

Funds Managed by:
AKD Investment Management Ltd.

Quarterly Report
March 31, 2021
(Un-audited)



quarterly report



Partner with AKD
Profit from the Experience



**AKD Investment
Management Ltd.**

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

**CORPORATE
INFORMATION**

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF), 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 nine months report along with the Funds' unaudited financial statements for the period ended March 31, 2021.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 9MFY21, the return of AKD Opportunity Fund stood at 71.89% compared to the benchmark KSE-100 Index return of 29.53%. During 3QFY21, the return of AKDOF stood at 6.93% compared to the benchmark KSE-100 index return of 1.90%. For 2QFY21, the return of AKDOF stood at 11.48% compared to the benchmark KSE-100 index return of 7.85%.

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

For the 9MFY21, the return of Golden Arrow Stock Fund (*Formerly: Golden Arrow Selected Stocks Fund Limited*) stood at 83.06% compared to the benchmark KSE-100 Index return of 29.53%. During 3QFY21, the return of GASF stood at 14.50% compared to the benchmark KSE-100 index return of 1.90%. For 2QFY21, the return of GASF stood at 15.30% compared to the benchmark KSE-100 index return of 7.85%.

AKD Index Tracker Fund (AKDITF)

For the 9MFY21, the return of AKD Index Tracker Fund stood at 27.22% compared to the benchmark KSE-100 Index return of 29.53%. During 3QFY21, the return of AKDITF stood at 1.50% compared to the benchmark KSE-100 index return of 1.90%. For the 2QFY21, the return of AKDITF stood at 7.31% compared to the benchmark KSE-100 index return of 7.85%.

AKD Cash Fund (AKDCF)

For the 9MFY21, the annualized return of AKD Cash Fund stood at 6.25% compared to the benchmark return of 6.68%. During 3QFY21, the return of AKDCF stood at 6.03% compared to the benchmark return of 6.63%. For the 2QFY21, the return of AKDCF stood at 6.01% compared to the benchmark return of 6.63%.

AKD Aggressive Income Fund (AKDAIF)

For the 9MFY21, the annualized return of AKD Aggressive Income Fund stood at 6.34% compared to the benchmark return of 7.66%. During 3QFY21, the return of AKDAIF stood at 7.42% compared to the benchmark return of 7.97%. For the 2QFY21, the return of AKDAIF stood at 6.51% compared to the benchmark return of 6.67%.

AKD Islamic Income Fund (AKDISIF)

For the 9MFY21, the annualized return of AKD Islamic Income Fund stood at 6.59% compared to the benchmark return of 3.72%. During 3QFY21, the return of AKDISIF stood at 6.33% compared to the benchmark return of 3.29%. For 2QFY21, the return of AKDISIF stood at 5.09% compared to the benchmark return of 3.44%.

AKD Islamic Stock Fund (AKDISSF)

For the 9MFY21, the return of AKD Islamic Stock Fund stood at 50.88% compared to the benchmark KMI-30 Index return of 32.81%. During 3QFY21, the return of AKDISSF stood at 8.06% compared to the benchmark KMI-30 index return of 2.63%. For the 2QFY21, the return of AKDISSF stood at 6.09% compared to the benchmark KMI-30 index return of 9.93%.

MACRO PERSPECTIVE:

Pakistan Economy witnessed a strong rebound during the nine months of fiscal year 2021 on the back of growth in Large Scale Manufacturing Index, which showed a growth of 7.45%YoY during 8MFY21 as compared to same period last year. Net collections by Federal Board of Revenue (FBR) surpassed the target owing to improvement in business activities. Moreover, better external account numbers provided fiscal space for appreciation of local currency against greenback.

Major contributions towards LSM growth came from Food, Beverages & Tobacco (weight 12.40%), Non Metallic Mineral Products (weight 5.40%), and Pharmaceuticals (weight 3.60%) which increased by 15.75%, 20.77%, and 12.09% respectively. However, some of the increase was eroded by negative contribution from Electronics (weight 2.0%), and Leather Products (weight 0.90%), which decreased by 24.36%, and 40.49% respectively during July-February FY21.

During the period under review, the external account turned positive after witnessing consecutive current account deficits since 4QFY15, resulted in strengthening of local currency by 10.01% since year ended FY20. During nine months of FY21, external account of the country clocked in at a surplus of USD 0.959 billion (0.45% of GDP) as compared to a deficit of USD 4.147 billion (2.07% of GDP) recorded during the same period last year. Improvement in external account can be attributed to a 26.22%YoY surge in workers' remittances we suspect from laid offs and to constraints through informal channels after closure of international flights. The Exports of Goods & Services surged by 1.97%YoY to USD 23.07 billion owing to improvement in exports of textile products. Imports of Goods & Services increased by 4.23%YoY to USD 43.09 billion due to rise in international commodity prices coupled with import of capital goods i.e Plant and Equipment and raw material.

During the 9MFY21, Pakistan was able to attract only USD 1.395 billion in gross FDI as compared to USD 2.150 billion in SPLY, exhibiting a decrease of 35.13% YoY. Portfolio Investment witnessed net an outflow of USD 265.2 million as compared to outflow of USD 103.6 million during SPLY. Moreover, investment in debt securities also turned negative to USD 3.50 million from positive USD 331.40 million owing to a decrease in interest rates. Net open position by foreign investors stood at USD 3.03 billion,

USD 0.38 billion, and USD 0.345 billion in Equity, T-Bills, and PIBs respectively as compared to USD 2.73 billion, USD 0.59 billion, and USD 0.096 billion respectively at the end of FY20.

Total liquid foreign exchange reserves of Pakistan stood at USD 20.84 billion by March 2021 (USD 13.67 billion net reserves with State Bank of Pakistan and USD 7.16 billion net reserves with banks) as compared to USD 17.10 billion in SPLY.

On the fiscal front, the Federal Board of Revenue (FBR) made net revenue collection of PKR 3,394 billion during first nine months of FY21, exceeding its target of PKR 3,287 billion by PKR 107 billion. Net revenue collection surged by 10.34%YoY as compared to PKR 3,076 billion recorded during SPLY owing to faster recovery in the economy. During the period under review, refunds of PKR 177 billion were issued compared to PKR 102 billion for the SPLY. Government is expected to achieve its collection target of PKR 4.69 trillion for FY21, up by 17.3% as compared to FY20 collection of PKR ~4.00 trillion.

As per the Pakistan Bureau of Statistics (PBS), National Consumer Price Index (NCPI) for March 2021 stood at 9.05%YoY which pulled down the average inflation for 9MFY21 to 8.34% as compared to 11.53% SPLY. This significant increase in monthly inflation was primarily due to an increase in prices of Food and Non-alcoholic Beverages (weight 34.58%) by 11.58%YoY.

EQUITY REVIEW:

During nine months of fiscal year 2021, local market continued to make gains where the benchmark KSE-100 index surged by 10,165 points, showing an increase of 29.53%, to close at 44,588 points level. On sequential basis, index surged by 832 points during 3QFY21, an increase of 1.90%QoQ as compared to an increase of 7.85%QoQ witnessed during 2QFY21. Local bourse witnessed healthy participation during the period under review as average daily turnover surged by 1.46x to 483.46 million shares as compared to 196.34 million shares recorded during FY20. Average daily traded value also surged by 59.57% to PKR 18.74 billion as compared to PKR 7.22 billion recorded during FY20. Investor interest was concentrated in second and third tier stocks, with KSE-100 contribution to total volumes decreasing to 55.77% from 68.92% recorded during FY20.

Market participants hailed positive macro developments giving little attention to political noise and rising Covid infection ratio. Some of the key triggers were, (1) country selling USD 2.5 billion in three-tranche Euro bonds, (2) receipt of USD 499 million IMF tranche, (3) PM winning vote of confidence from parliament (4) Current Account Surplus of USD 0.88 billion during 8MFY21 resulting in appreciation of local currency by 10.01%, (5) FBR collection +10.34% during nine months of FY2021, exceeding target of by PKR 107 billion, (6) LSM posted growth of 7.45% YoY during July-February FY21, (7) Roshan Digital Account (RDA) received an exuberant response with a deposit of USD 800 million in six months, (8) monthly remittances sustaining USD 2.0 billion mark for 10 consecutive months, and (9) FATF extending action timeline till Jun'21 to complete action plan.

Foreign investors remained net sellers for sixth consecutive quarter with a net outflow of USD 16.48 million. During 9MFY21 Individuals, Companies and Insurance companies were the major net buyers with net inflows of USD 248.13 million, USD 117.83 million, and USD 52.98 million respectively.

However, Banks/DFI and Broker Proprietary Trading were the net sellers with a net outflow of USD 90.56 million and USD 35.23 million respectively.

There was a major outperformance witnessed in different sectors during 9MFY21 which helped the KSE-100 Index maintain its momentum. Sector wise market capitalization i.e. Cement, Commercial Banks, Technology and Communication, Chemicals, and Refinery increased by 54.2%, 17.8%, 129.5%, 31.7%, and 168.5%, respectively. In terms of valuation, KSE-100 Index closed at FY21 Price to Earnings Multiple of 5.92x, 56% discount compared to MSCI Emerging Market P/E of 13.44x, offering a healthy dividend yield of 6.45%.

MONEY MARKET REVIEW:

During 9MFY21, nineteen (19) MTB auctions were conducted, where the State Bank of Pakistan (SBP) managed to raise PKR 9.83 trillion cumulatively. Weighted average yield of 3 months, 6 months, and 12 months MTB were 7.08%, 7.19%, and 7.32%, respectively as compared to 13.38%, 13.35%, and 13.27% 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 nine (9) auctions of fixed rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 473.92 billion cumulatively during 9MFY21. The weighted average yield of 3 years, 5 years, 10 years, and 20 years fixed rate PIBs were 8.29%, 8.76%, 9.29%, and 10.51% respectively, as compared to 12.56%, 12.11%, 11.87%, and 11.08% during same period last year. Moreover, SBP conducted auction for 30 years fixed rate PIBs during 3QFY21, however no bids were received. The Monetary Policy Committee (MPC) announced four (4) Monetary Policy Statements in 9MFY21, 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 67 Open Market Operations (OMO) in 9MFY21 of different maturities, in which it injected an average amount of PKR 669.36 billion per OMO at an average cut-off yield of 7.04%, and mopped up an average amount of PKR 45.59 billion per OMO at an average cut-off yield of 6.91%.

As per the auction target calendar for April – June 2021, the SBP targets to raise PKR 4.70 trillion by issuing 3 months, 6 months, and 12 months MTB against maturity amount of PKR 4.03 trillion. Moreover, SBP targets to raise PKR 375 billion by issuing 3 - 30 years fixed rate PIBs during the period.

FUTURE OUTLOOK:

Going into the fourth quarter of FY2021, the market is expected to follow Budget related news for the fiscal year 2022 along with FATF related news where deadline for compliance had been extended till June 2021. Any Fresh tax imposed may hinder the growth and sentiments of the local market. Pakistan

has committed with IMF to implement PKR 1.272 trillion fresh taxes, PKR 176 billion on salaried class alone, in the upcoming budget FY2021.

IMF has upward revised the estimated growth for FY21 to 1.5% where inflation and current account deficit are expected to clock in at 8.70% and 1.50% of GDP respectively during FY21. IMF has projected the economic growth rate of 4.0% for FY22, which is to reach 5.0% by FY26. The Fund estimates inflation and current account deficit to clock in at 8.0% and 1.80% of GDP during FY22.

With the upcoming result season, near term market performance will largely be guided by earning reads. The benchmark KSE – 100 index is likely to remain in the bull-run trajectory due to upward revision in valuation multiples. We reiterate our stance for positive market outlook based on (i) Expected growth in GDP owing to robust earnings profile (ii) enticing Price to Earnings multiple of 6.1x, (iii) healthy dividend yield of 6.19%, (iv) low profit rate on other asset classes, and (v) increase inflow of funds.

Recent inflows of USD 2.5 billion coupled with a rollover of USD 2.0 billion repayment by UAE along with Government's initiatives for attracting investments from Non-Resident Pakistanis (NRPs) are expected to bode well for the USD PKR parity. Reportedly, Roshan Digital Account has attracted deposits of more than USD 1 billion in more than one hundred thousand accounts as of April 24th, 2021. The RDA initiative is expected to attract USD 1.5 billion during FY21. The new initiative allows Pakistani diaspora to invest in equity market and will bring fresh liquidity to the capital market.

As far as fixed income is concerned, in the latest Monetary Policy Meeting held during March 2021, the Monetary Policy Committee has kept the policy rate at 7.0%, deviating from its policy-setting framework to support economic recovery. The MPC has indicated to keep interest rates stable in the near term where the Central Bank has indicated a shift from stability to growth. Additionally, recent money market auctions on April 21, 2021 by SBP have shown yields of issuances coming down by up to 10 bps, which may lead the market to believe that stability of interest rates and even a potential rate cut may be on the horizon in the next MPC meeting scheduled for May 2021.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim Memon
Chairman

Karachi: April 30, 2021

AKD Islamic Income Fund



MANAGEMENT COMPANY

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

TRUSTEE

MCB Financial Services Limited
4th Floor, Perdesi House,
2/1 R-Y Old Queens Road,
Karachi-74200

BANKERS

BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Summit Bank Limited (Islamic Banking)

AUDITORS

Yousuf Adil

Chartered Accountants
Cavish Court A-35, Block 7 & 8
KCHSU, Sharah-e-Faisal,
Karachi-75350, Pakistan

LEGAL ADVISER

Sattar & Sattar
Attomeys - 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 (Private) Ltd.
Investlink Advisor (Private) Limited
Metro Capital (Private) Ltd.

RATING

AKD Islamic Income Fund
PACRA: A+(f) [A Plus(f)]

FUND MANAGER'S REPORT

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

Open – End Islamic Income Scheme.

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

AKD Islamic income fund (AKDISIF) is a fund that primarily focuses on Shariah compliant income securities and instruments. The objective of AKDISIF is to provide investors with an investment vehicle that strives to enhance capital coupled with regular halal income by investing in Shariah compliant income investments.

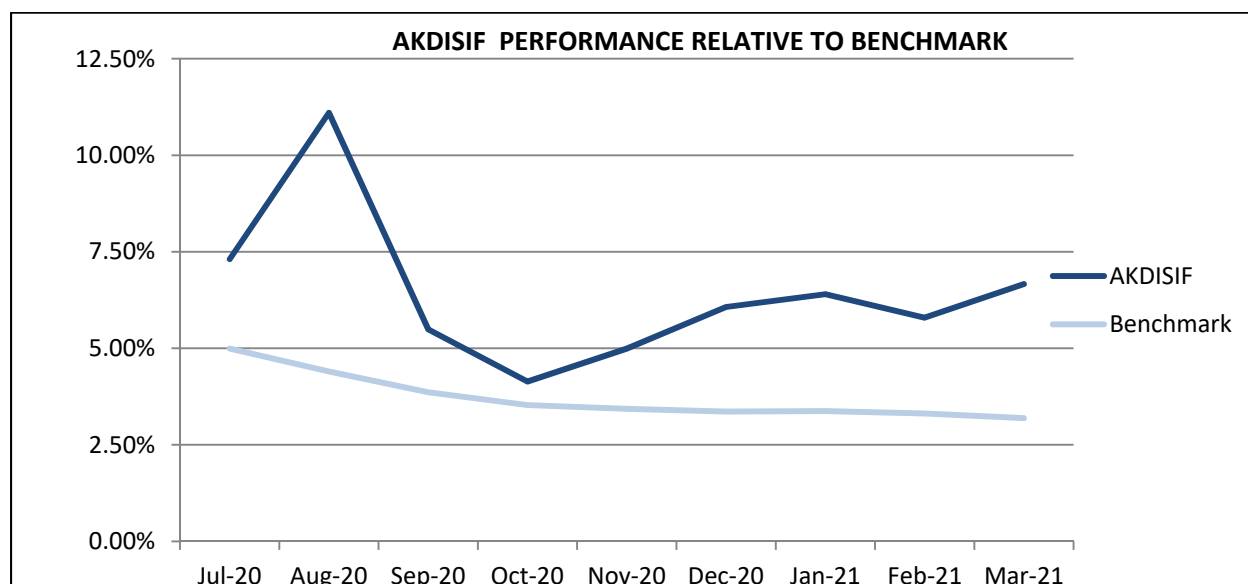
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 9MFY21, the annualized return of AKD Islamic Income Fund stood at 6.59% compared to benchmark return of 3.72%.

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

Six (6) months average deposit rates of three (3) A Rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.

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



Monthly yield (annualized)	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
AKDISIF	7.31%	11.10%	5.49%	4.14%	4.99%	6.07%	6.40%	5.79%	6.66%
Benchmark	4.99%	4.40%	3.86%	3.53%	3.43%	3.36%	3.37%	3.31%	3.19%

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

AKD Islamic income fund is an Open – End Islamic Income Scheme. The returns of the fund are generated through investment in high quality Shariah complaint securities and Islamic Bank deposit. AKDISIF is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

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

Asset Allocation (% of Total Assets)	31-Mar-21	31-Dec-20
Cash and Cash Equivalents	49.37%	54.00%
Sukuk	19.75%	31.18%
Commercial Papers	1.70%	3.09%
Spread Transaction (cost)	20.96%	-
Other Assets including Receivables	8.22%	11.73%

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

9MFY21 Return (annualized)	6.59%
Benchmark Return (annualized)	3.72%

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

Net Assets Value		NAV Per Unit		
31-Mar-21	31-Dec-20	Change in Net Assets	31-Mar-21	31-Dec-20
(Rupees in 000)			(Rupees)	
674,992	362,293	86.31%	52.69	51.88

x) **Disclosure on the markets that the Collective Investment Scheme has invested in including review of the market (s) invested in and return during the period:**

MACRO PERSPECTIVE:

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Major contributions towards LSM growth came from Food, Beverages & Tobacco (weight 12.40%), Non Metallic Mineral Products (weight 5.40%), and Pharmaceuticals (weight 3.60%) which increased by 15.75%, 20.77%, and 12.09% respectively. However, some of the increase was eroded by negative

contribution from Electronics (weight 2.0%), and Leather Products (weight 0.90%), which decreased by 24.36%, and 40.49% respectively during July-February FY21.

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Total liquid foreign exchange reserves of Pakistan stood at USD 20.84 billion by March 2021 (USD 13.67 billion net reserves with State Bank of Pakistan and USD 7.16 billion net reserves with banks) as compared to USD 17.10 billion in SPLY.

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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 nine (9) auctions of fixed rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 473.92 billion cumulatively during 9MFY21. The weighted average yield of 3 years, 5 years, 10 years, and 20 years fixed rate PIBs were 8.29%, 8.76%, 9.29%, and 10.51% respectively, as compared to 12.56%, 12.11%, 11.87%, and 11.08% during same period last year. Moreover, SBP conducted auction for 30 years fixed rate PIBs during 3QFY21, however no bids were received. The Monetary Policy Committee (MPC) announced four (4) Monetary Policy Statements in 9MFY21, 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 67 Open Market Operations (OMO) in 9MFY21 of different maturities, in which it injected an average amount of PKR 669.36 billion per OMO at an average cut-off yield of 7.04%, and mopped up an average amount of PKR 45.59 billion per OMO at an average cut-off yield of 6.91%.

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FUTURE OUTLOOK:

Going into the fourth quarter of FY2021, the market is expected to follow Budget related news for the fiscal year 2022 along with FATF related news where deadline for compliance had been extended till June 2021. Any Fresh tax imposed may hinder the growth and sentiments of the local market. Pakistan has committed with IMF to implement PKR 1.272 trillion fresh taxes, PKR 176 billion on salaried class alone, in the upcoming budget FY2021.

IMF has upward revised the estimated growth for FY21 to 1.5% where inflation and current account deficit are expected to clock in at 8.70% and 1.50% of GDP respectively during FY21. IMF has projected the economic growth rate of 4.0% for FY22, which is to reach 5.0% by FY26. The Fund estimates inflation and current account deficit to clock in at 8.0% and 1.80% of GDP during FY22.

With the upcoming result season, near term market performance will largely be guided by earning reads. The benchmark KSE – 100 index is likely to remain in the bull-run trajectory due to upward revision in valuation multiples. We reiterate our stance for positive market outlook based on (i) Expected growth in GDP owing to robust earnings profile (ii) enticing Price to Earnings multiple of 6.1x, (iii) healthy dividend yield of 6.19%, (iv) low profit rate on other asset classes, and (v) increase inflow of funds.

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bode well for the USD PKR parity. Reportedly, Roshan Digital Account has attracted deposits of more than USD 1 billion in more than one hundred thousand accounts as of April 24th, 2021. The RDA initiative is expected to attract USD 1.5 billion during FY21. The new initiative allows Pakistani diaspora to invest in equity market and will bring fresh liquidity to the capital market.

As far as fixed income is concerned, in the latest Monetary Policy Meeting held during March 2021, the Monetary Policy Committee has kept the policy rate at 7.0%, deviating from its policy-setting framework to support economic recovery. The MPC has indicated to keep interest rates stable in the near term where the Central Bank has indicated a shift from stability to growth. Additionally, recent money market auctions on April 21, 2021 by SBP have shown yields of issuances coming down by up to 10 bps, which may lead the market to believe that stability of interest rates and even a potential rate cut may be on the horizon in the next MPC meeting scheduled for May 2021.

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

There was no significant change in the state of affairs during the period under review.

xii) Break down of unit holding by size:

Range (Units)	No. of Investors
0.1 - 9,999	373
10,000 - 49,999	27
50,000 - 99,999	9
100,000 - 499,999	7
500,000 and above	6
	422

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

There were no unit splits during the period.

xiv) Disclosure of circumstances that materially affect any interest of unit holders:

Investments are subject to credit and market risk.

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

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

AKD ISLAMIC INCOME FUND

Financial statements

**For the nine months period ended
March 31, 2021**

AKD ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2021

		(Un-audited) March 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2020
Assets	Note		
Bank balances	5	347,527	232,235
Investments	6	296,842	64,686
Profit receivable		5,216	3,754
Deposits, prepayments and other receivables	7.	11,447	327
Receivable from other funds against conversion of units		42,408	-
Preliminary expenses and floatation cost	8.	542	757
Total assets		703,982	301,759
Liabilities			
Payable to the AKD Investment Management Limited - Management Company	9.	1,149	1,182
Payable to the MCB Financial Services Limited- Trustee	10.	77	34
Payable to Securities and Exchange Commission of Pakistan	11.	49	52
Payable against Redemption of units		511	-
Payable to other funds against conversion of units		15,191	-
Payable against purchase of investment		10,118	-
Accrued expenses and other liabilities	12.	1,895	2,896
Total liabilities		28,990	4,164
Net assets		674,992	297,595
Unit holders' fund (as per statement attached)		674,992	297,595
Contingencies and commitments	13.		
		Number of units	
Number of units in issue		12,810,451	5,927,534
		----- Rupees -----	
Net assets value per unit		52.6907	50.2055

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)


 Chief Executive Officer


 Chief Financial Officer

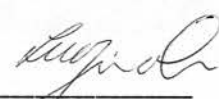

 Director

AKD ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

		For the nine months ended		For the quarter ended	
		March 31,		March 31,	
		2021	2020	2021	2020
Note		-----('Rupees in '000) -----			
Income					
Net unrealised appreciation on remeasurement of investments 'at fair value through profit or loss'		516	388	27	417
Unrealized diminution on remeasurement of listed equity securities sale in future - spread transactions		(1,704)	-	(1,704)	-
Net unrealised appreciation on remeasurement of future contracts		2,595	-	2,595	-
Capital loss on sale of Investment		(139)	-	(139)	-
Income from sukuk certificates and commercial papers		6,765	4,415	3,334	1,393
Profit on bank deposits		10,841	19,802	6,171	7,017
Total income		18,874	24,605	10,284	8,827
Expenses					
Remuneration of AKD Investment Management Limited - Management Company	9.1	981	508	534	262
Sales tax on the remuneration of the Management Company	9.2	128	66	70	34
Remuneration of the MCB Financial Services Limited- Trustee	10.1	294	224	160	79
Sales tax on the Trustee remuneration	10.2	38	29	22	10
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	49	37	27	13
Expenses allocated by the Management Company	9.3	368	186	200	65
Auditors' remuneration		174	134	57	44
Security transaction cost		255	-	255	-
Settlement and bank charges		58	66	19	25
Amortisation of preliminary expenses and floatation costs		215	215	71	71
Fee and subscription		277	156	126	57
Printing and related cost		113	113	37	38
Legal and professional charges		261	235	86	78
Provision against Sindh Workers' Welfare Fund		313	453	172	161
Total expenses		3,524	2,422	1,836	937
Net income for the period before taxation		15,350	22,183	8,448	7,890
Taxation	15.	-	-	-	-
Net income for the period after taxation		15,350	22,183	8,448	7,890
Allocation of net income for the period					
Net income for the period after taxation		15,350	22,183	8,448	7,890
Income already paid on units redeemed		(2,318)	(8,311)	(1,181)	(4,537)
		13,032	13,872	7,267	3,353
Accounting income available for distribution					
Relating to capital gains		1,268	388	779	417
Excluding capital gains		11,764	13,484	6,488	2,936
		13,032	13,872	7,267	3,353

The annexed notes 1 to 20 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 ISLAMIC INCOME FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

	For the nine months ended March 31,		For the quarter ended March 31,	
	2021	2020	2021	2020
	-----('Rupees in '000) -----			
Net income for the period after taxation	15,350	22,183	8,448	7,890
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>15,350</u>	<u>22,183</u>	<u>8,448</u>	<u>7,890</u>

The annexed notes 1 to 20 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 ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF CASHFLOWS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

		For the nine months ended March 31,		For the quarter ended March 31,	
	Note	2021	2020	2021	2020
		-----('Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation		15,350	22,183	8,448	7,890
Adjustments					
Amortisation of preliminary expenses and floatation costs		215	215	71	71
Net unrealised appreciation on remeasurement of investments 'at fair value through profit or loss'		(516)	(388)	(27)	(417)
Unrealised diminution on remeasurement of listed equity securities sale in future - spread transactions		1,704	-	1,704	-
		16,753	22,010	10,196	7,544
(Increase) / decrease in assets					
Profit receivable		(1,462)	(1,002)	(2,543)	(912)
Deposits, prepayments and other receivables		(11,120)	(143)	(11,178)	(212)
		(12,582)	(1,145)	(13,721)	(1,124)
(Decrease) / increase in liabilities					
Payable to the AKD Investment Management Limited - Management Company		(33)	(9)	212	97
Payable to the MCB Financial Services Limited- Trustee		43	10	45	10
Payable against purchase of investment		10,118	-	10,118	-
Payable to Securities and Exchange Commission of Pakistan		(3)	(87)	27	13
Accrued expenses and other liabilities		(1,001)	14	390	296
		9,124	(72)	10,792	416
Investment-net		(233,344)	(21,024)	(165,382)	(40,524)
Net cash generated from / (used in) operating activities		(220,049)	(231)	(158,115)	(33,688)
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		1,370,910	392,089	667,030	217,307
Payment against redemption of units		(1,035,569)	(346,110)	(371,185)	(146,226)
Net cash used in financing activities		335,341	45,979	295,845	71,081
Net increase / (decrease) in cash and cash equivalents		115,292	45,748	137,730	37,393
Cash and cash equivalents at beginning of the period		232,235	178,015	209,797	186,370
Cash and cash equivalents at end of the period	5	347,527	223,763	347,527	223,763

The annexed notes 1 to 20 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 ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	For the nine months ended March 31, 2021			For the nine months ended March 31, 2020		
	Rupees in '000			Rupees in '000		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period	296,649	946	297,595	224,936	652	225,588
Issue of 27,284,943 units (2020: 7,442,132 units)						
- Capital value (net asset value per unit at beginning of the period)	1,369,852	-	1,369,852	373,250	-	373,250
- Element of income	43,466	-	43,466	18,839	-	18,839
Total proceeds on issuance of units	1,413,318	-	1,413,318	392,089	-	392,089
Redemption of 20,402,026 units (2020: 6,582,968 units)						
- Capital value (net asset value per unit at beginning of the period)	1,024,292	-	1,024,292	330,160	-	330,160
- Amount paid out of element of income	-	2,318	2,318	-	8,311	8,311
- Element of income	24,661	-	24,661	7,639	-	7,639
Total payments on redemption of units	1,048,953	2,318	1,051,271	337,799	8,311	346,110
Total comprehensive income for the period	-	15,350	15,350	-	22,183	22,183
Distribution during the period	-	-	-	-	-	-
Refund of capital	-	-	-	-	-	-
Net income for the period less distribution	-	15,350	15,350	-	22,183	22,183
Net assets at end of the period	661,014	13,978	674,992	279,226	14,524	293,750
Undistributed income brought forward						
- Realised income	-	588	588	-	864	864
- Unrealised loss	-	358	358	-	(212)	(212)
	-	946	946	-	652	652
Accounting income available for distribution						
- Relating to capital gains	-	1,268	1,268	-	388	388
- Excluding capital gains	-	11,764	11,764	-	13,484	13,484
	-	13,032	13,032	-	13,872	13,872
Distribution during the period	-	-	-	-	-	-
Undistributed income carried forward	-	13,978	13,978	-	14,524	14,524
Undistributed income carried forward						
- Realised income	-	12,571	12,571	-	14,136	14,136
- Unrealised gain / (loss)	-	1,407	1,407	-	388	388
	-	13,978	13,978	-	14,524	14,524
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		50.2055			50.1537	
Net assets value per unit at end of the period		52.6907			54.8338	

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Islamic Income Fund (the Fund) was established under a Trust Deed, dated August 30, 2017, executed between AKD Investment Management Limited (AKDIML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on May 30, 2017. The initial Public Offering (IPO) of the Fund was made during the period from February 19, 2018 to February 20, 2018 and the Fund commenced operations from February 21, 2018. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e. February 19, 2018.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Fund is categorised as an open end Shariah Complaint (Islamic) Income Scheme in accordance with Circular 7 of 2009, issued by the Securities and Exchange Commission of Pakistan (SECP). Al-Hilal Shariah Advisors (Pvt.) Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained Asset Manager Rating of 'AM3++' to the Management Company dated February 08, 2021. PACRA has also assigned fund stability rating of "A+(f)" to the fund dated March 04, 2021.

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 for interim financial reporting. 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;
- 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 requirement of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, 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 Regulations and the requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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 March 31, 2021.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of audited financial statements of the Fund as at and for the year ended June 30, 2020.

3.2 The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information,

3.3 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

4 FINANCIAL RISK MANAGEMENT

The Fund's risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2020.

	Note	(Unaudited) March 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2020
5. BANK BALANCES			
In saving accounts	5.1	<u>347,527</u>	<u>232,235</u>

5.1 Mark-up rates on these accounts range between 5.00% - 6.50% per annum (June 30, 2020: 5.00% - 7.50% per annum).

	Note	(Unaudited) March 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2020
6. INVESTMENTS			
At fair value through profit and loss'			
- Listed sukuk certificates	6.1	8,738	22,911
- Unlisted sukuk certificates	6.2	130,288	25,000
- Equity securities for spread transactions	6.5	<u>145,816</u>	-
		<u>284,842</u>	<u>47,911</u>
At amortised cost			
- Islamic Commercial Paper	6.4	12,000	16,775
		<u>296,842</u>	<u>64,686</u>

6.1 Sukuk certificates - listed

Name of investee company	Rate of return	Number of certificates			Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised appreciation / (diminution) as at March 31, 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2020	Purchased during the period	Sold / matured during the period					
----- (Rupees in '000) -----									
Dawood Hercules Corporation Limited	-	200	-	200	-	-	-	0.00%	0.00%
BYCO Petroleum Pakistan Limited	8.36%	150	-	-	150	8,772	(34)	1.29%	2.94%
Total as at March 31, 2021						8,772	(34)		
Total as at June 30, 2020						22,553	22,911		358
----- (Rupees in '000) -----									
Sukuk certificates - unlisted									
Hub Power Company Limited	10.13%	250	-	-	250	25,000	550	3.79%	8.61%
Hub Power Holdings Limited	9.85%	-	300	-	300	24,738	-	3.66%	8.33%
TPL Trakker Limited	10.58%	-	70	-	70	70,000	-	10.37%	23.58%
Mughal Iron and Steel Industries Limited	8.69%	10	-	-	10	10,000	-	1.48%	3.37%
Total as at March 31, 2021						129,738	130,288		550
Total as at June 30, 2020						25,000	25,000		

6.3 Significant terms and conditions of listed sukuk certificates are as follows:

Name of investee company	Face value per certificate (Rupees)	Redeemed Face value per certificate (Rupees)	Markup rate	Issue date	Maturity date	Secured / Unsecured	Rating
Sukuk certificates - listed							
Dawood Hercules Corporation Limited (Early Matured on	100,000	-	3 months KIBOR + 1.00%	November 16, 2017	November 16, 2022	Secured	AA
BYCO Petroleum Pakistan Limited	100,000	58,333	3 months KIBOR + 1.05%	January 18, 2017	January 18, 2023	Secured	AAA
Sukuk certificates - unlisted							
Hub Power Company Limited	100,000	100,000	1 year KIBOR + 1.90%	March 19, 2020	March 19, 2024	Secured	AA+
Hub Power Holdings Limited	82,459	82,459	6 months KIBOR + 2.50%	November 12, 2020	November 12, 2025	Secured	AA+
TPL Trakker Limited	1,000,000	1,000,000	3 months KIBOR + 3.00%	March 30, 2021	March 30, 2026	Secured	A+
Mughal Iron and Steel Industries Limited	1,000,000	1,000,000	3 months KIBOR + 1.30%	March 2, 2021	March 2, 2026	Secured	A+

6.4 Commercial paper

Name of investee company	Profit rate	Issue date	Maturity date	Face Value	Carrying Value	Markup rate	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments	Rating
----- (Rupees in '000) -----									
Kot Addu Power Company Limited	8.09%	December 8, 2020	June 8, 2021	12,000	12,000	3 Month KIBOR + 70 bps	1.78%	4.04%	A-1+
Total as at June 30, 2020				18,000	16,775				

Name of Investee Company	Number of Shares				At March 31, 2021			Market value as a percentage of		Investment as percentage of paid up capital of investee company
	At July 1, 2020	Purchased during the period	Sold during the period	As at March 31, 2021	Carrying value	Market value	Unrealised appreciation/ (diminution)	Investments	Net assets	

Face value of Rs. 10 per share

(Rupees in '000) (%)

Attock Refinery Limited	-	20,000	-	20,000	5,138	5,108	(30)	1.72	0.76	0.02
Avanceon Limited	-	32,000	-	32,000	2,892	2,828	(64)	0.95	0.42	0.01
Byco Petroleum Pakistan Limited	-	291,000	-	291,000	3,158	3,044	(114)	1.03	0.45	0.01
Ghani Global Holdings Limited	-	820,000	-	820,000	18,838	19,368	530	6.52	2.87	0.29
Ghandhara Industries Limited	-	66,500	-	66,500	17,332	16,776	(556)	5.65	2.49	0.16
Ghandhara Nissan Limited	-	19,500	-	19,500	2,019	1,970	(49)	0.66	0.29	0.03
National Refinery Limited	-	25,000	-	25,000	15,036	14,729	(307)	4.96	2.18	0.03
Unity Foods Limited	-	2,757,000	-	2,757,000	83,107	81,993	(1,114)	27.62	12.15	0.28

Total - March 31, 2021

147,520 145,816 (1,704)

Total - June 30, 2020

- - -

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
6.6	Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		
Market value of investments	6.1, 6.2 & 6.5	296,842	47,911
Carrying amount of investments	6.1, 6.2 & 6.5	<u>(298,030)</u>	<u>(47,553)</u>
		(1,188)	358

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposits with			
Central Depository Company of Pakistan Limited		100	100
National Clearing Company of Pakistan Limited		2,500	-
National Clearing Company of Pakistan Limited (Exposure Margin Spread)		5,868	-
Receivable against future contracts settlement		2,595	-
Prepaid Shairah Advisor fee		291	173
Prepaid PSX Annual listing fee		6	-
Prepaid Credit Rating fee		33	-
Advance tax	7.1	54	54
		<u>11,447</u>	<u>327</u>

- 7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, uptill period ended March 31, 2021, 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 presented before him by the withholder.

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
8.	PRELIMINARY EXPENSES AND FLOATATION COST		
Preliminary expenses and floatation cost		757	1,044
Amortised during the period	8.1	<u>(215)</u>	<u>(287)</u>
		542	757

- 8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
9. PAYABLE TO THE AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration	9.1	226	100
Sales tax on management fees	9.2	29	13
Expenses allocated by the management company	9.3	85	25
Formation cost		757	1,044
Sales load payable		52	-
		<u>1,149</u>	<u>1,182</u>

- 9.1 The Management Company charged remuneration at the rate of 0.40% per annum of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 9.2 Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.
- 9.3 The Management Company has charged expenses at the rate of 0.15% (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.

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
10. PAYABLE TO THE MCB FINANCIAL SERVICES LIMITED- TRUSTEE			
Trustee fee	10.1	68	30
Sindh Sales Tax and settlement charges	10.2	9	4
		<u>77</u>	<u>34</u>

- 10.1 The Trustee is entitled to a monthly remuneration to be paid monthly in arrears 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 tariff structure applicable to the Fund is as follows:

Amount of Funds Under [Average Net Assets Value (NAV)]	Tariff per annum
Upto Rs 1,000 million	0.12% of Net Assets
Exceeding Rs 1,000 million and up to Rs.5,000 million	Rs. 1.2 million plus 0.065% per anum of the amount exceeding Rs. 1,000 million
Exceeding Rs. 5,000 million and up to	Rs. 3.8 million plus 0.06% per anum of the amount exceeding Rs. 5,000 million

- 10.2 Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to SECP	11.1	49	52

- 11.1 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) March 31, 2021	(Audited) June 30, 2020
----------------------------------	-------------------------------

12. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- (Rupees in '000) -----	
Auditor's remuneration		115	173
Printing charges payable		90	150
Provision for Sindh Workers' Welfare Fund	12.1	1,218	905
Withholding tax payable		162	1,471
Brokerage		255	
Others		55	197
		<u>1,895</u>	<u>2,896</u>

- 12.1 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 March 31, 2021 would have been higher by Re. 0.0951 per unit (June 30, 2020 Re. 0.153 per unit).

13. CONTINGENCIES AND COMMITMENTS	(Unaudited) March 31, 2021	(Audited) June 30, 2020
There were no contingencies as at March 31, 2021 and June 30, 2020.		
Commitments		
Future sale transactions of equity securities entered into by the fund in respect of which the sale transactions have not been settled as at period end - spread transactions	<u>149,434</u>	<u>-</u>

14. TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the period ended March 31, 2021 is 1.44% (June 30, 2020: 1.31%) and this includes 0.24% (June 30, 2020: 0.33%) representing government levies on the Fund such as sales taxes, annual fees to SECP etc.

15. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since 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 taxation has been made in this condensed interim financial information.

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include AKD Investment Management Limited (being the Management Company) and its related entities, MCB Financial Services Limited (being the Trustee of the Fund), other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and key management personnel of the Management Company.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

The details of transactions carried out by the Fund with related parties / connected persons and balances with them are as follows:

		(Unaudited)	
		For the nine month ended	
		March 31,	
		2021	2020
		----- (Rupees in '000) -----	
16.1 Transactions during the period			
AKD Investment Management Limited - Management Company			
Remuneration to Management Company	981	508	
Sales Tax Provincial on Management Remuneration	128	66	
Expenses allocated by the Management Company	368	186	
Sales Load	52	14	
Issue of 112,873 units (2020: Nil)	5,900	-	
Redemption of 65,279 units (2020: 56)	3,402	3	
MCB Financial Services Limited - Trustee			
Trustee remuneration	294	224	
Sindh Sales Tax on trustee remuneration	38	29	
AKD Investment Management Limited - Staff Provident Fund			
Issue of Nil units (2020: 104,250)	-	5,543	
Redemption of Nil units (2020: 104,250)	-	5,613	
Chief Financial Officer of the Management Company			
Issue of 13 units (2020: Nil)	1	-	
Company Secretary and Chief Operating Officer of the Management Company			
Issue of 417 units (2020: Nil)	21	-	
Redemption of 19,239 units (2020: Nil)	966	-	
Chief Executive Officer of the Management Company			
Issue of 232 units (2020: 79,113)	12	4,265	
Redemption of 232 units (2020: Nil)	12	-	
Spouse of the Chief Executive Officer of the Management Company			
Issue of 25,652 units (2020: 3,050,067 units)	1,299	163,955	
Redemption of 2,249,388 units (2020: 1,745,485)	113,086	93,287	
Bank Alfalah Ltd. Employees Provident Fund** - Connected person due to holding of more than 10% units			
Issue of 1,914,064 units (2020: Nil)	100,000	-	
Pak Qatar Investment Account** - Connected party due to holding of more than 10% units			
Issue of 3,845,903 units (2020: Nil)	200,000	-	
Pak Qatar Individual Family Participant Investment Fund** - Connected party due to holding of more than 10% units			
Issue of 1,923,725 units (2020: Nil)	100,000	-	
		Un-Audited	(Audited)
		March 31,	June 30,
		2021	2020
		----- (Rupees in '000) -----	
16.2 Balances outstanding at the period / year end			
AKD Investment Management Limited - Management Company			
Remuneration payable	226	100	
Sindh Sales Tax on Management remuneration	29	13	
Payable against expenses allocated by the Management Company	85	25	
Payable against formation cost	757	1,044	
Sales load payable	52	-	
Units held 47,594 units (June 2020: Nil units)	2,508	-	

MCB Financial Services Limited - Trustee

Remuneration payable	68	30
Sindh Sales Tax on trustee remuneration payable	9	4
Receivable / Payable against conversion of units between Funds under management		
Receivable against Conversion of units - AKD Opportunity Fund	34,252	-
Receivable against Conversion of units - AKD Cash Fund	2,004	-
Receivable against Conversion of units - AKD Islamic Stock Fund	1,553	-
Receivable against Conversion of units - Golden Arrow Stock Fund	4,600	-
Payable against Conversion of units - AKD Opportunity Fund	1,700	-
Payable against Conversion of units - AKD Islamic Stock Fund	3,480	-
Payable against Conversion of units - Golden Arrow Stock Fund	10,011	-
Chief Financial Officer of the Management Company		
Units held 854 units (June 2020: 841 units)	45	42
Company Secretary and Chief Operating Officer of the Management Company (with spouse and minor children)		
Units held units Nil (June 30, 2020: 18,822 units)	-	945
Spouse of the Chief Executive Officer of the Management Company		
Units held units Nil (June 30, 2020: 2,223,736 units)	-	111,644
Muhammad Farid Alam - Key Management Personnel of Associated Company		
Units held 30,798 units (June 30, 2020: 30,798 units)	1,623	1,546
Afsheen Aqeel Dhedhi - Close relative of the Sponsor of the Management Company		
Units held 28 (June 30, 2020: 28) units	1	1
Pak Qatar Investment Account** - Connected party due to holding of more than 10% units		
Units held 3,845,903 (June 2020: Nil) units	202,643	-
Pak Qatar Individual Family Participant Investment Fund** - Connected party due to holding of more than 10% units		
Units held 1,923,725 (June 2020: Nil) units	101,362	-
Bank Alfalah Ltd. Employees Provident Fund** - Connected person due to holding of more than 10% units		
Units held 1,914,064 (June 2020: Nil) units	100,853	-
Silk Bank Employee Provident Fund* - Connected person due to holding of more than 10% units		
Units held Nil (June 30, 2020: 1,003,629) units	-	50,388

* Prior period connected person, current period figures not shown

** current period connected person, prior period figures not shown

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value based on:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	(Unaudited)			
	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
ASSETS				
Investment in sukuk certificates	145,816	139,026	-	284,842
	(Audited)			
	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
ASSETS				
Investment in sukuk certificates	-	47,911	-	47,911

During the period ended March 31, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

18. 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.

19. GENERAL

19.1 Figures have been rounded off to the nearest thousand Rupees.

19.2 This condensed interim financial information is unaudited.

19.3 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

20. DATE OF AUTHORISATION FOR ISSUE

30 APR 2021

This condensed interim financial information were authorised for issue on _____ by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



**AKD Investment
Management Ltd.**

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