

Funds Managed by:  
**AKD Investment Management Ltd.**

**Half Yearly Report**  
**December 31, 2021**  
**(Un-Audited)**



# half yearly report



**Partner with AKD**  
**Profit from the Experience**



## **MANAGEMENT COMPANY**

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

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

#### **Chairman**

Mr. Abdul Karim

#### **Director & Chief Executive Officer**

Mr. Imran Motiwala

#### **Director**

Ms. Anum Dhedhi

Ms. Aysha Ahmed

Mr. Ali Wahab Siddiqui

Mr. Hasan Ahmed

Mr. Saim Mustafa Zuberi

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

Mr. Muhammad Yaqoob Sultan, CFA

### **CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY**

Muhammad Munir Abdullah

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

Ms. Tayyaba Masoom Ali

#### **AUDIT COMMITTEE**

Mr. Ali Wahab Siddiqui (Chairman)

Mr. Hasan Ahmed (Member)

Mr. Saim Mustafa Zuberi (Member)

Ms. Tayyaba Masoom Ali (Secretary)

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

Ms. Aysha Ahmed (Chairman)

Mr. Abdul Karim (Member)

Mr. Imran Motiwala (Member)

Ms. Anum Dhedhi (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

#### **RATING**

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

**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 Funds 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), Golden Arrow Stock Fund (GASF) and AKD Islamic Stock Fund (AKDISSF) presents its half yearly report along with the Funds' reviewed Financial Statements for the first half ended December 31, 2021.

### FUNDS' FINANCIAL PERFORMANCE

#### **AKD Opportunity Fund (AKDOF)**

For the 1HFY22, the return of AKD Opportunity Fund stood at -16.77% compared to the benchmark KSE-100 Index return of -5.83%.

#### **Golden Arrow Stock Fund (GASF)**

For the 1HFY22, the return of Golden Arrow Stock Fund stood at -12.53% compared to the benchmark KSE-100 Index return of -5.83%.

#### **AKD Index Tracker Fund (AKDITF)**

For the 1HFY22, the return of AKD Index Tracker Fund stood at -5.48% compared to the benchmark KSE-100 Index return of -5.83%.

#### **AKD Cash Fund (AKDCF)**

For the 1HFY22, the annualized return of AKD Cash Fund stood at 7.85% compared to the benchmark return of 7.41%.

#### **AKD Aggressive Income Fund (AKDAIF)**

For the 1HFY22, the annualized return of AKD Aggressive Income Fund stood at 9.82% compared to the benchmark return of 9.32%.

#### **AKD Islamic Income Fund (AKDISIF)**

For the 1HFY22, the annualized return of AKD Islamic Income Fund stood at 6.98% compared to the benchmark return of 3.13%.

#### **AKD Islamic Stock Fund (AKDISSF)**

For the 1HFY22, the return of AKD Islamic Stock Fund stood at -11.43% compared to the benchmark KMI-30 Index return of -6.44%.

### MACRO PERSPECTIVE

Pakistan's economy continued to witness robust growth where the pace of the economy has exceeded expectations of the State Bank of Pakistan (SBP). However, the aforementioned growth comes at a cost of a widening Current Account Deficit amid rising domestic demand, PKR depreciation, and an unprecedented increase in international commodity prices.

The SBP opted to prudently remain cautious due to inflationary pressures; hence, increasing the discount rate by 2.75% to 9.75% during the first half of FY22. While approval of the next tranche of USD 1bn from IMF under the Extended Fund Facility is expected to be a catalyst for the economy and provide somewhat respite to the pak rupee.

The external account for 1HFY22 reported a CAD of \$9.09bn (5.7% of GDP) as compared to a surplus of \$1.25 bn (0.9% of GDP) reported during the same period last year (SPLY) owing to an increase in commodity prices, import of plants and machineries under TERF and LTFF loan facilities provided by the SBP and import of Covid vaccines. The Balance of Trade of goods and services surged by \$10.68bn YoY to \$23.01bn as total imports increased by whopping 54% YoY to \$41.7bn. However, the export of goods and services posted 27.27% growth to stand at \$18.65bn. Also, foreign workers continued to support the external account as workers' remittances surged by 11.30% to \$15.81bn. The Government's efforts to attract Non-Resident Pakistani money paid off, with an impressive inflow of \$3.16bn through Roshan Digital Accounts (RDA) from more than 320,000 accounts.

According to press reports, the Federal Board of Revenue (FBR) has made net revenue collections of PKR 2,920bn during 1HFY22, up by 32.5%YoY as compared to PKR 2,204bn recorded during SPLY. FBR has exceeded its given target of PKR 2,633bn by a margin of PKR 287 billion. The amount of refunds disbursed was PKR 148bn during 1HFY22 compared to PKR 111bn paid last year, showing an increase of 33%.

As per the Pakistan Bureau of Statistics (PBS), the average National Consumer Price Index (NCPI) in 1HFY22 was recorded at 9.81%YoY as compared to 8.63%YoY recorded during 1HFY21. Core Inflation - excluding food and energy prices, clocked in at 7.03% YoY and 7.18% YoY for Urban and Rural areas respectively, as compared to 5.53% YoY and 7.65% YoY during the SPLY.

The Large Scale Manufacturing (LSM) sector witnessed an increase of 3.26% YoY for July-November FY22 as compared to 6.85% YoY reported during SPLY. During the period under review, major contribution towards the growth came from Automobiles, Iron & Steel Products, Paper & Board, Coke & Petroleum Products to name a few. However, overall growth during the period was kept in check by sectors that posted negative growth including Fertilizers, Electronics, and Rubber Products.

## **EQUITY MARKET REVIEW**

During the first half of FY22, KSE-100 Index declined by 2,760pts, down by 5.83% to close at 44,596.07 pts. The Equity market remained under pressure owing to Political unrest following senate elections, MSCI downgrade from Emerging Market to Frontier Market, surge in commodity prices leading to a ballooning CAD, and higher inflation were a few key factors that kept the investor sentiment cautious at best despite record breaking earnings in some instances.

Average daily turnover also decreased by 23.78%YoY to 340.88 million shares and down by 44.31% as compared to the second half FY21. Market participants remained sidelined owing to skepticism over the resumption of the IMF program and resultant contractionary fiscal policies introduced by the

Government of Pakistan (GoP). Moreover, investor interest diverted to second and third-tier stocks as depicted by a decrease in the ratio of KSE-100 volumes over total turnover.

Some of the news flow that weighed on investor sentiments included: 1) Pakistan remaining on FATF's grey list, 2) International commodity prices soar, 3) MSCI downgrades PSX from Emerging market to Frontier market, 4) SBP increased the policy rate by 275bps to 9.75%, 5) Political unrest amid DG ISI appointment, and 6) CAD increases significantly 7) Saudi Arabia announces \$3bn support to Pakistan, 8) SBP receives Inflows of US\$2.7bn under IMF SDR allocation and 9) Cabinet approves PKR 1.4bn payment to the IPPs.

Foreign investors continued to remain net sellers with net outflows of US\$250.35mn. Individuals, Insurance Companies, Corporates were major buyers with net inflows of US\$72.00mn, US\$65.84mn, US\$59.80mn, respectively. Whereas Mutual Funds and brokers were net sellers with net outflows of US\$10.57mn and US\$12.11mn respectively.

The sectors that dragged the KSE-100 down the most included Cement (-18.48%), Tobacco (-17.23%), Refinery (-43.03%), Automobile Assemblers (-15.61%), and Food and Personal Care Products (-7.26%). However, some of the losses were compensated by Commercial banks (6.58%), Miscellaneous (35.76%), Technology and Communication (3.85%), Modarabas (65.83%), Synthetic and Rayon (7.80%).

In terms of valuation, the KSE-100 Index closed at a forward Price to Earnings multiple of 4.96x, which is a 66.04% discount as compared to MSCI Frontier Markets P/E of 14.61x and offering a healthy dividend yield of 7.75%.

## **MONEY MARKET REVIEW**

During 1HYF22, thirteen (13) MTB auctions were carried out by the SBP, where the government managed to raise PKR 7.73trn cumulatively. Weighted average yield of 3, 6 and 12 months MTB were 8.09%, 8.37%, and 8.25% respectively, up by 1.07%, 1.30%, and 1.08% as compared to 7.02%, 7.07%, and 7.16% same period last year.

SBP also conducted three (3) auctions of Fixed Rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 696.84bn during 1HFY22. The weighted average yield for 3, 5, and 10 years PIBs increased by 1.23%, 1.18%, and 1.22% to 9.25%, 9.58%, and 10.17% respectively as compared to 8.02%, 8.40%, and 8.95% for the same period last year.

The Monetary Policy Committee announced four (4) Monetary Policy Statements during 1HFY22 where the Committee decided to raise the policy rate by 275 basis points to 9.75% to counter inflationary pressures and a deteriorating trade deficit. The SBP conducted 52 Open Market Operations (OMO) of different maturities and injected an average amount of PKR 1.11trn at an average cut-off yield of 7.86% and the mopped-up average amount of PKR 0.11trn at an average cut off yield of 7.23%.

As per the auction target calendar for January – March 2022, the SBP targets to raise PKR 4.40trn by issuing MTB against the maturing amount of PKR 4.53trn. In addition, SBP targets to raise another PKR 300bn through 3 – 30 years Fixed Rate PIBs during the period.

## **FUTURE OUTLOOK**

On a forward-looking basis, we remain optimistic about the economic outlook for FY22, where the SBP expects the growth rate to be in the upper range of 4 to 5 percent.

The CAD is expected to clock in at 4.5-5% of GDP in FY22, higher than SBP's projection of 4%, \$13bn. This is because the CAD for 1HFY22 was reported at over \$9.09bn as international commodity prices particularly oil which trades around its 7 year high despite onset of Omicron variant of COVID-19. More importantly, the external funding requirement will correspondingly increase from earlier expectations of \$26bn, which was based on a lower CAD estimate by SBP.

The local currency witnessed a steep decline in the 1HFY22 period and now stands at PKR/USD 178.17 which is a 11.58% depreciation in just six months alone. We expect the exchange rate to however stabilize in the months following the much awaited IMF Board's approval in February. While the Real Effective Exchange Rate (REER) of 96.74 at the end of December 2021 is in line with overall market consensus that the pak rupee, should stabilize to appreciate in the near term.

We concur with the SBP and expect commodity prices to reverse by the end of FY22-23 on the back of anticipated monetary tightening by the US Fed owing to a sharp increase in inflation. Indeed, this shall bode well and provide much needed fiscal space to Pakistan's external account and draw down on inflation. Reportedly, SBP in its last monetary policy communication highlighted that 'the end goal of mildly positive real interest rates on a forward-looking basis was now close to being achieved', hence, forward looking it seems the Central Bank while cognizant of the external account and inflationary pressures is somewhat satisfied with the current dollar/rupee parity and interest rates respectively.

We believe the reclassification of Pakistan to the MSCI Frontier Market category will reduce foreign selling which has been recorded since FY16 as the local bourse would have a more significant weight of a much smaller fund allocated to frontier markets, unlike the case in the emerging markets.

On the Fixed Income front, nominal increases in interest rates cannot be ruled out as agreed with International Monetary Fund in its staff-level agreement, will bode well for yields of fixed income instruments.

We maintain our bullish stance on the stock market as the international commodity prices shift their direction, coupled with an increase in the adoption of Covid-19 vaccines and boosters will stabilize the negative sentiment of the economy. With the beginning of monetary contraction, we expect inflation to normalize and the CAD to improve as a result of an foreseeable decrease in imports. We reiterate our positive market outlook for FY22 based on (i) strong earnings growth of the corporate sector, (ii) resumption of the IMF program, (iii) compelling Price to Earnings multiple of 4.96x, (iv) Healthy dividend yield of 7.75% (iv) negative real interest rates.

**For and on behalf of the board**

**Imran Motiwala**  
Chief Executive Officer

**Abdul Karim**  
Chairman

Karachi: February 25, 2022



# AKD Islamic Stock 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  
Attorneys -at -law 3rd Floor, UBL  
Building,  
I.I. Chundrigar Road, Karachi

## REGISTRAR

AKD Investment Management Limited.  
216 - 217, Continental Trade Centre,  
Block-8, Clifton Karachi-74000  
UAN: 111-253-465 (111-AKDIML)

## DISTRIBUTORS

AKD Investment Management Limited  
Financial Investments Mart (Pvt) Ltd.  
Investomate (Private) Limited.  
Investlink Advisor (Private) Limited.  
YPay Financial Services (Pvt.) Ltd.

## RATING

AKD Islamic Stock Fund  
By PACRA: Performance Ranking  
Short Term: MFR-5 star

## FUND MANAGER'S REPORT

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

Open – end Islamic Equity Scheme.

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

AKD Islamic Stock Fund (AKDISSF) is designed to earn competitive returns by investing in the stock market. The objective of AKD Islamic Stock Fund is to invest in the capital markets through an optimal combination of strategies in Shariah compliant equities providing growth and dividends.

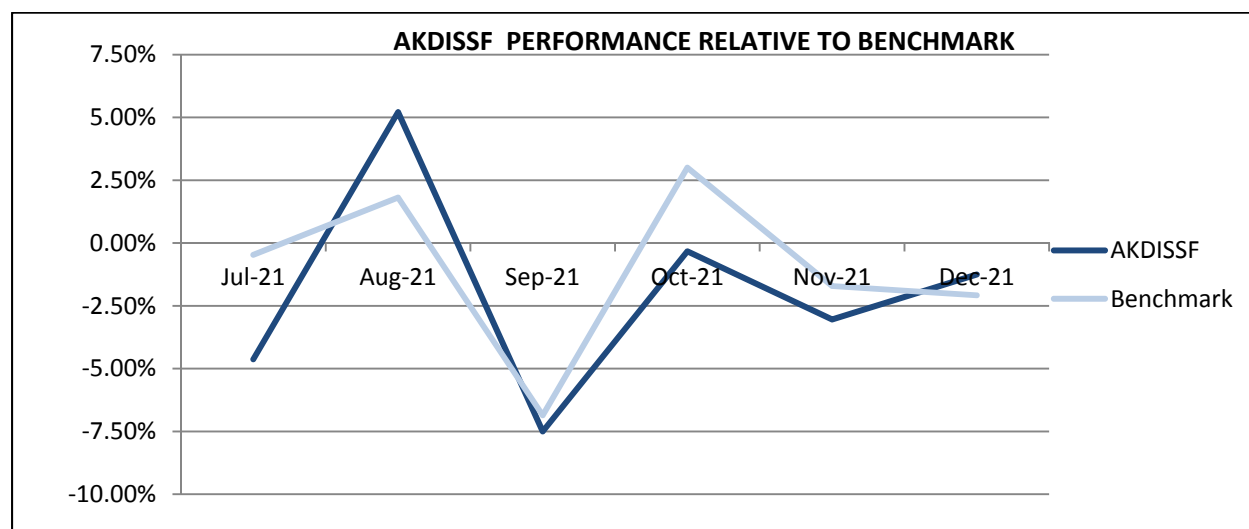
**iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:**

For the 1HFY22, the return of AKD Islamic Stock Fund stood at -11.43% compared to the benchmark KMI-30 Index return of -6.44%.

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

KMI-30 Index

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



Monthly return	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
AKDISSF	-4.63%	5.21%	-7.50%	-0.33%	-3.04%	-1.25%
Benchmark	-0.47%	1.81%	-6.86%	3.00%	-1.71%	-2.08%

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

AKD Islamic Stock Fund is an Open – end Islamic Equity Scheme; the returns of the Fund are generated through investment in Islamic stocks which have strong growth potential.

- 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-Dec-21	30-Sep-21
Equities	96.49%	91.80%
Cash	0.78%	4.10%
Other Assets including Receivables	2.73%	4.10%

- viii) **Non-Compliant Investment**

Name of Non Compliant Investment	Type of Investment	Value of Investment before Provision	Provision held if any	Value of Investment after Provision	Percentage of Net Assets	Percentage of Gross Assets
		-----Rupees in '000-----				
Javedan Corporation Ltd	Equity	43,114	Nil	43,114	14.01%	13.87%
TRG Pakistan Ltd	Equity	11,790	Nil	11,790	3.83%	3.79%

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

1HFY22 Return	-11.43%
Benchmark Return	-6.44%

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

Net Asset Value			NAV Per Unit	
31-Dec-21	30-Sep-21	Change in Net Assets	31-Dec-21	30-Sep-21
(Rupees In "000")			Rs.	Rs.
307,740	368,367	-16.46%	44.1073	46.2220

- xi) Disclosure on the markets that the Collective Investment Scheme has invested in including – review of the market (s) invested in and returns during the period:**

## **MACRO PERSPECTIVE**

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The SBP opted to prudently remain cautious due to inflationary pressures; hence, increasing the discount rate by 2.75% to 9.75% during the first half of FY22. While approval of the next tranche of USD 1bn from IMF under the Extended Fund Facility is expected to be a catalyst for the economy and provide somewhat respite to the pak rupee.

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## **FUTURE OUTLOOK**

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We concur with the SBP and expect commodity prices to reverse by the end of FY22-23 on the back of anticipated monetary tightening by the US Fed owing to a sharp increase in inflation. Indeed, this shall bode well and provide much needed fiscal space to Pakistan's external account and draw down on inflation. Reportedly, SBP in its last monetary policy communication highlighted that 'the end goal of mildly positive real interest rates on a forward-looking basis was now close to being achieved', hence, forward looking it seems the Central Bank while cognizant of the external account and inflationary pressures is somewhat satisfied with the current dollar/rupee parity and interest rates respectively.

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

There were no significant changes in the state of affairs during the period and up till the date of Fund Manager's report under review.

**xiii) Disclosure of any split (if any), comprising:**

There were no unit splits during the period.



**xiv) Break down of unit holding size:**

<b>Range (Units)</b>	<b>No. of Investors</b>
0.0001 - 9,999	342
10,000 - 49,999	63
50,000 - 99,999	10
100,000 - 499,999	12
500,000 and above	3
<b>Total</b>	<b>430</b>

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

Investments are subject to credit and market risk.

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

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

## **REPORT OF THE TRUSTEE TO THE UNIT HOLDERS**

### **AKD ISLAMIC STOCK FUND**

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

AKD Islamic Stock Fund, an open-end Scheme established under a Trust Deed dated August 30, 2017 executed between AKD Investment Management Limited, as the Management Company and Digital Custodian Company Limited Formerly MCB Financial Services Limited, as the Trustee. The Fund commenced its operations on February 21, 2018.

1. AKD Investment Management Limited, the Management Company of AKD Islamic Stock Fund has, in all material respects, managed AKD Islamic Stock Fund during the period ended December 31<sup>st</sup>, 2021 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement



Karachi: February 25, 2022

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Authorize Signatory

# **AKD Islamic Stock Fund**

Condensed Interim Financial Information  
For the six months period ended  
December 31, 2021

## AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AKD Islamic Stock Fund** (the "Fund") as at December 31, 2021, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund and notes to the condensed interim financial information for the six months period ended December 31, 2021 (here-in-after referred to as the 'condensed interim financial information'). The Management Company (**AKD Asset Management Limited**) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

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

### Conclusion

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

### Other Matter

The figure of the condensed interim financial information for the three months period ended December 31, 2021, have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

*Yousuf Adil*

Chartered Accountants

Engagement Partner  
Nadeem Yousuf Adil

Date: February 25, 2022  
Place: Karachi

**AKD ISLAMIC STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2021**

		(Unaudited) December 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021
<b>ASSETS</b>	<b>Note</b>		
Bank balances	5	2,418	13,092
Investments	6	299,950	425,744
Dividend and profit receivable on bank deposits		38	767
Deposits and prepayments	7	2,659	2,817
Receivable against sale / conversion of units		1,372	-
Receivable against sale of securities		4,207	-
Preliminary expenses and floatation cost	8	233	336
<b>Total assets</b>		<b>310,877</b>	<b>442,756</b>
<b>LIABILITIES</b>			
Payable to AKD Investment Management Limited - Management Company	9	1,414	1,542
Payable to MCB Financial Services Limited - Trustee	10	37	45
Payable to the Securities and Exchange Commission of Pakistan	11	38	58
Accrued expenses and other liabilities	12	1,528	4,891
Payable against redemption / conversion of units		120	-
Payable against purchase of securities		-	10,860
<b>Total liabilities</b>		<b>3,137</b>	<b>17,396</b>
<b>NET ASSETS</b>		<b>307,740</b>	<b>425,360</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>307,740</b>	<b>425,360</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>6,977,080</b>	<b>8,541,902</b>
<b>NET ASSETS VALUE PER UNIT</b>		<b>44.1073</b>	<b>49.7969</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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For AKD Investment Management Limited  
(Management Company)

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

**AKD ISLAMIC STOCK FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2021**


		Six months period ended December 31,		Three months period ended December 31,	
		2021	2020	2021	2020
Note		(Rupees in '000)			
<b>Income</b>					
Capital (loss) / gain on sale of investments classified 'at fair value through profit or loss'		(3,723)	24,112	(8,773)	16,822
Net unrealised (diminution) / appreciation on remeasurement of investments classified 'at fair value through profit or loss'	6.2	(49,738)	34,536	(10,228)	(227)
Dividend income		12,191	2,997	6,061	2,997
Other income	12.1	2,263	-	-	-
Profit on bank deposits		289	329	139	124
<b>Total income</b>		<b>(38,718)</b>	<b>61,974</b>	<b>(12,801)</b>	<b>19,716</b>
<b>Expenses</b>					
Remuneration of AKD Investment Management Limited - Management Company	9.1	3,802	2,484	1,806	1,439
Sindh Sales tax on remuneration of Management Company	9.2	494	323	235	187
Expenses allocated by the Management Company	9.3	856	435	407	252
Remuneration of MCB Financial Services Limited - Trustee	10.1	228	149	108	86
Sindh Sales tax on remuneration of Trustee	10.2	30	23	14	15
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	38	25	18	14
Securities transaction costs		487	697	204	340
Auditor's remuneration		117	101	58	51
Settlement and bank charges		40	31	13	11
Amortisation of preliminary expenses and floatation costs		103	103	52	52
Fee and subscription		416	281	205	104
Printing and stationery		76	75	38	37
Legal and professional charges		325	108	46	-
Charity		687	61	626	61
Provision against Sindh Workers' Welfare Fund		-	1,142	-	342
<b>Total expenses</b>		<b>7,699</b>	<b>6,038</b>	<b>3,830</b>	<b>2,991</b>
<b>Net (loss) / income for the period before taxation</b>		<b>(46,417)</b>	<b>55,936</b>	<b>(16,631)</b>	<b>16,725</b>
Taxation	15	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(46,417)</b>	<b>55,936</b>	<b>(16,631)</b>	<b>16,725</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		-	55,936	-	16,725
Income already paid on units redeemed		-	(9,048)	-	(9,048)
		-	46,888	-	7,677
<b>Accounting income available for distribution:</b>					
Relating to capital gains		-	46,888	-	7,677
Excluding capital gains		-	-	-	-
		-	46,888	-	7,677

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



AKD ISLAMIC STOCK FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2021

	Six months period ended December 31,		Three months period ended December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net (loss) / income for the period after taxation	(46,417)	55,936	(16,631)	16,725
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>(46,417)</u>	<u>55,936</u>	<u>(16,631)</u>	<u>16,725</u>


The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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For AKD Investment Management Limited  
(Management Company)

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

**AKD ISLAMIC STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021**

	Six months period ended December 31, 2021			Six months period ended December 31, 2020		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)					
Net assets at beginning of the period	462,079	(36,719)	425,360	211,190	(84,178)	127,012
Issuance of 7,263,171 units (2020: 9,145,691 units)						
- Capital value (at Ex-net asset value per unit at the beginning of period)	361,683	-	361,683	273,562	-	273,562
- Element of (loss) / income	(21,292)	-	(21,292)	86,014	-	86,014
Total proceeds on issuance of units	340,391	-	340,391	359,576	-	359,576
Redemption of 8,827,993 units (2020: 6,793,649 units)						
- Capital value (at Ex-net asset value per unit at the beginning of period)	(439,606)	-	(439,606)	(203,209)	-	(203,209)
- Amount paid out of element of income relating to net income for the year after taxation	-	-	-	-	(9,048)	(9,048)
- Element of loss / (income)	28,012	-	28,012	(54,697)	-	(54,697)
Total payments on redemption of units	(411,594)	-	(411,594)	(257,906)	(9,048)	(266,954)
Total comprehensive income for the period	-	(46,417)	(46,417)	-	55,936	55,936
Net assets at end of the period	390,876	(83,136)	307,740	312,860	(37,290)	275,570
Distribution for the period						
Accumulated loss brought forward						
- Realised loss		(86,400)			(64,274)	
- Unrealized income / (loss)		49,681			(19,904)	
		(36,719)			(84,178)	
Accounting income available for distribution						
- Relating to capital gains		-			46,888	
- Excluding capital gains		-			-	
		-			46,888	
Net loss for the period after taxation		(46,417)			-	
Accumulated loss carried forward		(83,136)			(37,290)	
Accumulated loss carried forward						
- Realised loss		(33,398)			(71,826)	
- Unrealised (loss) / income		(49,738)			34,536	
		(83,136)			(37,290)	
			---			---
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			49.7969			29.9117
Net assets value per unit at end of the period			44.1073			41.7640


The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

AKD ISLAMIC STOCK FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2021

Note	Six months period ended December 31,		Three months period ended December 31,	
	2021	2020	2021	2020
	(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net (loss) / income for the period before taxation	(46,417)	55,936	(16,631)	16,725
<b>Adjustments</b>				
Dividend income	(12,191)	(2,997)	(6,061)	(2,997)
Amortisation of preliminary expenses and floatation costs	103	103	52	52
Net unrealised (appreciation) / diminution on remeasurement of investments 'at fair value through profit and loss'	49,738	(34,536)	10,228	227
Other income	(2,263)	-	-	-
Provision of Sindh Worker's Welfare Fund	-	1,142	-	342
	(11,030)	19,648	(12,412)	14,349
<b>Decrease / (increase) in assets</b>				
Dividend and profit receivable on bank deposits	129	(29)	-	41
Deposits and prepayments	158	69	5,536	2,522
	287	40	5,536	2,563
<b>(Decrease) / increase in liabilities</b>				
Payable to AKD Investment Management Limited - Management Company	(128)	321	(165)	(331)
Payable to MCB Financial Services Limited - Trustee	(8)	21	(5)	36
Payable to the Securities and Exchange Commission of Pakistan	(20)	(1)	18	(20)
Accrued expenses and other liabilities	(1,100)	442	(1,050)	(1,121)
	(1,256)	783	(1,202)	(1,436)
Dividend received	12,790	3,033	12,186	3,033
Investments - net	60,989	(146,437)	38,978	2,880
<b>Net cash generated from / (used in) operating activities</b>	<b>61,781</b>	<b>(122,933)</b>	<b>43,087</b>	<b>21,389</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Amount received on issue of units	339,019	356,371	146,674	142,415
Payment against redemption of units	(411,474)	(224,662)	(203,634)	(159,549)
<b>Net cash (used in) / generated for financing activities</b>	<b>(72,455)</b>	<b>131,709</b>	<b>(56,960)</b>	<b>(17,134)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(10,674)</b>	<b>8,776</b>	<b>(13,873)</b>	<b>4,255</b>
Cash and cash equivalents at beginning of the period	13,092	664	16,291	5,185
<b>Cash and cash equivalents at end of the period</b>	<b>2,418</b>	<b>9,440</b>	<b>2,418</b>	<b>9,440</b>

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The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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For AKD Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**AKD ISLAMIC STOCK FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2021**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

AKD Islamic Stock 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 the NBFC Rules and has obtained the requisite license from 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) Equity 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.

The principle activities of the Fund is to invest in the Shariah Compliant (Islamic) equity securities.

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 Company Limited (PACRA) has maintained asset manager rating of 'AM3++' of the Management Company dated February 8, 2021. PACRA has also assigned 5 star performance ranking in 1 year to the Fund dated August 6, 2021.

The Fund is registered on August 23, 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12 of the Sindh Trusts Act, 2020.

**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, part VIII A of the repealed Companies Ordinance 1984; 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 IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulation and requirements of the Trust Deed have been followed.

**2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the 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, 2021.

**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 and true and fair view of the state of the Fund's affairs as at December 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 has been presented in Pak Rupees, which is the functional and presentation currency of the Fund and has been rounded off to the nearest thousand rupees, unless otherwise specified.

## 3. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT 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, 2021.

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards 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, 2021.

3.3 There are certain amended standards and interpretations on approved accounting and reporting standards that are effective during the period but are considered not to be relevant to the Fund's operations and do not have any significant impact on the Fund's operations and are 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, 2021.

	Note	(Unaudited) December 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021
5. BANK BALANCES			
Saving accounts	5.1	<u>2,418</u>	<u>13,092</u>

5.1 Mark-up rates on these accounts range between 7.75% to 9% (June 30, 2021: 5%) per annum.

	Note	(Unaudited) December 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021
6. INVESTMENTS			
Fair value through profit or loss			
Listed equity securities	6.1	<u>299,950</u>	<u>425,744</u>

6.1 Listed equity securities

Name of the investee company	Face value per share (Rupees)	(Number of shares)					Balance as at December 31, 2021				Percentage in relation to		
		As at July 1, 2021	Purchased during the period	Bonus / right issue received during the period	Sold/ Disposed during the period	As at December 31, 2021	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company	
Fully paid ordinary shares (unless otherwise stated)													
Automobile Assembler Ghandhara Nissan Limited Millat Tractors Limited	10	999	-	-	-	999	109	78	(31)	0.03	0.03	0.00	
	10	11	-	2	-	13	12	11	(1)	0.00	0.00	0.00	
							121	89	(32)				
Automobile Parts & Accessories Thal Limited	5	35,000	50,000	-	-	85,000	33,697	32,529	(1,168)	10.84	10.57	0.10	
	10	40,000	-	-	10,000	30,000	4,485	4,715	230	1.57	1.53	0.08	
Cable & Electrical Goods Pakistan Cables Limited													
	10	-	1,330,000	-	1,330,000	-	-	-	-	-	-	-	
	10	761,190	-	152,238	73,000	840,428	29,555	43,114	13,559	14.37	14.01	0.22	
	10	-	10,000	-	10,000	-	-	-	-	-	-	-	
	10	-	215,000	-	215,000	-	-	-	-	-	-	-	
						29,555	43,114	13,559					
Chemical Lotte Chemical Pakistan Limited	10	4,150,000	-	-	2,150,000	2,000,000	30,880	27,320	(3,560)	9.11	8.88	0.13	
	10	1,000,300	75,000	-	-	1,075,300	12,038	13,775	1,737	4.59	4.48	0.10	
Commercial Banks Bankislami Pakistan Limited													
	10	20,000	-	-	10,000	10,000	840	514	(326)	0.17	0.17	0.01	
	10	481,213	-	-	331,213	150,000	14,011	9,918	(4,093)	3.31	3.22	0.03	
	10	160,000	19,000	-	179,000	-	-	-	-	-	-	-	
						14,851	10,432	(4,419)					
Fertilizers Engro Corporation Limited	10	50,000	-	-	20,908	29,092	8,571	7,925	(646)	2.64	2.58	0.01	
	10	2,700,499	450,000	-	350,000	2,800,499	55,857	37,751	(18,106)	12.59	12.27	0.93	
Investment Bank / Cos Imperial Limited	10	-	200,000	-	200,000	-	-	-	-	-	-	-	
	10	-	25,000	-	25,000	40,000	3,473	3,162	(311)	1.05	1.03	0.00	
Oil & Gas Exploration Companies Oil & Gas Development Company Limited Pakistan Petroleum Limited	10	40,000	-	-	-	-	-	-	-	-	-	-	



Name of the investee company	Face value per share (Rupees)	(Number of shares)					Balance as at December 31, 2021			Percentage in relation to		
		As at July 1, 2021	Purchased during the period	Bonus / right issue received during the period	Sold/ Disposed during the period	As at December 31, 2021	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
----- (Rupees in '000) ----- (%) -----												
Fully paid ordinary shares (unless otherwise stated)												
Pharmaceuticals Abbott Laboratories (Pakistan) Limited	10	-	19,000	-	-	19,000	14,943	13,633	(1,310)	4.55	4.43	0.02
Paper and Board Pakistan Paper Products Limited	10	666	-	-	-	666	60	45	(15)	0.02	0.01	0.01
Power Generation & Distribution K-Electric Limited	3.5	743,000	-	-	243,000	500,000	2,090	1,720	(370)	0.57	0.56	0.00
The Hub Power Company Limited (6.1.1)	10	800,000	-	-	250,000	550,000	43,822	39,237	(4,585)	13.08	12.75	0.04
							45,912	40,957	(4,955)			
Refinery Energyco PK Limited	10	4,850,000	600,000	-	-	5,450,000	61,984	37,114	(24,870)	12.37	12.06	0.10
Sugar and Allied Industries The Premier Sugar Mills Limited	10	2,800	-	-	2,800	-	-	-	-	-	-	-
Technology and Communication TRG Pakistan Limited	10	-	165,000	-	65,000	100,000	13,501	11,790	(1,711)	3.93	3.83	0.02
Pakistan Telecommunication Company Limited	10	750,000	-	-	-	750,000	8,880	6,525	(2,355)	2.18	2.12	0.02
							22,381	18,315	(4,066)			
Textile Composite Nishat Mills Limited	10	110,000	-	-	10,000	100,000	9,330	7,958	(1,372)	2.65	2.59	0.03
Vanaspati & Allied Industries Punjab Oil Mills Limited	10	6,200	-	-	-	6,200	1,550	1,116	(434)	0.37	0.36	0.12
Total as at December 31, 2021												
							349,688	299,950	(49,738)			
Total as at June 30, 2021												
							376,063	425,744	49,681			

6.1.1 This includes 300,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
Note	----- (Rupees in '000) -----	

**6.2 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'**

Market value of investments	6.1	299,950	425,744
Carrying amount of investments	6.1	(349,688)	(376,063)
		<u>(49,738)</u>	<u>49,681</u>

**7. DEPOSITS AND PREPAYMENTS**

Security deposit with			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		100	100
Prepaid annual listing fee of PSX		14	-
Prepaid shariah advisory fee		46	217
		<u>2,659</u>	<u>2,817</u>

**8. PRELIMINARY EXPENSES AND FLOATATION COST**

Preliminary expenses and floatation cost		1,024	1,024
Accumulated amortisation			
Opening balance		(688)	(483)
Amortised during the year		(103)	(205)
Closing balance	8.1	(791)	(688)
		<u>233</u>	<u>336</u>

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) December 31, 2021	(Audited) June 30, 2021
Note	----- (Rupees in '000) -----	

**9. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**

Management fee	9.1	554	668
Sindh Sales tax on management fee	9.2	72	87
Expenses allocated by the Management Company	9.3	125	117
Formation cost		336	541
Others		46	-
Sales load payable		281	129
		<u>1,414</u>	<u>1,542</u>

- 9.1 The Management Company charged remuneration at the rate of 2 % 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, 2021: 13%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.
- 9.3 The Management Company has charged expenses at the rate of 0.45% per annum of the daily average annual net assets of the Fund.

	Note	(Unaudited) December 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021
<b>10. PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE</b>			
Trustee fee	10.1	33	40
Sindh Sales Tax on Trustee fee	10.2	4	5
		<u>37</u>	<u>45</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 specified therein, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

The tariff structure applicable to the fund is as follows:

Amount of Funds Under Management [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 annum of the amount exceeding Rs. 1,000 million
Exceeding Rs. 5,000 million and up to Rs. 10,000 million	Rs. 3.8 million plus 0.06% per annum of the amount exceeding Rs. 5,000 million

- 10.2 Sindh sales tax at the rate of 13% (June 30, 2021: 13%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

	Note	(Unaudited) December 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021
<b>11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee payable to SECP	11.1	<u>38</u>	<u>58</u>

- 11.1 All Collective Investment Schemes are required to pay annual fee at an amount equal to 0.02% of the daily average annual net assets of the scheme . The fee is payable annually in arrears.

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
<b>12. ACCRUED AND OTHER LIABILITIES</b>			
Brokerage payable		204	507
Auditor's remuneration		117	173
Printing charges payable		226	150
Charity payable		687	725
Credit rating fee payable		199	132
Withholding tax payable		22	775
Provision for Sindh Workers' Welfare Fund	12.1	-	2,263
CDS charges		17	22
NCC fee payable		24	28
Others		32	116
		<u>1,528</u>	<u>4,891</u>

#### 12.1 Provision for Sindh Workers' Welfare Fund (SWWF)

During the period, Sindh Revenue Board (SRB) through its letter dated August 12, 2021, has clarified the legal status of applicability of Sindh Workers' Welfare Fund (SWWF).

As per the said letter, having reference no. SRB/TP/70/2013/8772, the Asset Management Companies (AMC) are covered under the term "financial institutions" as per the section 2(g)(v) of the SWWF Act, 2014 and are therefore, subject to SWWF charge, whereas, the Mutual Funds / Pension Funds managed by those AMCs do not qualify as "Financial Institutions / Industrial Establishments" as per the SWWF Act, 2014 and are therefore, not liable to pay SWWF contributions.

The development was discussed at MUFAP level and has also been taken up with the SECP and all the AMCs, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds.

Consequently, the management has reversed all the provision recognised in respect of SWWF amounting to Rs. 2.263 million.

#### 13. CONTINGENCIES AND COMMITMENTS

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

#### 14. TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund from July 1, 2021 to December 31, 2021 is 4.05% (annualised) (June 30, 2021: 4.96%) and this includes 0.34% (June 30, 2021: 1.20%) 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 unrealised capital gains to the unit holders in cash. Since the management intends to distribute the income earned by the Fund during the period 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. Further, 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.

## 16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include AKD Investment Management Limited, being the Management MCB Financial Services Limited, being the Trustee, AKD Group Holdings (Private) Limited (Formerly : Aqeel Karim Dhedhi Securities (Private) Limited), AKD Securities Limited, directors, officers and other connected persons of the Management Company, and their connected persons.

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

(Unaudited)  
December 31,      December 31,  
2021                      2020  
----- (Rupees in '000) -----

### Transactions during the period

#### AKD Investment Management Limited - Management Company

Remuneration to Management Company	3,802	2,484
Expenses allocated by the Management Company	856	435
Sindh Sales Tax on management remuneration	494	323
Sales load	151	282
Issue of 77,080 (2020: Nil) units	3,800	-

#### MCB Financial Services Limited - Trustee

Trustee fee	228	149
Sindh Sales Tax on trustee fee	30	19

#### AKD Securities Limited

Brokerage expense	18	100
Shares sold by AKD Securities Limited	-	4,600

#### AKD Opportunity Fund

Shares purchased from AKD Opportunity Fund	46,368	-
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#### Golden Arrow Stock Fund

Shares purchased from Golden Arrow Stock Fund	28,231	9,605
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#### Muhammad Yaqoob- Company Secretary and Chief Operating Officer

Issue of Nil (2020: 10,646) units	-	450
Redemption of 10,646 (2020: Nil) units	528	-

#### Imran Motiwala - Chief Executive Officer of the Management Company

Issue of 187,224 (2020: Nil) units	8,626	-
Redemption of 144,000 (2020: Nil) units	6,429	-

#### Sehar Imran Motiwala - Spouse - CEO of the Management Company

Issue of 165,689 (2020: Nil) units	7,600	-
Redemption of 339,444 (2020: Nil) units	15,666	-

#### Hina Aqeel - Close family member of the chairman of the group

Issue of Nil (2020: 10,600) units	-	400
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#### Anum Dhedhi - Chief Investment Officer & Director of the Management Company

Issue of Nil (2020: 10,657) units	-	400
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(Unaudited)  
December 31, 2021      December 31, 2020  
----- (Rupees in '000) -----

**M3 Technologies Pakistan Private Limited Employees Provident Fund - Common Directorship**

Issue of 122,103 (2020: Nil) units 6,000      -

**Pakistan Mobile Communications Limited Provident Fund\* - Connected party due to more than 10% holding**

Issue of Nil (2020: 721,813) units -      30,000

(Unaudited)      (Audited)  
December 31,      June 30,  
2021      2021  
----- (Rupees in '000) -----

**Baiances outstanding at the period / year end**

**AKD Investment Management Limited - Management Company**

Remuneration payable	554	668
Sindh sales tax on management remuneration	72	87
Expenses allocated by the management company	125	117
Payable against formation cost	336	541
Sales load payable	281	129
Others	46	-
Outstanding 77,080 (2020: Nil) units	3,400	-

**MCB Financial Services Limited - Trustee**

Remuneration payable	33	40
Sales tax on trustee remuneration payable	4	5

**AKD Securities Limited - Brokerage**

Brokerage payable	-	170
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**Payable against conversion of units**

Payable against conversion of units - AKD Cash Fund	101	-
Payable against conversion of units - AKD Islamic Income Fund	19	-

**Receivable against conversion of units**

Receivable against conversion of units - AKD Islamic Income Fund	1,372	-
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**Imran Motiwala - CEO of the Management Company**

Outstanding 43,224 (June 2021: Nil) units	1,906	-
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**AKD Group Holdings (Private) Limited (Formerly: Aqeel Karim Dhedhi Securities (Private) Limited) - Staff Provident Fund**

Outstanding 200,000 (June 30, 2021: 200,000) units	8,821	9,959
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**Muhammad Farid Alam - Key Management Personnel of Associated Company**

Outstanding 30,000 (June 30, 2021: 30,000) units	1,323	1,494
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**Hina Aqeel - Close family member of the chairman of the group**

Outstanding 53,233 (June 30, 2021: 53,233) units	2,348	2,651
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	(Unaudited) December 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021 -----
<b>Anum Dhedhi - Chief Investment Officer &amp; Director of the Management Company</b>		
Outstanding 100,314 (June 30, 2021: 100,314) units	4,425	4,995
<b>Yasmeen Dhedhi - Close family member of the chairman of the group</b>		
Outstanding 20,000 (June 30, 2021: 20,000) units	882	996
<b>Muhammad Yaqoob - Chief Operating Officer and Company Secretary of the Management Company</b>		
Outstanding Nil (June 31, 2021: 10,646) units	-	530
<b>Sehar Imran Motiwala - Spouse, - CEO of the Management Company</b>		
Outstanding Nil (June 31, 2021: 173,755) units	-	8,652
<b>Carrow Micheal - Key Management Personnel of the Management Company</b>		
Outstanding 196 (June 31, 2021: 196) units	9	10
<b>Toqir Hussain - Key Management Personnel of the Management Company</b>		
Outstanding 600 (June 30, 2021: 600) units	26	30
<b>M3 Technologies Pakistan Private Limited Employees Provident Fund - Common Directorship</b>		
Outstanding 122,103 units (June 2021: Nil)	5,386	-
<b>Connected person due to more than 10% holding</b>		
<b>TPL Insurance Limited**</b>		
Outstanding 839,883 (June 2021: Nil) units	37,045	-
<b>Mustafa Shahid*</b>		
Outstanding Nil (June 30, 2021: 864,459) units	-	43,047
<b>Nargis Shahid Soorty</b>		
Outstanding 871,254 (June 30, 2021: 871,254) units	38,429	43,386

\* prior period connected person current figures not shown

\*\* current period connected person prior 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 December 31, 2021			
	Level 1	Level 2	Level 3	Total
Investments	----- (Rupees in '000) -----			
Fair value through profit or loss				
Listed equity securities	299,950	-	-	299,950
	(Audited)			
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
Investments	----- (Rupees in '000) -----			
Fair value through profit or loss				
Listed equity securities	425,744	-	-	425,744

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

18. GENERAL

- 18.1 This condensed interim financial information is unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended December 31, 2021 and December 31, 2020 in this condensed interim financial information, has not been subject to limited scope review by the auditors.
- 18.2 Comparative figures have been reclassified where necessary for the purpose of better presentation and comparison.

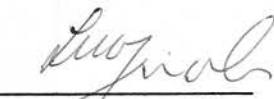
19. DATE OF AUTHORISATION FOR ISSUE

25 FEB 2022


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

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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](mailto:info@akdinvestment.com)  
Website : [www.akdinvestment.com](http://www.akdinvestment.com)