr. Ali Wahab Siddiqui
Mr. Hasan Ahmed
Mr. Saim Mustafa Zuberi

**CHIEF OPERATING OFFICER AND COMPANY SECRETARY
OF THE MANAGEMENT COMPANY**

Mr. Muhammad Yaqoob Sultan, CFA

**CHIEF FINANCIAL OFFICER
OF THE MANAGEMENT COMPANY**

Muhammad Munir Abdullah

**HEAD OF INTERNAL AUDIT
OF THE MANAGEMENT COMPANY**

Ms. Tayyaba Masoom Ali

AUDIT COMMITTEE

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

**HUMAN RESOURCE AND
REMUNERATION (HR & R) COMMITTEE**

Ms. Aysha Ahmed (Chairman)
Mr. Abdul Karim (Member)
Mr. Imran Motiwala (Member)
Ms. Anum Dhedhi (Member)
Mr. Saim Mustafa Zuberi (Member)
Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING

AKD Investment Management Limited
AM3++ (AM Three Plus Plus) issued by PACRA

**CORPORATION
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), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), AKD Islamic Stock Fund (AKDISSF), and Golden Arrow Stock Fund (GASF) – (*Formerly: Golden Arrow Selected Stocks Fund Limited*) is pleased to present its Half Yearly report along with the Funds' reviewed financial statements for the first half ended December 31, 2020.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 1HFY21, the return of AKD Opportunity Fund stood at 60.75% compared to the benchmark KSE-100 Index return of 27.11%. During 2QFY21, the return of AKDOF stood at 11.48% compared to the benchmark KSE-100 index return of 7.85%. For the 1QFY21, the return of AKD Opportunity Fund stood at 44.19% compared to the benchmark KSE-100 Index return of 17.87%.

Golden Arrow Stock Fund (*Formerly: Golden Arrow Selected Stocks Fund Limited*)

For the 1HFY21, the return of Golden Arrow Stock Fund (*Formerly: Golden Arrow Selected Stocks Fund Limited*) stood at 59.89% compared to the benchmark KSE-100 Index return of 27.11%. During 2QFY21, the return of GASF stood at 15.30% compared to the benchmark KSE-100 index return of 7.85%. For the 1QFY21, the return of Golden Arrow Stock Fund stood at 38.67% compared to the benchmark KSE-100 Index return of 17.87%.

AKD Index Tracker Fund (AKDITF)

For the 1HFY21, the return of AKD Index Tracker Fund stood at 25.34% compared to the benchmark KSE-100 Index return of 27.11%. During 2QFY21, the return of AKDITF stood at 7.31% compared to the benchmark KSE-100 index return of 7.85%. For the 1QFY21, the return of AKD Index Tracker Fund stood at 16.80% compared to the benchmark KSE-100 Index return of 17.87%.

AKD Cash Fund (AKDCF)

For the 1HFY21, the annualized return of AKD Cash Fund stood at 6.27% compared to the benchmark return of 6.67%. During 2QFY21, the annualized return of AKDCF stood at 6.01% compared to the benchmark return of 6.63%. For the 1QFY21, the annualized return of AKD Cash Fund stood at 6.43% compared to benchmark return of 6.72%.

AKD Aggressive Income Fund (AKDAIF)

For the 1HFY21, the annualized return of AKD Aggressive Income Fund stood at 5.70% compared to the benchmark return of 7.51%. During 2QFY21, the annualized return of AKDAIF stood at 6.51% compared to the benchmark return of 6.67%. For the 1QFY21, the annualized return of AKD Aggressive Income Fund stood at 4.81% compared to benchmark return of 7.34%.

AKD Islamic Income Fund (AKDISIF)

For the 1HFY21, the annualized return of AKD Islamic Income Fund stood at 6.62% compared to the benchmark return of 3.93%. During 2QFY21, the annualized return of AKDISIF stood at 5.09% compared to the benchmark return of 3.44%. For the 1QFY21, the annualized return of AKD Islamic Income Fund stood at 8.04% compared to benchmark return of 4.42%.

AKD Islamic Stock Fund (AKDISSF)

For the 1HFY21, the return of AKD Islamic Stock Fund stood at 39.62% compared to the benchmark KMI-30 Index return of 29.41%. During 2QFY21, the return of AKDISSF stood at 6.10% compared to the benchmark KMI-30 index return of 9.93%. For the 1QFY21, the return of AKD Islamic Stock Fund stood at 31.60% compared to the benchmark KMI-30 Index return of 17.72%.

MACRO PERSPECTIVE:

Following a decade's low GDP growth of negative 0.38% during FY20, owing to disruption in economic activities due to COVID-19 outbreak, Pakistan has witnessed a strong rebound during 1HFY21 as business activities resumed and macroeconomic indicators have begun to turn the corner. To this end, Large Scale Manufacturing (LSM) has registered a growth of 7.41%YoY in 5MFY21 vs. 5.37% decline in the same period last year, pointing towards an economy on track to achieve real GDP growth target of over 2%.

Major contribution towards LSM growth came from Food, Beverages & Tobacco (weight 12.37%), Non Metallic Mineral Products (weight 5.36%), and Pharmaceuticals (weight 3.62%) which increased by 21.28%, 20.60%, and 12.95% respectively. However, some of the increase was eroded by negative contribution from Iron & Steel Products (weight 5.39%), Electronics (weight 1.96%), and Leather Products (weight 0.86%), which decreased by 3.69%, 18.00%, and 43.04%, respectively during July-November FY21.

During the period under review, external account turned positive after witnessing consecutive current account deficit since 4QFY15, resulting in strengthening of local currency by 5.14% since year ended FY20. External account of the country clocked in at a surplus of USD 1.13 billion (0.81% of GDP) as compared to a deficit of USD 2.03 billion (1.53% of GDP) recorded during the same period last year. Improvement in external account can be attributed to a 24.91%YoY surge in workers' remittances owing to constraints in informal channels after closure of international flights. The Exports of Goods & Services declined by 3.82%YoY to USD 14.65 billion owing to shutdown of export destinations. Imports of Goods & Services increased by 1.35%YoY to US\$27.02 billion due to rise in international commodity prices and volumetric increase in line with pickup in economic activity.

During the 1HFY21, Pakistan was able to attract USD0.95 billion in gross FDI as compared to USD 1.36 billion in SPLY, exhibiting a decrease of 29.77% YoY. Portfolio Investment has witnessed net outflow of USD 244.40 million as compared to inflow of USD 18.80 million during SPLY. Moreover, investment in debt securities also turned negative to USD 193.80 million from positive USD 452.20 million owing to a

decrease in interest rates. Net open position by foreign investors stood at USD 3.07 billion, USD 0.34 billion, and USD 0.19 billion in Equity, T-Bills and PIBs respectively.

Total liquid foreign exchange reserves of Pakistan stood at USD 20.55 billion by December 2020 (USD 13.41 billion net reserves with State Bank of Pakistan and USD 7.13 billion net reserves with banks) as compared to USD 17.93 in SPLY.

On the fiscal front, the Federal Board of Revenue (FBR) has made net revenue collection of PKR 2,204 billion during first six months of FY21, up by 4.90%YoY as compared to PKR 2,101 billion recorded during SPLY owing to faster recovery in the economy. During the period under review, refunds of PKR 102 billion have been issued compared to PKR 53 billion for the SPLY. Government is expected to achieve its collection target of PKR 4.96 trillion for FY21, up by 24.17% as compared to FY20 collection of PKR ~4.00 trillion.

As per the Pakistan Bureau of Statistics (PBS), National Consumer Price Index (NCPI) for the month of December 2020 stood at 7.97%YoY which pulled down the average inflation for 6MFY21 to 8.63% as compared to 11.11% SPLY. This significant increase in monthly inflation was primarily due to increase in prices of Food and Non-alcoholic Beverages (weight 34.58%) by 13.30%YoY. Average core inflation (non-food non-energy) for Urban and Rural in Dec'20 clocked in at 5.53% and 7.65%, respectively.

EQUITY REVIEW:

Local bourse continued its positive trajectory where benchmark KSE-100 Index surged by 9,333pts, an increase of 27.11% and 7.84% during 1HFY21 and 2QFY21 respectively. The Index closed at 43,755pts as compared to 34,422pts at FY20-close. To recap, during 4QFY20, KSE-100 Index surged by 5,190pts after witnessing a decline of 11,503pts during 3QFY20. Local stock market witnessed healthy participation during the period under review as average daily traded turnover surged to 447.54 million shares as compared to 196.53 million shares recorded during FY20. Moreover investor interest diverted to second tier and third tier stocks as KSE-100 contribution to total volumes decreased to 59.38% from 68.92% recorded during FY20

Despite political noise, local market remained buoyant due to improvement in macroeconomic conditions of the country. Some of the positive triggers that kept the market sentiment bullish included 1) Current Account Surplus of USD 1.13 billion during 1HFY21 resulting in appreciation of local currency by 5.14%, 2) 1% Negative real interest rate despite stable interest rates, 3) FBR collection increasing by 4.90% YoY to PKR 2,204 billion during first six months of FY21, 4) LSM growing by 7.41% YoY during July-November FY21, 5) Exuberant response in Roshan digital account with deposit of USD 200 million, 6) Progress in resolution of Circular debt, 7) Prime Minister unveiling Karachi 'Transformation' Plan, 8) Asian Development Bank (ADB) approving USD 300 million loan for strengthening capital markets, 9) Pfizer and BioNTech unveiling the Covid-19 vaccine with 90% efficacy in Phase 3 trials in early November followed by Moderna (94% efficacy) and AstraZeneca (60-70% efficacy), and 10) FATF retaining Pakistan on the grey list until February 2021.

Foreign investors remained net sellers for fifth consecutive quarter with net outflow of USD 183.93 million. During 1HFY21 Individuals, Companies and Insurance companies were the major net buyers with net inflows of USD 159.11 million, USD 90.55 million and USD 82.60 million respectively. However, Banks/DFI and Broker Proprietary Trading were the net sellers with net outflow of USD 68.77 million and USD 9.35 million respectively.

There was a major outperformance witnessed in different sectors during 1HFY21 which helped the KSE-100 Index maintain its momentum. Market capitalization of sectors i.e. Commercial Banks, Cement, Automobile Assembler, Food & Personal Care Products, and Chemicals increased by 28.05%, 50.74%, 40.82%, 15.14% and 29.22%, respectively. In terms of valuation, KSE-100 Index closed at FY21 Price to Earnings Multiple of 6.81x, 54.95% discount compared to MSCI Emerging Market P/E of 15.11x, offering a healthy dividend yield of 5.22%.

MONEY MARKET REVIEW:

During 1HFY21, thirteen (13) MTB auctions were conducted, where the State Bank of Pakistan managed to raise PKR 5.12 trillion cumulatively. Weighted average yield of 3 months, 6 months, and 12 months MTB were 7.02%, 7.07%, and 7.16%, respectively as compared to 13.49%, 13.52%, and 13.49% for same period last year. It is pertinent to note that the yield curve has been on an increasing trend since touching its low of 6.43%, 6.47% and 6.55% for 3 months, 6 months, and 12 months MTB ,respectively in July 2020 auction, depicting an upward slope in the yield curve within short tenure paper as well. Additionally, upward sloping yield curve for recent MTB auctions further suggests future increase in the interest rates.

To further address demand for liquidity, the SBP conducted six (6) auctions of fixed rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 291.54 billion cumulatively during 1HFY21. The weighted average yield of 3 years, 5 years, and 10 years fixed rate PIBs were 8.02%, 8.40%, and 8.95% respectively, as compared to 12.96%, 12.59%, and 12.36%, during same period last year. The Monetary Policy Committee (MPC) announced two (2) Monetary Policy Statements in 1HFY21, where the Committee maintained the policy rate at 7% amid the Covid-19 pandemic with an aim to cushion the slowdown in growth rate while maintaining its inflation outlook and financial stability. The SBP conducted 44 Open Market Operations (OMO) in 1HFY21 of different maturities, in which it injected an average amount of PKR 631.59 billion per OMO at an average cut-off yield of 7.03%, and mopped up an average amount of PKR 41.63 billion per OMO at an average cut-off yield of 6.92%.

As per the auction target calendar for January-March 2021, the SBP targets to raise PKR 2.90 trillion by issuing 3 months, 6 months, and 12 months MTB against maturity amount of PKR 3.29 trillion. Moreover, SBP targets to raise PKR 300 billion by issuing 3 - 30 years fixed rate PIBs and PKR 270 billion by issuing 3 – 10 years floating rate PIBs.

FUTURE OUTLOOK:

Going into 2HFY21, the market is expected to follow FATF related news and any compliance requirement under IMF program. Moreover, any change in liquidity owing to interest rates may decide further directions of the capital market. With the slippage in external account during December 2021, the increase in international oil prices coupled with demand side pressures due to low interest rates will keep the interest rates and exchange rate in limelight.

With the upcoming result season, near term market performance will largely be guided by earning reads. Investor's response towards Initial Public Offerings and Right issues by companies depict positive opportunity for existing investors and helping investors get attracted to the market. Equity benchmarks are likely to remain in the bull-run trajectory with future expected growth in corporate earnings due to recently announced packages and low interest rates justifying upward re-rating in PE of Benchmark KSE-100 Index.

The Government's initiatives of attracting investments from Non-Resident Pakistanis (NRP) are also expected to bode well for the country. Reportedly, Roshan Digital Account has attracted deposit of more than USD 400 million in +80 thousands accounts as of February 3rd 2021. Government is expecting an inflow of USD 1 billion during FY21 from Digital Accounts. The new initiative allows Pakistani diaspora to invest in equity market and will bring fresh liquidity to the capital market.

On the Fixed Income front, negative real interest rates remain contentious considering the country is under an IMF Program. Future expected increase in National Consumer Price Index due to increase in international oil prices coupled with increasing demand may put upward pressure on interest rates. We expect the SBP to opt for contractionary monetary policy during 2HFY21.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim Memon
Chairman

Karachi: February 25, 2021

AKD Index Tracker 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 Shakra-e-Faisal,
Karachi.

BANKERS

Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
United Bank Limited

AUDITORS

Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU Shahrah-e-Faisal,
Karachi-75350

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
Investomate (Pvt.) Limited
Investlink Advisor (Private) Limited

RATING

Asset Management Company
PACRA: AM3++ (AM-Three Plus Plus)

FUND MANAGER'S REPORT

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

Open - end Scheme investing in Equity Securities of KSE-100 Index.

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

The objective of the AKD Index Tracker Fund (AKDITF) is to trail the return of KSE-100 Index with up to 85% accuracy and provide investors with a high quality, in-depth diversification instrument.

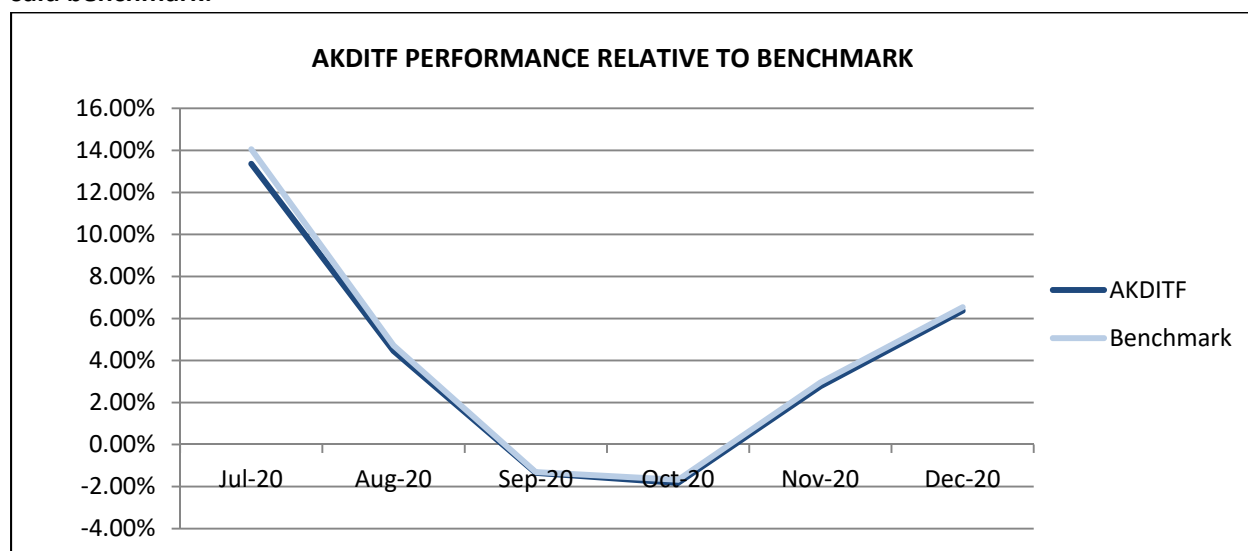
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1HFY21, the return of AKD Index Tracker Fund stood at 25.34% compared to the benchmark KSE-100 Index return of 27.11%.

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

KSE-100 Index

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



Monthly return	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
AKDITF	13.36%	4.45%	-1.35%	-1.83%	2.77%	6.37%
Benchmark	14.05%	4.72%	-1.31%	-1.68%	2.96%	6.54%

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

AKD Index Tracker Fund is a passively managed open - end equity portfolio; its performance is directly linked to the performance of KSE-100 Index with up to 85% accuracy. The Fund Manager attempts to track the movement of the Index by using the weights of the respective stocks in the KSE-100 Index.

vii) **Disclosure of Collective Investment Scheme's asset allocation as the date of the report and particulars of significant changes in asset allocation:**

Asset Allocation (% of Total Asset)	31-Dec-20	30-Sep-20
Equities	97.70%	97.55%
Cash	1.64%	1.47%
Other Assets including Receivables	0.66%	0.98%

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

1HFY21 Return	25.34%
Benchmark Return	27.11%

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

Net Assets Value		NAV Per Unit		
30-Sep-20	30-Sep-20	Change in Net Assets	30-Sep-20	30-Sep-20
(Rupees In "000")			Rs.	Rs.
455,648	441,806	3.13%	13.92	12.97

x) **Statement on the characteristics and general composition of the index:**

AKD Index Tracker Fund tracks the returns of the KSE-100 Index with up to 85% accuracy, providing investors with high quality, in depth diversification instrument.

xi) **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:**

MACRO PERSPECTIVE

Following a decade's low GDP growth of negative 0.38% during FY20, owing to disruption in economic activities due to COVID-19 outbreak, Pakistan has witnessed a strong rebound during 1HFY21 as business activities resumed and macro economic indicators have begun to turn the corner. To this end,

Large Scale Manufacturing (LSM) has registered a growth of 7.41%YoY in 5MFY21 vs. 5.37% decline in the same period last year, pointing towards an economy on track to achieve real GDP growth target of over 2%.

Major contribution towards LSM growth came from Food, Beverages & Tobacco (weight 12.37%), Non Metallic Mineral Products (weight 5.36%), and Pharmaceuticals (weight 3.62%) which increased by 21.28%, 20.60%, and 12.95% respectively. However, some of the increase was eroded by negative contribution from Iron & Steel Products (weight 5.39%), Electronics (weight 1.96%), and Leather Products (weight 0.86%), which decreased by 3.69%, 18.00%, and 43.04%, respectively during July-November FY21.

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xii) Description and explanation of any significant changes in the state of the affairs of the Collective Investment Scheme during the period and up till the date of the Fund manager's report, not otherwise disclosed in the financial statements.

There were no significant changes in the state of affairs during the period under review.

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

There were no unit splits during the period.

xiv) Break down of unit holdings by size:

Range (Units)	No. of Investors
0.1 - 9,999	623
10,000 - 49,999	28
50,000 - 99,999	5
100,000 - 499,999	3
500,000 and above	1
	660

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

Investments are subject to credit and market risk.

xvi) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker (s) or dealers by virtue of transaction conducted by the Collective Investment Scheme:

No soft commission has been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

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S.M.C.H.S., Main Shakra-e-Faisal
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Tel: (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

AKD INDEX TRACKER FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Index Tracker Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2021

AKD Index Tracker Fund

Financial Statements
For the half year ended December 31,
2020

INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AKD INDEX TRACKER FUND** (here-in-after referred to as the "Fund") as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' funds, condensed interim statement of cash flows and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information') for the half year ended December 31, 2020. The Management Company (**AKD Investment Management Limited**) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended December 31, 2020 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.


Chartered Accountants

Place: Karachi

Date: February 26, 2021


**AKD INDEX TRACKER FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	———— (Rupees in '000) ————	
Assets			
Bank balances	4	7,656	9,733
Investments	5	455,620	382,422
Dividend and profit receivable on bank deposits		400	866
Deposits and other receivables	6	2,661	2,624
Receivable against sale of securities		-	32
Total assets		466,337	395,677
Liabilities			
Payable to AKD Investment Management Limited - Management Company	7	1,719	1,658
Payable to Central Depository Company of Pakistan Limited - Trustee	8	90	74
Payable to Securities and Exchange Commission of Pakistan	9	44	77
Accrued expenses and other liabilities	10	5,108	2,833
Unclaimed dividend		3,728	3,728
Total liabilities		10,689	8,370
Net assets		455,648	387,307
Unit holders' fund (as per statement attached)		455,648	387,307
Contingencies and commitments	12		
		———— (Number of units) ————	
Number of units in issue		32,734,522	34,876,145
		———— (Rupees) ————	
Net assets value per unit		13.92	11.11

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

YB

For AKD Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**AKD INDEX TRACKER FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Note	For the half year ended December 31,		For the quarter ended December 31,	
		2020	2019	2020	2019
(Rupees in '000)					
Income					
Capital gain on sale of investments classified as 'fair value through profit or loss'		3,384	749	2,783	1,353
Net unrealised appreciation on remeasurement of investments classified as 'fair value through profit or loss'	5.1	86,996	60,516	22,729	85,327
Dividend income		9,611	11,690	6,955	6,559
Profit on bank deposits		228	764	133	427
Total income		100,219	73,719	32,600	93,666
Expenses					
Remuneration of AKD Investment Management Limited - Management Company	7.1	1,656	1,419	830	767
Sales tax on the remuneration of Management Company	7.2	215	184	108	100
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	442	382	222	204
Sales tax on the Trustee remuneration	8.2	58	49	29	27
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	44	38	22	20
Expenses allocated by the Management Company		221	189	111	102
Brokerage and settlement charges		92	269	161	161
Bank charges		9	4	4	-
Auditors' remuneration		146	135	73	68
Printing and stationery		76	75	38	37
Legal and professional charges		108	108	-	-
Fee and subscription		187	26	7	7
Sindh Workers' Welfare Fund		1,939	1,417	619	1,417
Total expenses		5,193	4,295	2,224	2,910
Net income for the period before taxation		95,026	69,424	30,376	90,756
Taxation	13	-	-	-	-
Net income for the period after taxation		95,026	69,424	30,376	90,756
Allocation of net income for the period:					
Net income for the period after taxation		95,026	69,424	30,376	90,756
Income already paid on units redeemed		(4,045)	(995)	(4,045)	(995)
		90,982	68,429	26,332	89,761
Accounting income available for distribution:					
Relating to capital gains		90,380	60,516	25,512	86,680
Excluding capital gains		602	7,913	820	3,081
		90,982	68,429	26,332	89,761

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

YA

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director


**AKD INDEX TRACKER FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020**

	For the half year ended December 31,		For the quarter ended December 31,	
	2020	2019	2020	2019
	(Rupees in '000)			
Net income for the period after taxation	95,026	69,424	30,376	90,756
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	95,026	69,424	30,376	90,756

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

YA

**For AKD Investment Management Limited
(Management Company)**



Chief Executive Officer



Chief Financial Officer



Director

AKD INDEX TRACKER FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020

	For the half year December 31,		For the quarter December 31,	
	2020	2019	2020	2019
(Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	95,026	69,424	30,376	90,756
Adjustments for:				
Dividend income	(9,611)	(5,511)	(6,955)	(2,157)
Capital gain on sale of investments	(3,384)	(749)	(2,783)	(1,353)
Net unrealised appreciation on remeasurement of investments classified as 'fair value through profit or loss'	(86,996)	(60,516)	(22,729)	(85,327)
Provision of Sindh Worker's Welfare Fund	1,939	1,417	619	-
	(3,026)	4,065	(1,472)	1,919
Decrease / (increase) in assets				
Profit receivable on bank deposits	33	847	887	2,854
Deposits, prepayments and other receivables	(37)	(14)	8	-
Receivable against sale of securities	32	-	-	-
	28	833	895	2,854
Increase / (decrease) in liabilities				
Payable to AKD Investment Management Limited - Management Company	61	215	(35)	239
Payable to Central Depository Company of Pakistan Limited - Trustee	16	19	1	22
Payable to Securities and Exchange Commission of Pakistan	(33)	(364)	22	20
Accrued expenses and other liabilities	336	275	125	1,553
	380	145	113	2,423
Dividend received	10,044	5,236	7,387	2,157
Investments - net	17,182	(18,927)	10,603	(15,458)
Net cash generated from / (used in) operating activities	24,608	(8,648)	17,526	(6,105)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	13,778	12,485	12,016	10,245
Payment against redemption of units	(40,463)	(7,408)	(28,549)	(6,646)
Net cash (used in) / generated from financing activities	(26,685)	5,077	(16,533)	3,599
Net decrease in cash and cash equivalents	(2,077)	(3,571)	993	(2,506)
Cash and cash equivalents at beginning of the period	9,733	10,605	6,663	9,540
Cash and cash equivalents at end of the period	7,656	7,034	7,656	7,034

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

VA


For AKD Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**AKD INDEX TRACKER FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020**

	For the half year ended December 31, 2020			For the half year ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	376,206	11,101	387,307	360,051	10,739	370,790
Issuance of 1,068,208 units (2019: 1,041,286 units)						
- Capital value (at net asset value per unit at the beginning of the period)	11,863	-	11,863	11,585	-	11,585
- Element of income	1,915	-	1,915	900	-	900
Total proceeds on issuance of units	13,778	-	13,778	12,485	-	12,485
Redemption of 3,209,831 units (2019: 587,025 units)						
- Capital value (at net asset value per unit at the beginning of the period)	35,646	-	35,646	6,531	-	6,531
- Amount paid out of element of income relating to net income for the year after taxation	772	4,045	4,817	(118)	995	877
- Element of income						
Total payments on redemption of units	36,418	4,045	40,463	6,413	995	7,408
Total comprehensive income for the period	-	95,026	95,026	-	69,424	69,424
Net assets at end of the period	353,566	102,082	455,648	366,123	79,168	445,291
Distribution for the year						
Undistributed income brought forward		28,977			113,988	
- Relating to capital gain		(17,877)			(103,249)	
- Excluding capital gain		11,100			10,739	
Accounting income available for distribution		90,380			60,516	
- Relating to capital gains		602			7,913	
- Excluding capital gains		90,982			68,429	
Undistributed income carried forward		102,082			79,168	
Undistributed income carried forward		15,086			18,652	
- Realised		86,996			60,516	
- Unrealised		102,082			79,168	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		11.11			11.13	
Net assets value per unit at end of the period		13.92			13.18	

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

**AKD INDEX TRACKER FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020**

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Index Tracker Fund (The Fund) was established under a Trust Deed executed between AKD Investment Management Limited (AKDIML) as Asset Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on May 02, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 12, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) an open end mutual fund.

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 the Pakistan Stock Exchange Limited. Its units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering the same to the Fund.

The Fund is categorised as Index Tracker Scheme as per circular 7 of 2009 by SECP. As per the circular, the Fund shall strive to remain fully invested in accordance with the stated index (i.e.KSE-100 index), however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subsets during the year based on monthly average investment calculated on daily basis. The units invested amount shall be kept in cash and / or near cash instruments where near cash instruments include cash in bank account (excluding TDRs), and treasury bills not exceeding 90 days maturity.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained Asset Manager Rating of 'AM3++' to the Management Company dated February 08, 2020. Due to specialised nature of the Fund, performance ranking has not been taken, as the comparable benchmark is not available.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulation and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information has, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

This condensed financial information has been prepared under the historical cost convention, except that investments have been measured at fair value.

2.3 Functional and presentation currency

This condensed financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

- 3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2020.
- 3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.
- 3.2 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2020.
- 3.3 There are certain new standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

	Note	(Unaudited) December 31, 2020	(Audited) June 30, 2020
		———— (Rupees in '000) ————	
4. BANK BALANCES			
Savings accounts	4.1	7,267	9,344
Current accounts		389	389
		<u>7,656</u>	<u>9,733</u>

- 4.1 Mark-up rates on these accounts range between 5% to 6% (June 30, 2020: 5% to 6.5%) per annum.

	Note	(Unaudited) December 31, 2020	(Audited) June 30, 2020
		———— (Rupees in '000) ————	
5. INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	5.1	<u>455,620</u>	<u>382,422</u>

5.1 Listed Equity Securities

Name of the investee Company	Face value per share (Rupees)	Number of shares				Balance as at December 31, 2020			Market value as percentage of investments	Market value as percentage of net assets	Percentage paid up capital of the investee Company held
		As at July 1, 2020	Purchased during the period	Bonus / right issue received during the period	Sold / Disposed	As at December 31, 2020	Carrying cost	Appreciation/ (diminution)			
Shares of Listed companies											
Automobile Assembler											
Alfas Honda Limited	10	2,920	-	-	-	2,920	1,121	1,460	339	0.32	0.00
Honda Atlas Cars (Pakistan) Limited	10	8,670	400	-	300	6,770	1,366	2,221	856	0.49	0.00
Inclus Motor Company Limited	10	3,329	50	-	200	3,179	3,173	3,808	635	0.84	0.00
Milhat Tractors Limited	10	5,573	50	-	300	5,323	3,779	5,824	2,045	1.28	0.01
Pak Suzuki Motor Company Limited	10	5,020	-	-	-	5,020	812	1,215	402	0.27	0.01
							<u>10,281</u>	<u>14,528</u>	<u>4,277</u>		
Automobile Parts & Accessories											
Agrisauto Industries Limited	5	4,300	-	-	-	4,300	783	1,007	224	0.22	0.01
Thal Limited	5	7,871	250	-	500	7,621	2,499	3,602	1,103	0.79	0.01
							<u>3,282</u>	<u>4,509</u>	<u>1,327</u>		
Cable & Electrical Goods											
Pak Electron Ltd	10	58,275	3,500	-	3,000	58,775	1,387	2,359	972	0.52	0.01
Cement											
Cherat Cement Company Limited	10	25,505	900	-	1,000	25,405	2,251	3,714	1,463	0.82	0.01
D. G. Khan Cement Company Limited	10	54,487	1,400	-	3,900	51,987	4,472	5,957	1,485	1.31	0.01
Fauji Cement Company Limited	10	187,800	-	-	7,000	180,800	3,052	3,918	868	0.86	0.01
Kohat Cement Company Limited	10	14,950	700	-	1,300	14,350	2,024	3,146	1,122	0.69	0.01
Lucky Cement Limited	10	32,383	2,200	-	3,889	30,714	14,557	21,390	6,823	4.89	0.01
Maple Leaf Cement Factory Limited	10	121,747	-	-	4,000	117,747	3,059	5,300	2,241	1.18	0.01
Pioneer Cement Limited	10	30,900	-	-	4,000	26,900	1,696	2,779	1,083	0.81	0.01
							<u>31,111</u>	<u>48,194</u>	<u>15,083</u>		
Chemical											
Archroma Pakistan Limited	10	1,950	-	-	-	1,950	1,149	1,089	(80)	0.24	0.01
Colgate Palmolive(Pakistan) Limited	10	1,420	-	142	100	1,462	2,977	4,240	1,263	0.93	0.00
Engro Polymer & Chemicals Limited	10	78,597	-	-	3,500	75,097	1,876	3,598	1,692	0.78	0.01
ICI Pakistan Limited (note 5.2)	10	3,388	-	-	-	3,388	2,354	2,575	221	0.57	0.00
Lotte Chemical Pakistan Limited	10	88,000	-	-	-	88,000	876	1,325	449	0.29	0.01
							<u>9,332</u>	<u>12,797</u>	<u>3,585</u>		
Close - End Mutual Fund											
Hbl Growth Fund-Class A	10	57,512	-	-	-	57,512	431	489	58	0.11	0.02
Commercial Banks											
Allied Bank Limited	10	42,039	-	-	1,500	40,539	3,104	3,461	357	0.76	0.00
Askari Bank Limited	10	88,313	5,000	-	3,500	89,813	1,280	2,101	841	0.46	0.01
Bank Al Habib Limited	10	179,632	3,400	-	10,800	172,232	9,060	11,987	2,927	2.83	0.02
Bank Alfalah Limited	10	177,534	4,500	-	13,000	169,034	5,874	5,972	1,31	1.31	0.01
Faysal Bank Limited	10	112,280	-	-	22,100	90,180	1,256	1,558	302	0.34	0.01
Habib Bank Limited	10	183,733	9,900	-	19,000	174,633	17,230	23,100	5,870	5.07	0.01

Rupees in '000 ----- %

Name of the Investee Company	Face value per share (Rupees)	Number of shares				Balance as at December 31, 2020			Market value as percentage of investments	Market value as percentage of net assets	Percentage paid up capital of the investee Company held	
		As at July 1, 2020	Purchased during the period	Bonus / right issue received during the period	Sold / Disposed	As at December 31, 2020	Carrying cost	Market value				Appreciation/ (diminution)
Rupees in '000												
Habib Metropolitan Bank Limited	10	117,348	5,900	-	11,000	112,248	3,175	4,377	1,202	0.96	0.86	0.01
MCB Bank Limited	10	103,828	8,150	-	11,300	99,878	16,072	16,283	2,211	4.01	4.01	0.01
Meezan Bank Limited	10	80,388	1,500	7,989	5,900	83,987	5,296	8,772	3,478	1.83	1.83	0.01
National Bank Of Pakistan	10	124,038	3,900	-	7,000	120,938	3,393	5,185	1,802	1.14	1.14	0.01
Standard Chartered Bank (Pakistan) Limited (note 5.2)	10	44,848	2,500	-	-	47,348	1,313	1,650	337	0.36	0.36	0.00
The Bank Of Punjab	10	279,859	-	-	14,000	265,659	2,232	2,463	231	0.54	0.54	0.01
United Bank Limited	10	122,629	9,600	-	15,800	116,429	12,183	14,954	2,491	3.22	3.22	0.01
Engineering												
International Industries Limited (note 5.2)	10	14,000	500	-	-	14,500	1,361	2,561	1,200	0.56	0.56	0.01
International Steels Limited	10	30,800	5,500	-	-	36,100	1,972	3,366	1,384	0.74	0.74	0.01
Fertilizer												
Engro Corporation Limited	10	79,391	4,150	-	8,200	75,331	22,142	23,154	1,012	5.08	5.08	0.01
Engro Fertilizer Limited	10	149,275	-	-	6,400	142,875	8,613	9,034	421	1.96	1.96	0.01
Falima Fertilizer Company Limited	10	78,634	-	-	4,500	74,134	1,982	2,157	175	0.47	0.47	0.00
Fauji Fertilizer Bin Qasim Limited (note 5.2)	10	76,901	-	29,401	-	106,302	1,638	2,692	1,053	0.59	0.59	0.01
Fauji Fertilizer Company Limited	10	175,250	8,900	-	17,800	166,350	16,278	16,049	(229)	3.96	3.96	0.01
Food & Personal Care Products												
Friedlandcampna Engro Pakistan Limited (note 5.2)	10	17,924	800	-	-	18,524	1,400	1,549	149	0.34	0.34	0.08
Murree Brewery Company Limited (note 5.2)	10	3,080	-	-	800	3,080	1,786	1,932	146	0.42	0.42	0.01
National Foods Limited	5	11,148	-	2,768	800	13,132	2,631	2,868	237	0.63	0.63	0.01
Nestle Pakistan Limited (note 5.2)	10	1,124	-	-	570	554	3,731	3,692	(39)	0.81	0.81	0.00
Glass & Ceramics												
Ghani Glass Limited	10	25,002	8,000	-	1,200	31,802	1,462	2,286	824	0.50	0.50	0.01
Insurance												
Adanjee Insurance Company Limited	10	69,740	-	-	3,500	66,240	2,193	2,605	412	0.57	0.57	0.02
EFU General Insurance Limited	10	16,537	-	-	-	16,537	1,819	1,984	165	0.44	0.44	0.01
IGI Holdings Limited	10	8,416	-	-	1,800	6,616	1,197	1,346	149	0.30	0.30	0.00
Jubilee Life Insurance Company Limited (note 5.2)	10	4,311	-	-	-	4,311	1,212	1,716	504	0.38	0.38	0.00
Inv. Banks / Inv. Cos. / Securities Cos.												
Dawood Hercules Corporation Limited	10	78,146	2,700	-	900	79,946	10,234	9,717	(517)	2.13	2.13	0.02
Pakistan Stock Exchange Limited	10	113,500	-	-	-	113,500	1,124	1,682	558	0.37	0.37	0.01
Jute												
Crescent Jute Products Ltd	10	500	-	-	-	500	-	-	-	-	-	0.00
Leasing Companies												
Orix Leasing Pakistan Limited (note 5.2)	10	17,440	3,000	1,022	-	21,462	482	579	87	0.13	0.13	0.01
TOTAL												
						81,228	103,573	22,345				
						3,333	5,927	2,594				
						52,654	53,085	2,437				
						9,548	10,041	493				
						31,802	1,462	2,286	824	0.50	0.50	0.01
						66,240	2,193	2,605	412	0.57	0.57	0.02
						16,537	1,819	1,984	165	0.44	0.44	0.01
						6,616	1,197	1,346	149	0.30	0.30	0.00
						4,311	1,212	1,716	504	0.38	0.38	0.00
						6,421	7,851	1,230				
						79,946	10,234	9,717	(517)	2.13	2.13	0.02
						113,500	1,124	1,682	558	0.37	0.37	0.01
						11,358	11,399	41				

Name of the Investee Company	Face value per share (Rupees)	Number of shares			Balance as at December 31, 2020			Market value as percentage of investments	Market value as percentage of net assets	Percentage paid up capital of the investee Company held		
		As at July 1, 2020	Purchased during the period	Bonus / right issue received during the period	Sold / Disposed	As at December 31, 2020	Carrying cost				Appreciation/ (diminution)	
Leather & Tanneries Services Industries Limited	10	1,812	453	-	-	2,265	1,478	1,889	411	0.41	0.41	0.01
Miscellaneous												
Pakistan Services Limited (note 5.2)	10	5,190	-	-	-	5,190	5,138	4,931	(207)	1.08	1.08	0.02
Shifa International Hospitals Limited	10	8,104	-	-	-	8,104	1,891	1,621	(270)	0.36	0.36	0.01
							<u>7,028</u>	<u>6,552</u>	<u>(477)</u>			
Modarabas												
First Habb Modaraba	5	39,000	-	-	-	39,000	388	386	(2)	0.08	0.08	0.02
Oil & Gas Exploration Companies												
Mari Petroleum Company Limited	10	6,658	160	-	500	8,318	7,821	8,465	644	1.86	1.86	0.00
Oil & Gas Development Company Limited (Note 5.2)	10	161,637	8,800	-	16,900	163,537	16,691	15,933	(766)	3.50	3.50	0.00
Pakistan Oilfields Limited	10	32,434	1,750	-	3,400	30,784	10,818	12,172	1,354	2.67	2.67	0.01
Pakistan Petroleum Limited	10	166,830	9,200	-	17,400	188,630	13,813	14,329	516	3.14	3.14	0.01
							<u>49,143</u>	<u>50,939</u>	<u>1,796</u>			
Oil & Gas Marketing Companies												
Attock Petroleum Limited (note 5.2)	10	6,140	-	-	9,000	8,140	1,874	2,055	181	0.45	0.45	0.01
Haseed Petroleum Limited	10	160,047	-	-	3,000	141,047	1,918	2,072	154	0.45	0.45	0.01
Pakistan State Oil Company Limited	10	52,695	500	-	7,982	50,195	7,982	10,807	2,845	2.37	2.37	0.01
Shell Pakistan Limited	10	5,251	-	-	-	5,251	959	1,457	498	0.32	0.32	0.00
Sui Northern Gas Pipelines Limited	10	71,170	-	-	3,600	67,570	3,689	3,001	(688)	0.66	0.66	0.01
Sui Southern Gas Company Limited	10	75,828	-	-	-	75,828	1,012	1,101	89	0.24	0.24	0.01
							<u>17,414</u>	<u>20,493</u>	<u>3,079</u>			
Paper & Board Packages Limited	10	5,589	-	-	300	5,289	1,836	3,187	1,321	0.69	0.69	0.01
Pharmaceuticals												
Abbot Laboratories (Pakistan) Limited	10	5,164	-	-	200	4,964	3,291	3,760	459	0.82	0.82	0.01
AGP Limited	10	20,978	-	-	1,100	19,878	2,181	2,263	82	0.50	0.50	0.01
Glaxo Smithkline Pakistan Limited	10	12,873	-	-	-	12,873	2,241	2,489	228	0.54	0.54	0.00
Glaxosmithkline Consumer Healthcare Pakistan Limited	10	3,800	-	-	-	3,800	978	954	(24)	0.21	0.21	0.00
Highnoon Laboratories Limited	10	3,440	-	-	150	3,290	1,649	1,973	324	0.43	0.43	0.01
The Searle Company Limited (note 5.2)	10	23,944	1,700	2,943	3,000	25,587	5,105	6,377	1,272	1.40	1.40	0.01
							<u>15,446</u>	<u>17,786</u>	<u>2,341</u>			
Power Generation & Distribution												
The Hub Power Company Limited	10	243,665	7,800	-	19,900	231,595	16,847	18,372	1,526	4.03	4.03	0.02
K-Electric Limited	3.5	691,848	40,000	-	79,000	652,648	1,988	2,552	563	0.56	0.56	0.00
Kof Abdu Power Company Limited (note 5.2)	10	113,778	-	-	2,500	111,278	2,242	3,027	785	0.66	0.66	0.01
Self Power Limited	10	45,800	-	-	-	45,800	736	665	(71)	0.15	0.15	0.01
							<u>21,813</u>	<u>24,616</u>	<u>2,803</u>			
Real Estate Investment Trust												
Dolmen City REIT	10	128,500	-	-	-	128,500	1,410	1,373	(36)	0.30	0.30	0.01

----- Rupees in '000 ----- % -----

Name of the Investee Company	Face value per share (Rupees)	Number of shares				Balance as at December 31, 2020			Market value as percentage of investments	Market value as percentage of net assets	Percentage paid up capital of the investee Company held	
		As at July 1, 2020	Purchased during the period	Bonus / right issue received during the period	Sold / Disposed	As at December 31, 2020	Carrying cost	Market value				Appreciation/ (diminution)
----- Rupees in '000 ----- % -----												
Refinery												
Attock Refinery Limited (note 5.2)	10	9,773	800	-	-	10,573	1,010	1,925	915	0.42	0.42	0.01
Byco Petroleum (Pakistan) Limited	10	123,300	-	-	-	123,300	742	1,091	349	0.24	0.24	0.00
							<u>1,732</u>	<u>3,016</u>	<u>1,264</u>			
Sugar & Allied Industries												
Jow Sugar Mills Limited	10	2,000	-	-	-	2,000	499	434	(65)	0.10	0.10	0.00
Synthetics And Rayon												
Gatron Industries	10	-	400	-	-	400	256	246	(8)	0.05	0.05	0.00
Ibrahimi Fibres Limited	10	3,600	-	-	3,600	-	-	-	-	-	-	0.00
							<u>256</u>	<u>246</u>	<u>(8)</u>			
Technology & Communication												
Pakistan Telecommunication Company Limited	10	137,517	-	-	-	137,517	1,221	1,251	30	0.27	0.27	0.00
Systems Limited	10	18,500	1,250	-	2,200	17,550	3,391	7,357	3,968	1.61	1.61	0.01
TRG Pakistan Limited	10	114,855	-	-	4,500	110,355	3,116	10,068	8,972	2.21	2.21	0.02
							<u>7,728</u>	<u>19,696</u>	<u>10,968</u>			
Textile Composite												
Azgard Mills Limited	10	99,960	-	-	4,500	96,300	1,370	2,463	1,093	0.54	0.54	0.02
Feroze 1888 Mills Limited (note 5.2)	10	13,200	1,000	-	500	13,700	1,143	1,362	219	0.30	0.30	0.00
Gul Ahmed Textile Mills Limited	10	28,800	2,800	-	-	31,600	928	1,161	233	0.25	0.25	0.00
Interloop Limited	10	31,000	1,500	-	1,500	31,000	1,362	2,110	718	0.46	0.46	0.00
Kohinoor Textile Mills Limited	10	54,195	1,400	-	2,000	53,595	1,932	3,658	1,724	0.80	0.80	0.02
Nishat (Churhan) Limited	10	25,830	-	-	-	25,830	838	1,067	249	0.24	0.24	0.01
Nishat Mills Limited	10	38,447	1,700	-	2,500	37,647	2,964	3,831	867	0.84	0.84	0.01
							<u>10,567</u>	<u>15,670</u>	<u>5,103</u>			
Textile Spinning												
Gadoon Textile Mills Limited	10	-	2,000	-	-	2,000	388	442	56	0.10	0.10	0.01
Indus Dyeing & Manufacturing Company Limited	10	800	-	-	600	0	-	-	-	-	-	0.00
							<u>388</u>	<u>442</u>	<u>56</u>			
Textile Weaving												
Shahjeh Textile Limited	10	-	6	-	-	6	1	1	-	0.00	0.00	0.00
Yousaf Weaving Mills Limited	10	9,000	-	-	9,000	-	-	-	-	-	-	0.00
							<u>1</u>	<u>1</u>	<u>-</u>			
Tobacco												
Pakistan Tobacco Company Limited	10	3,120	-	-	160	2,960	4,644	4,765	121	1.05	1.05	0.00
Phillip Morris Pakistan Limited	10	740	-	-	-	740	1,332	1,063	(239)	0.24	0.24	0.00
							<u>5,976</u>	<u>5,858</u>	<u>(119)</u>			
Transport												
Pakistan International Bulk Terminal Limited (note 5.2)	10	223,435	-	-	7,500	215,935	1,900	2,777	877	0.61	0.61	0.01

Name of the investee Company	Face value per share (Rupees)	Number of shares				Balance as at December 31, 2020			Market value as percentage of investments	Market value as percentage of net assets	Percentage paid up capital of the investee Company held	
		As at July 1, 2020	Purchased during the period	Bonus / right issue received during the period	Sold / Disposed	As at December 31, 2020	Carrying cost	Market value				Appreciation/ (diminution)
Vanaspati & Allied Industries Unity Foods Limited	10	51,774	26,500	42,823	3,000	118,097	1,394	3,786	2,392	0.83	0.83	0.01
							<u>1,394</u>	<u>3,786</u>	<u>2,392</u>			
Woollen Banmu Woollen Mills Limited	10	500	-	-	-	500	17	23	6	0.01	0.01	0.01
Total as at December 31, 2020							<u>368,624</u>	<u>455,620</u>	<u>86,998</u>			
Total as at June 30, 2020							<u>400,298</u>	<u>382,422</u>	<u>(17,877)</u>			

Rupees in '000

%

5.2 Investments held by the Fund exceeded the maximum limit prescribed by the Regulation 55(6) of the NBFC Regulations. The said regulation states that the value of the security invested into shall not exceed the weight of the security in the index or its subset. Arrangements has made to adjust these investments with the weight prescribed in the NBFC regulations. However the financial impact is not material.

5.3 These include 100,000 (June 30, 2020: 100,000) shares having market value of Rs. 15.83 million (June 30, 2020: 10.90 million) of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
5.4 Net unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss'			
Market value of investments	5.1	455,620	382,422
Carrying amount of investments	5.1	(368,624)	(400,298)
		<u>86,996</u>	<u>(17,876)</u>

6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposits with			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		100	100
Prepayments			
- Annual listing fee of PSX		14	-
Advance Tax	6.1	47	24
		<u>2,661</u>	<u>2,624</u>

6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance), payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150 of the Ordinance. However, uptill period ended December 31, 2020, withholding tax on profit on debt and dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) /2008-VOL.II - 66417- R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
7. PAYABLE TO MANAGEMENT COMPANY			
Management fees	7.1	285	237
Sales tax on management fees	7.2	37	31
Expenses allocated by the management company	7.3	38	32
Federal Excise Duty on Management Company	7.4	1357	1,357
Payable to Management fee		2	1
		<u>1,719</u>	<u>1,658</u>

7.1 The Management Company charged remuneration at the rate of 0.75 percent per annum of the average daily net assets of the Fund. The remuneration is paid to Management Company on a monthly basis in arrears.

7.2 Sindh sales tax at the rate of 13% (June 30, 2020: 13%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

7.3 The Management Company has charged expenses at the rate of 0.1% (June 30, 2020: 0.1%) per annum of the average annual net assets of the Fun under the Regulation 60 of the NBFC Regulations and SECP vide SRO 639 dated June 20, 2019.

7.4 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the audited annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at December 31, 2020 would have been higher by Re 0.0415 per unit (June 30, 2020: Re 0.039 per unit).

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
8. PAYABLE TO CENTRAL DEPOSITORY COMPANY LIMITED - TRUSTEE			
Trustee fee	8.1	80	66
Sindh Sales Tax	8.2	10	8
		<u>90</u>	<u>74</u>

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

Net assets upto 1 billion
0.2% per annum of the daily average net assets of the Fund.

Net assets exceeding 1 billion
Rs. 2 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs. 1 billion.

8.2 Sindh sales tax at the rate of 13% (June 30, 2020: 13%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to SECP	9.1	<u>44</u>	<u>77</u>

9.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 all Collective Investment Schemes are required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02 percent of the average annual net assets of the scheme.

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
Brokerage payable		5	46
Auditors' remuneration		146	262
Printing charges payable		201	150
Provision for Sindh Workers Welfare Fund	10.1	4,125	2,186
Withholding tax payable		138	9
Others		493	180
		<u>5,108</u>	<u>2,833</u>

10.1 There is no change in the status of the SWWF as reported in the audited annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in this condensed interim financial information of the Fund, the net asset value of the Fund as at December 31, 2020 would have been higher by Re.0.126 per unit (June 30, 2020 Re.0.063 per unit).

11. TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2020 to December 31, 2020 is 1.19% (June 30, 2020: 1.5%) and this includes 0.52% (June 30, 2020: 0.18%) representing government levy, Sindh Worker's Welfare Fund, SECP fee etc.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2020 and June 30, 2020.

13. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause IIA of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. The management intends to distribute the income earned by the Fund during the year to the unit holders in cash in the manner as explained above, accordingly, no provision for current and deferred tax has been made in this condensed financial information.

14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund includes the Management Company, other Collective Investment Schemes managed by the Management Company, the Trustee, AKD Securities Limited, directors, officers, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations 2008 and constitutive documents of the Fund.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:

	(Unaudited) For the half year ended	
	December 31, 2020	December 31, 2019
	(Rupees in '000)	
Transactions during the period		
AKD Investment Management Limited - Management Company of the Fund		
Remuneration for the period	1,656	1,419
Sindh Sales tax on Management Company's Remuneration	215	184
Allocated expenses by the Management Company	221	189
Sales load	2	1
AKD Securities Limited - Brokerage House		
Commission expenses on purchase and sale of marketable securities	4	6
AKD Investment Management Limited Staff Provident Fund		
Redemption of Nil units (2019: 229,938)	-	3,043
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee	442	382
Central Depository Service charges	7	6
Sindh Sales Tax on Trustee Fee and CDS Charges	58	49
	(Un-Audited)	(Audited)
	December 31, 2020	June 30, 2020
	(Rupees in '000)	
Balances outstanding at the period / year end		
AKD Investment Management Limited - Management Company of the Fund		
Remuneration payable	285	237
Allocated expenses by management company payable	38	32
Payable to Management Company - Others	1	1

	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
	(Rupees in '000)	
Sindh sales tax payable on Management Company's remuneration	37	31
Federal Excise Duty payable on Management Company's remuneration	1,357	1,357
Sales load payable	1	1
Payable to Central Depository Company of Pakistan - Trustee		
Remuneration payable	79	66
Security deposit	100	100
CDS charges payable	1	-
Sales tax on Trustee Fee payable	10	8
AKD Securities Limited - Brokerage House		
Commission Payable on purchase and sale of marketable securities	7	-
Mr. Aqeel Karim Dhedhi - Chairman of the Group		
Units outstanding 390 (June 30, 2020: 390) units	5	4
Unit holders having more than 10% units		
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)		
Number of units outstanding : 29,898,676 (June 30, 2020 : 29,898,676) units	416,175	332,031

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level-1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level-2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level-3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	<u>As at December 31, 2020 (Un-audited)</u>			
	<u>Fair Value</u>			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investment in securities -at fair value through Profit or loss				
Listed equity securities	<u>455,620</u>	-	-	<u>455,620</u>

	<u>As at June 30, 2020 (Audited)</u>			
	<u>Fair Value</u>			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investment in securities -at fair value through Profit or loss				
Listed equity securities	<u>382,422</u>	-	-	<u>382,422</u>

15.1 There were no transfers between levels of fair value hierarchy during the period

16. IMPACT OF COVID-19

On March 11, 2020, the World Health Organisation made an assessment that the outbreak of a coronavirus (COVID-19) can be characterised as a pandemic. As a result, businesses have subsequently been affected amongst others with temporary suspension of travel, and closure of recreation and public facilities.

To alleviate the negative impact of the COVID-19 pandemic, the Government, Central Banks including financial institutions affiliated to those banks, and regulators have taken measures and issued directives to support businesses, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the market.


The Management Company has made an assessment in order to evaluate the impact of COVID-19 pandemic over the financial performance of the Fund as well as the going concern assessment. As a result of such assessment, the management has not identified any material adverse impact on its financial performance due to COVID-19 pandemic situation

17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 26 FEB 2021 by the Board of Directors of the Management Company.

YA

For AKD Investment Management Limited
(Management Company)



Chief Executive Officer

Chief Financial Officer

Director



**AKD Investment
Management Ltd.**

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Near Complex Hospital,
Main Mansehra Road, Abbottabad.
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