

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 Cash Fund



MANAGEMENT COMPANY

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

TRUSTEE

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

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank AL Habib 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, 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)

DISTRIBUTOR

AKD Investment Management Limited
AKD Securities Limited
Investomate (Pvt.) Limited
Investlink Advisor (Private) Limited
Metro Capital (Private) Limited

RATING

AKD CASH FUND
PACRA: AA+(f) [Double A Plus (f)]

FUND MANAGER'S REPORT

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

Open – End Money Market Scheme.

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

The investment objective of the Fund is to provide optimum return consistent with minimal risk from a portfolio constituted of high quality short term securities / instruments, which will provide liquidity to investors. The fund exclusively invests in highly secure ('AA' and above) debt instruments such that the weighted average maturity of its assets stays below 90 days.

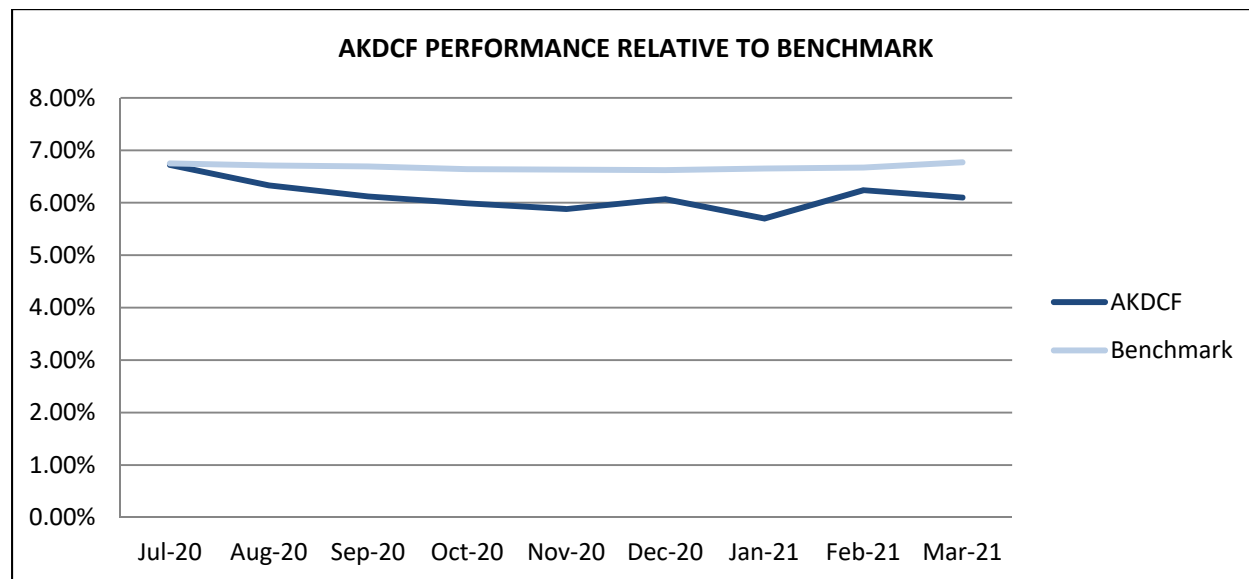
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 9MFY21, the annualized return of AKD Cash Fund stood at 6.25% compared to benchmark return of 6.68%.

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

70% three (3) months PKRV rate + 30% three (3) months average deposit rate of three (3) AA rated scheduled 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
AKDCF	6.72%	6.33%	6.12%	5.99%	5.88%	6.07%	5.70%	6.24%	6.10%
Benchmark	6.75%	6.71%	6.69%	6.64%	6.63%	6.62%	6.65%	6.67%	6.77%

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

AKD Cash Fund is an Open – End Money Market Scheme. The returns of the fund are generated primarily through investment in high quality short term government securities. AKDCF is fully complied with the relevant policies and procedures as per Fund's regulatory requirements.

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

Asset Allocation (% of Total Assets)	31-Mar-21	31-Dec-20
Cash and Cash Equivalents	87.48%	61.32%
Commercial Papers	8.72%	7.67-
Other Assets including Receivables	3.80%	31.01%

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

9MFY21 Return (annualized)	6.25%
Benchmark Return (annualized)	6.68%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
31-Mar-21	31-Dec-20		31-Mar-21	31-Dec-20
(Rupees in 000)			(Rupees)	
423,827	489,300	-13.38%	52.96	52.18

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:

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.

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.

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	259
10,000 - 49,999	18
50,000 - 99,999	8
100,000 - 499,999	5
500,000 and above	4
	294

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 CASH FUND

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

AKD CASH 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	10,082	4,759
Investments	6	409,189	535,170
Profit receivable	7	258	3,334
Receivable from other funds against conversion of Units		15,651	-
Deposit, prepayments and other receivables	8	666	635
Total assets		435,846	543,898
Liabilities			
Payable to the AKD Investment Management Limited - Management Company	9	1,017	931
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	28	34
Payable to Securities and Exchange Commission of Pakistan	11	66	155
Payable against redemption of units		430	0
Payable to other funds against conversion of units		6,936	1,039
Accrued expenses and other liabilities	12	3,542	8,519
Total liabilities		12,019	10,678
Net assets		423,827	533,220
Unit holders' fund (as per statement attached)		423,827	533,220
Contingencies and commitments	13		
		Number of units	
Number of units in issue		8,003,169	10,541,472
		----- Rupees -----	
Net assets value per unit		52.9574	50.5831

The annexed notes 1 to 19 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 CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTH PERIOD 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 (diminution) / appreciation on remeasurement investments 'at fair value through profit or loss'		(10)	1,423	(14)	1,574
Income from government securities		21,248	72,685	7,223	30,653
Income from Letter of Placement		9	4,326	9	3,316
Income from Commercial Paper		2,003	1,124	751	1,124
Capital Gain/(Loss) on sale of investments - net		(441)	471	(38)	581
Profit on bank deposits		530	1,799	206	369
Total income		23,339	81,828	8,137	37,617
Expenses					
Remuneration of AKD Investment Management Limited - Management Cc	9.1	1,311	2,754	470	1,315
Sales tax on the remuneration of the Management Company	9.2	170	357	61	171
Remuneration of the Central Depository Company of Pakistan Limited - Tr	10.1	213	396	76	175
Sales tax on the Trustee remuneration	10.2	28	51	10	22
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	66	122	24	54
Expenses allocated by the Management Company	9.4	492	609	177	269
Brokerage and settlement charges		17	88	4	33
Auditors' remuneration		228	193	75	62
Bank charges		96	90	42	42
Fee and subscription		33	28	7	5
Printing and related cost		112	113	35	38
Legal and professional charges		223	223	73	68
Provision against Sindh Workers' Welfare Fund		407	1,536	142	707
Total expenses		3,396	6,560	1,196	2,961
Net income for the period before taxation		19,943	75,268	6,941	34,656
Taxation	15	-	-	-	-
Net income for the period after taxation		19,943	75,268	6,941	34,656
Allocation of net income for the period					
Net income for the period after taxation		19,943	75,268	6,941	34,656
Income already paid on units redeemed		(6,845)	(43,471)	(2,996)	(32,185)
		13,098	31,797	3,945	2,471
Accounting income available for distribution					
- Relating to capital gains		-	1,423	-	1,574
- Excluding capital gains		13,098	30,374	3,945	897
		13,098	31,797	3,945	2,471

The annexed notes 1 to 19 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 CASH FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTH PERIOD 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	19,943	75,268	6,941	34,656
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>19,943</u>	<u>75,268</u>	<u>6,941</u>	<u>34,656</u>

The annexed notes 1 to 19 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 CASH FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2021

		For the Nine Months ended March 31,		For the quarter ended March 31,	
		2021	2020	2021	2020
	Note	-----('Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation		19,943	75,268	6,941	34,656
Adjustments					
Net unrealised diminution / (appreciation) on remeasurement of investments 'at fair value through profit or loss'	10	10	(1,423)	14	(1,574)
Capital loss / (gain) on sale of investment		441	(471)	38	(581)
Provision against Sindh Workers' Welfare Fund		407	1,536	142	707
		20,801	74,910	7,135	33,208
(Increase) / decrease in assets					
Profit receivable		3,076	(1,191)	(26)	(80)
Deposit, prepayments and other receivables		(31)	(449)	(17)	(94)
		3,045	(1,640)	(43)	(174)
Increase / (decrease) in liabilities					
Payable to the AKD Investment Management Limited - Management Co		86	1,029	157	245
Payable to the Central Depository Company of Pakistan Limited - Trustee		(6)	49	5	(2)
Payable to Securities and Exchange Commission of Pakistan		(89)	(5)	24	54
Accrued expenses and other liabilities		(5,384)	2,185	57	2,822
		(5,393)	3,258	243	3,119
Investments - net		317,292	(67,644)	49,152	(67,383)
Net cash generated from / (used in) operating activities		335,745	8,884	56,487	(31,230)
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		833,968	1,749,462	479,456	229,938
Payment against redemption of units		(972,628)	(1,185,736)	(409,426)	(588,556)
Net cash generated from / (used in) financing activities		(138,660)	563,726	70,030	(358,618)
Net increase in cash and cash equivalents		197,085	572,610	126,517	(389,848)
Cash and cash equivalents at beginning of the period		184,186	104,946	254,754	1,067,404
Cash and cash equivalents at end of the period	5.2	381,271	677,556	381,271	677,556

The annexed notes 1 to 19 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 CASH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE NINE ENDED PERIOD ENDED MARCH 31, 2021

	For the Nine Months ended March 31, 2021			For the Nine Months ended March 31, 2020		
	Rupees in '000					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period	531,170	2,050	533,220	100,790	1,611	102,401
Issue of 16,323,656 units (2020: 33,572,298 units)						
- Capital value (at net asset value per unit at beginning of the period)	825,702	-	825,702	1,694,992	-	1,694,992
- Element of income	23,917	-	23,917	54,470	-	54,470
Total proceeds on issuance of units	849,619	-	849,619	1,749,462	-	1,749,462
Redemption of 18,861,959 units (2020: 22,204,428 units)						
- Capital value (at net asset value per unit at beginning of the period)	954,097	-	954,097	1,121,053	-	1,121,053
- Amount paid out of element of income relating to net income for the year after taxation	-	6,845	6,845	-	43,471	43,471
- Element of income	18,013	-	18,013	21,212	-	21,212
Total payments on redemption of units	972,110	6,845	978,955	1,142,265	43,471	1,185,736
Total comprehensive income for the period	-	19,943	19,943	-	75,268	75,268
Distribution during the period	-	-	-	-	-	-
Refund of capital	-	-	-	-	-	-
Net income for the period less distribution	-	19,943	19,943	-	75,268	75,268
Net assets at end of the period	408,679	15,148	423,827	707,987	33,408	741,395
Distribution for the year						
Undistributed income brought forward	-	1,602	1,602	-	1,685	1,685
- Realised income	-	448	448	-	(74)	(74)
- Unrealised income	-	2,050	2,050	-	1,611	1,611
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	1,423	1,423
- Excluding capital gains	-	13,098	13,098	-	30,374	30,374
	-	13,098	13,098	-	31,797	31,797
Distribution during the period	-	-	-	-	-	-
Undistributed income carried forward	-	15,148	15,148	-	33,408	33,408
Undistributed income carried forward						
- Realised income	-	15,158	15,158	-	31,985	31,985
- Unrealised income	-	(10)	(10)	-	1,423	1,423
	-	15,148	15,148	-	33,408	33,408
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			50.5831			50.4876
Net assets value per unit at end of the period			52.9574			55.3441

The annexed notes 1 to 19 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 CASH FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Cash Fund Fund (the Fund) was established under a Trust Deed, dated August 15, 2011, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on January 11, 2012. The initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012. 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 January 19, 2012.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies 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 is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund.

The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, bank deposits, certificate of deposits, certificate of musharakas, commercial papers, reverse repos. Title of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund. The Fund is classified as a "Money Market Fund".

The Pakistan Credit Rating Agency Limited (PACRA) has maintained Asset Manager Rating of 'AM3++' to the Management Company dated February 8, 2021. PACRA has also assigned fund stability rating of "AA+(f)" to the Fund dated March 4, 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 requirements 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 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 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 March 31, 2021.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain 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, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended June 30, 2020.

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.

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
5. BANK BALANCES			
In current accounts		10	10
In savings accounts	5.1	10,072	4,749
		10,082	4,759

5.1 Mark-up rates on these accounts range between 5.00% to 5.50% per annum (June 30, 2020: 5.00% to 6.5% per annum).

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
	10,082	4,759
	371,189	179,427
	381,271	184,186

Note

5.2 CASH AND CASH EQUIVALENTS

Bank		
Market treasury bills		

6. INVESTMENTS

At fair value through profit or loss

- Government Securities - Market treasury bills

6.1 371,189 475,524

At amortised cost

- Commercial Paper

6.2. 38,000 59,646

409,189 535,170

6.1. Government Securities- 'at fair value through profit or loss'

Instrument	Face value			Balance at March 31, 2021		Market Value as percentage of	
	At July 1, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021	Carrying value	Market Value	Investments
----- Rupees in '000 -----							
T-Bills (3 months)	180,000	2,407,000	2,215,000	372,000	371,199	371,189	87.58%
T-Bills (6 months)	265,000	283,000	548,000	-	-	-	-
T-Bills (12 months)	35,000	76,000	111,000	-	-	-	-
Total March 31, 2020					371,199	371,189	(10)
Total June 30, 2020					475,076	475,524	448

The funds holds government securities as on March 31, 2021 at interest rates which ranges between 7.14% to 7.24% (June 30, 2020: 7.05% to 7.1%)

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
6.4	Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'		
Market value of investments	6.1	371,189	475,524
Carrying amount of investments	6.1	(371,199)	475,076
		<u>(10)</u>	<u>448</u>

7 PROFIT RECEIVABLE

Profit receivable on bank		56	33
Commercial Paper		202	3,301
		<u>258</u>	<u>3,334</u>

8 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security Deposit - Central Depository Company of Pakistan Limited		100	100
Prepaid PSX annual listing fee		7	-
Advance tax	8.1	559	535
		<u>666</u>	<u>635</u>

- 8.1 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 year ended June 30, 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) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
9	PAYABLE TO THE AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Remuneration	9.1	152	189
Sales tax on management fees	9.2	18	25
Federal Exercise Duty Payable	9.3	669	669
Expenses allocated by the Management Company	9.4	178	48
		<u>1,017</u>	<u>931</u>

- 9.1 The Management Company has charged remuneration at the following rates per annum of the average net assets of the Fund. The remuneration is paid to the management on a monthly basis in arrears.

Net Asset of the Fund	Remuneration Rate (Per annum)
Up to Rs. 1 Billion	0.40%
Rs. 1 Billion - Rs. 1.5 Billion	0.50%
Above Rs. 1.5 Billion	1.25%

- 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 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 said provision for FED 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.0.0836 per unit (June 30, 2020: Re. 0.0635 per unit).
- 9.4 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.

	Note	(Unaudited) March 31, 2021	(Audited) June 30, 2020
----- (Rupees in '000) -----			
10	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
Trustee fee	10.1	25	30
Sindh Sales Tax payable on trustee fee	10.2	3	4
		<u>28</u>	<u>34</u>

- 10.1 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 of 0.065%, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.
- 10.2 Sindh sales tax at the rate of 13% (June 30, 2020: 13%) on gross value of trustee 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	<u>66</u>	<u>155</u>

- 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% of the average annual net assets of the scheme.

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors remuneration		153	229
Provision for Sindh Workers' Welfare Fund	12.1	2,889	2,482
Rating fee payable		151	190
Brokerage Payable		2	12
Withholding tax payable		140	5,454
Printing Charges payable		205	150
Others		<u>2</u>	<u>2</u>
		<u>3,542</u>	<u>8,519</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. 0.361 per unit (June 30, 2020 Re.0.235 per unit).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2021 and June 30, 2020.

14 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the half year ended March 31, 2021 is 1.04% (June 30 2020 : 1.05%), which includes 0.21% (June 30, 2020 : 0.3%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

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 unrealised 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, Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CIs 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	1,311	2,754
Sindh sales tax on management remuneration	170	357
Expenses allocated by the Management Company	492	609
Issue of 21,879 units (2020: Nil units)	1,120	-
Redemption of 21,879 units (2020: Nil units)	1,140	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	213	396
Sindh Sales Tax on trustee remuneration	28	51
AKD Investment Management Limited - Staff Provident Fund		
Issue of Nil units (2020: 94,575 units)	-	5,080
Redemption of Nil units (2020: 94,575 units)	-	5,202
Unit holders holding 10% or more of the units in issue		
Durain Cassim (Unit holders holding 10% or more of the units in issue)		
Issue of Nil units (2020: 7,114,614 units)	-	370,000
Redemption of 2,486,716 units (2020: 3,658,137 units)	128,000	200,000
Dinaz Cassim (Unit holders holding 10% or more of the units in issue)		
Issue of Nil units (2020: 5,048,633 units)	-	260,000
Redemption of 681,137 units (2020: 3,572,324 units)	35,000	195,000
Askari General Insurance Co. Limited*		
Issue of Nil units (2020: 2,918,996 units)	-	157,582
Redemption of Nil units (2020: 350,740 units)	-	18,321
Bank Alfalah Limited Employees Provident Fund** (Unit holders holding 10% or more of the units in issue)		
Issue of 2,626,792 units (2020: Nil units)	137,041	-

* Prior period connected party, current period figures not shown

** Current period connected party, prior period figures not shown

(Unaudited)	(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

Management remuneration payable	152	189
Federal excise duty payable on management remuneration	669	669
Sindh Sales tax payable on management remuneration	18	25
Payable against expenses allocated by the Management Company	178	48

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	25	30
Sindh Sales Tax on trustee remuneration payable	3	4
CDS Charges Payable	-	1
Security Deposit	100	100

Hasan Ahmed - Director of the Management Company

Units held 139 (June 30, 2020: 139)	7	7
-------------------------------------	---	---

Receivable / Payable from / to AKD Funds against conversion of units

Payable against conversion of units - AKD Opportunity Fund	2,062	1,039
Payable against conversion of units - Golden Arrow Stock Fund	1,823	-
Payable against conversion of units - AKD Islamic Income Fund	2,004	-
Payable against conversion of units - AKD Islamic Stock Fund	1,047	-
Receivable against conversion of units - Golden Arrow Stock Fund	4,038	-
Receivable against conversion of units - AKD Islamic Stock Fund	39	-
Receivable against conversion of units - AKD Opportunity Fund	11,574	-

Durain Cassim (Unit holders holding 10% or more of the units in issue)

Units held 1,346,923 Units (June 30, 2020: 3,833,639)	71,330	193,918
---	--------	---------

Dinaz Cassim (Unit holders holding 10% or more of the units in issue)

Units held 955,252 Units (June 30, 2020: 1,636,389)	50,588	82,774
---	--------	--------

(Unaudited)	(Audited)
March 31,	June 30,
2020	2020
----- (Rupees in '000) -----	

Bank Alfalah Limited Employees Provident Fund** (Unit holders holding 10% or more of the units in issue)

Units held 2,626,792 Units (June 30, 2020: Nil)	139,108	-
---	---------	---

* Prior period connected party, current period figures not shown

** Current period connected party, prior period figures not shown

17. 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

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 securities) 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 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.

		(Unaudited) As at March 31, 2021			
Assets		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
At fair value through profit or loss		Note			
Investments					
- Government Securities	6.1	-	371,189	-	371,189
		(Audited) As at June 30, 2020			
Assets		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
At fair value through profit or loss					
Investments					
- Government Securities		-	475,524	-	475,524

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

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 Bank 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. **DATE OF AUTHORISATION FOR ISSUE**


30 APR 2021

This condensed interim financial information was 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.**

Head Office:

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N : 92-21-111 AKDIML (111-253-465) | Fax : 92-21-35303125

Gulshan-e-Iqbal Branch:

Bungalow No. FL-3/12,
Ground Floor Block No. 5, KDA,
Scheme No. 24, Gulshan-e-Iqbal, Karachi.
Contact # 92-21-34823003-7

Abbottabad Branch:

Office No. 1 & 2, 2nd Floor, Zaman Plaza,
Near Complex Hospital,
Main Mansehra Road, Abbottabad.
Contact # 099-2381431-2

Lahore Branch:

Plaza # 250, 2nd Floor, Phase IV,
Block-FF, D.H.A., Lahore Cantt.
Contact # 0333-0342762-4

E-mail : info@akdinvestment.com
Website : www.akdinvestment.com