

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 Aggressive Income 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

Apna Microfinance Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Moblink Microfinance Bank Limited
MCB Bank Limited
NRSP Microfinance Bank Limited
Summit Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited

AUDITORS

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

LEGAL ADVISER

Sattar & Sattar
Attorneys -at -law 3rd Floor, UBL
Building,
I.I. Chundrigar Road, Karachi

REGISTRAR

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

DISTRIBUTORS

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

RATING

AKD Aggressive Income Fund
PACRA: A(f)

FUND MANAGER'S REPORT

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

Open – end Aggressive Fixed Income Scheme.

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

AKD Aggressive Income Fund (AKDAIF) is a dedicated fund that focuses primarily on fixed income securities and instruments. The objective of AKDAIF is to offer investors a convenient vehicle to invest in a diversified portfolio of fixed income securities / instruments that provide consistent returns with concern for preservation of capital over the longer term.

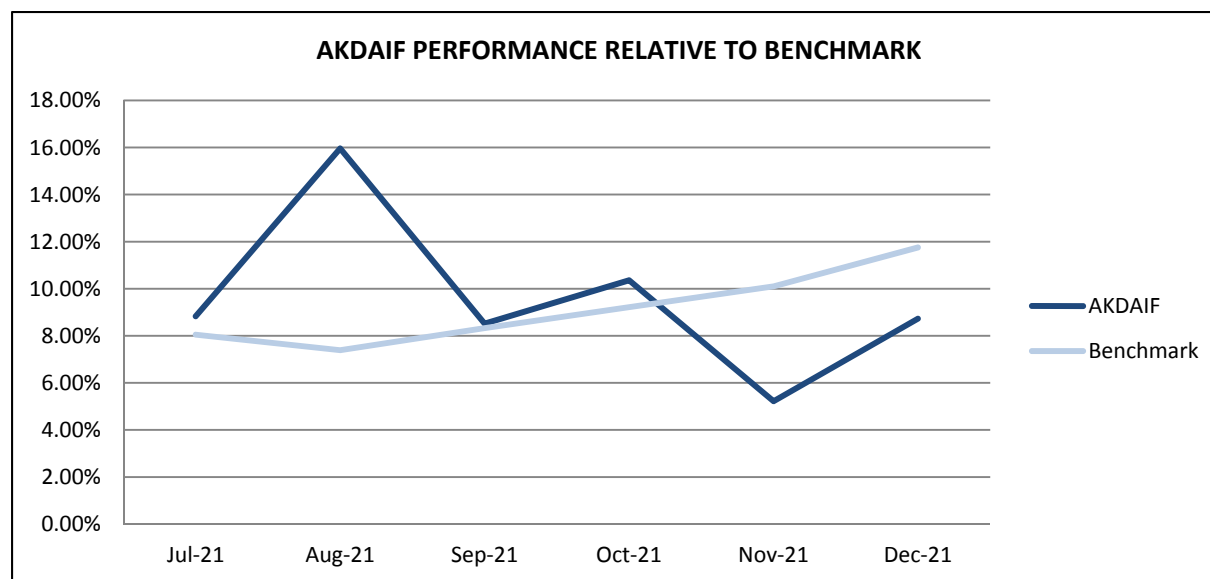
iii) **Explanation as to whether Collective Investment Scheme achieved its stated objective:**

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

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

1 Year KIBOR

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



Monthly yield (annualized)	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
AKDAIF	8.83%	15.96%	8.52%	10.36%	5.22%	8.73%
Benchmark	8.05%	7.39%	8.33%	9.22%	10.10%	11.75%

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

AKD Aggressive Income Fund is an Open - end Aggressive Fixed Income Scheme. The returns of the fund are generated through investment in T-bills, PIBs, Margin Trading System, Spread Transactions, and Corporate Debt instruments. AKDAIF 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 the report and particulars of significant changes in asset allocation:**

Asset Allocation (% of Total Asset)	31-Dec-21	30-Sep-21
Cash and Cash Equivalent	29.08%	24.83%
TFCs / Sukuks	25.48%	28.00%
Commercial Papers	8.42%	7.31%
Spread Transactions (Cost)	12.61%	36.63%
Margin Trading System	0.84%	-
Other Assets including Receivables	23.57%	3.23%

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

1HFY22 Return (annualized)	9.82%
Benchmark Return (annualized)	9.32%

ix) **Changes in 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)			(Rupees)	
909,954	938,838	-3.08%	53.6966	52.6110

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

MACRO PERSPECTIVE:

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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.

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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 the manager's report, not otherwise disclosed in the financial statements:

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

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

There were no unit splits during the period.

xiii) Breakup of unit holding by size:

Range (Units)	No. of Investors
0.0001 - 9,999	94
10,000 - 49,999	29
50,000 - 99,999	2
100,000 - 499,999	13
500,000 and above	4
Total	142

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 commissions have been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

AKD AGGRESSIVE INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Aggressive Income Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

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

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 28, 2022

AKD Aggressive Income 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 Aggressive Income 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 figures 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.



Chartered Accountants

Engagement Partner
Nadeem Yousuf Adil

Date: February 25, 2022
Place: Karachi

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2021

	Note	(Unaudited) December 31 2021	(Audited) June 30 2021
----- (Rupees in '000) -----			
ASSETS			
Bank balances	5	250,296	45,303
Investments	6	611,796	747,161
Profit receivable	7	15,970	8,830
Receivable against Margin Trading System		9,531	24,011
Deposits, prepayments and other receivable	8	26,924	8,657
Receivable against sale / conversion of investments		218,310	-
Total assets		1,132,827	833,962
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	5,648	5,504
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	81	118
Payable to the Securities and Exchange Commission of Pakistan	11	91	152
Accrued expenses and other liabilities	12	6,530	8,030
Payable against purchase of investments		202,114	-
Payable against redemption / conversion of units		1,907	-
Unclaimed dividend		6,502	6,289
Total liabilities		222,873	20,093
NET ASSETS		909,954	813,869
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		909,954	813,869
CONTINGENCIES AND COMMITMENTS			
	13		
----- (Number of units) -----			
NUMBER OF UNITS IN ISSUE		16,946,203	15,907,501
----- (Rupees)-----			
NET ASSETS VALUE PER UNIT		53.6966	51.1626

The annexed notes from 1 to 18 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 AGGRESSIVE INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2021

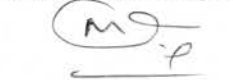
		Six months period December 31,		Three months period December 31,	
	Note	2021	2020	2021	2020
		(Rupees in '000)			
Income					
Net capital gain / (loss) on sale of investment		14,632	(455)	7,505	743
Net unrealised appreciation / (diminution) on remeasurement of investments 'at fair value through profit or loss'	6.6	3,395	(602)	8,463	1,293
Unrealised gain / (loss) on forward contracts	6.4	662	10,879	(6,708)	19,161
Net unrealised diminution on remeasurement of future contracts		-	(10,731)	-	(19,447)
Profit on bank deposits		1,606	682	1,156	368
Income from:					
- Margin Trade System (MTS)		526	723	99	723
- Market treasury bills		9,570	15,139	5,441	7,517
- Term finance certificates and sukuk certificates		14,142	9,364	6,960	4,757
- Commercial papers		4,176	1,482	2,305	848
- Pakistan Investment Bonds		-	2,695	-	1,137
Other income	12.1	5,784	-	-	-
Reversal of impairment loss		729	-	-	-
Dividend income		2	184	2	-
Total income		55,224	29,360	25,223	17,100
Expenses					
Remuneration of AKD Investment Management Limited - Management Company	9.1	6,844	5,472	3,561	2,893
Sindh sales tax on the remuneration of Management Company	9.2	890	711	463	376
Expenses allocated by management company	9.3	684	547	356	289
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	342	274	178	145
Sindh sales tax on the remuneration of Trustee	10.2	44	36	14	19
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	91	73	47	39
Brokerage and settlement charges		2,173	371	1,063	174
Auditor's remuneration		216	216	108	108
Bank charges		79	49	48	26
Fees and subscriptions		475	409	224	313
Legal and professional		466	163	151	33
Printing and related costs		76	77	38	39
Provision against Sindh Workers' Welfare Fund	12.1	-	419	-	253
Total expenses		12,380	8,817	6,251	4,707
Net income for the period before taxation		42,844	20,543	18,972	12,393
Taxation	14	-	-	-	-
Net income for the period after taxation		42,844	20,543	18,972	12,393
Allocation of net income for the period					
Net income for the period after taxation		42,844	20,543	18,972	12,393
Income already paid on units redeemed		(3,710)	(882)	(2,793)	(858)
		39,134	19,661	16,179	11,535
Accounting income available for distribution:					
Relating to capital gain		18,689	-	9,260	490
Excluding capital gain		20,445	19,661	6,919	11,045
		39,134	19,661	16,179	11,535

The annexed notes from 1 to 18 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 AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2021

	Six months period December 31,		Three months period December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income for the period after taxation	42,844	20,543	18,972	12,393
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	42,844	20,543	18,972	12,393


The annexed notes from 1 to 18 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 AGGRESSIVE INCOME 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	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	784,069	29,800	813,869	624,257	28,226	652,483
Issue of units 10,656,352 (2020: 4,183,416) units						
- Capital value (at Ex-net asset value per unit at the beginning of period)	545,207	-	545,207	213,600	-	213,600
- Element of income	16,429	-	16,429	2,849	-	2,849
Total proceeds on issuance of units	561,636	-	561,636	216,449	-	216,449
Redemption of units 9,617,650 (2020: 2,609,500) units						
- Capital value (at Ex-net asset value per unit at the beginning of period)	(492,064)	-	(492,064)	(133,238)	-	(133,238)
- Amount paid out of element of income relation to net income for the period after taxation	-	(3,710)	(3,710)	-	(882)	(882)
- Element of loss	(12,621)	-	(12,621)	(1,449)	-	(1,449)
Total payments on redemption of units	(504,685)	(3,710)	(508,395)	(134,687)	(882)	(135,569)
Total comprehensive income for the period	-	42,844	42,844	-	20,543	20,543
Net assets at end of the period	841,020	68,934	909,954	706,019	47,887	753,906
Undistributed income brought forward						
- Realised		27,519			26,869	
- Unrealised		2,281			1,357	
		29,800			28,226	
Accounting income available for distribution						
- Relating to capital gains		18,689			-	
- Excluding capital gains		20,445			19,661	
		39,134			19,661	
Undistributed income carried forward		68,934			47,887	
Undistributed income carried forward						
- Realised income		64,877			48,341	
- Unrealised income / (loss)		4,057			(454)	
		68,934			47,887	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period		51.1626			51.0586	
Net assets value per unit at end of the period		53.6966			52.5259	

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (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
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation				
	42,844	20,543	18,972	12,393
Adjustments for non cash items				
Dividend income	(2)	(184)	(2)	(184)
Net unrealised (appreciation) / diminution on remeasurement of investments 'at fair value through profit or loss'	(3,395)	602	(8,463)	(1,293)
Unrealised (gain) / loss on forward contracts	(662)	(10,879)	6,708	(19,161)
Net unrealised diminution on future contracts	-	10,731	7,370	19,447
Other income	(5,784)	-	-	-
Reversal of impairment loss	(729)	-	-	-
Provision against Sindh Workers' Welfare Fund	-	419	-	253
	32,272	21,232	24,585	11,455
(Increase) / decrease in assets				
Profit receivable	(7,140)	4,335	(4,678)	(2,329)
Deposits, prepayments and other receivable	(18,267)	(21,129)	(38)	(3,284)
Receivable against Margin Trading System	14,480	(127,279)	(9,531)	(127,279)
	(10,927)	(144,073)	(14,247)	(132,892)
Increase / (decrease) in liabilities				
Payable to AKD Investment Management Limited - Management Company	144	229	(9)	(26)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(37)	15	(16)	3
Payable to the Securities and Exchange Commission of Pakistan	(61)	(50)	47	39
Accrued expenses and other liabilities	5,013	1,007	(18,056)	10,168
Unclaimed dividend	213	-	213	-
	5,272	1,201	(17,821)	10,184
Dividend received	2	184	2	184
Investments - net	202,344	25,278	244,786	19,931
Net cash generated from / (used in) operating activities	228,963	(96,178)	237,305	(91,138)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received against issuance of units	561,636	216,449	319,371	111,025
Amount paid against redemption of units	(506,488)	(135,569)	(339,625)	(119,422)
Net cash generated from / (used in) financing activities	55,148	80,880	(20,254)	(8,397)
Net increase / (decrease) in cash and cash equivalents	284,111	(15,298)	217,051	(99,535)
Cash and cash equivalents at beginning of the period	45,303	28,126	112,363	112,363
Cash and cash equivalents at end of the period	329,414	12,828	329,414	12,828

The annexed notes from 1 to 18 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 AGGRESSIVE INCOME FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Aggressive Income Fund (the Fund) was established under a Trust Deed executed between AKD Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the trust deed on September 11, 2006 and it was executed on October 2, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced operations from March 23, 2007.

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 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 them to the Fund.

The Fund is classified as an 'Aggressive Fixed Income Scheme'. The principal activity of the Fund is to make investments in government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of mushrakas (COM), commercial paper, reverse repo, term deposit receipts, term finance certificates / sukuk certificates, spread transactions and transactions under margin trading system.

The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained Asset Manager rating of "AM3++" to the Management Company dated February 8, 2021. PACRA has also assigned fund stability rating of "A(f)" to the Fund dated September 04, 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 VIII A 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 a 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 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 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.

5. BANK BALANCES	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
In saving accounts	5.1	250,229	45,236
In current accounts		67	67
		<u>250,296</u>	<u>45,303</u>

5.1 Mark-up rates on these accounts range between 7.75% to 11.40% per annum (June 30, 2021: 5.5% per annum).

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
INVESTMENTS			
At fair value through profit or loss			
Term finance certificates	6.1	182,706	164,168
Sukuk certificates	6.2	105,925	107,607
Market treasury bills	6.3	79,118	84,300
Equity securities for spread transactions	6.4	148,664	319,758
		516,413	675,833
At amortised cost			
- Commercial paper	6.5	95,383	71,328
		611,796	747,161

6.1 Term Finance Certificates

Name of Investee Company	Original / redeemed Face value per certificate (Rupees)	Number of certificates				Balance as at December 31, 2021			Market value as a percentage of		Investment as percentage of total issue / size
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value	Market value	Unrealised appreciation/ (diminution) as at December 31, 2021	Investments	Net assets	
----- (Rupees in '000) -----											
----- (%) -----											
Commercial banks											
Summit Bank Limited - (6.1.2)	5,000	5,000	-	-	5,000	24,925	-	-	-	-	-
Less: Provision for impairment						(24,925)					
Technology & Communication											
Worldcall Telecom Limited - (6.1.3)	5,000	20,000	-	-	20,000	34,235	-	-	-	-	-
Less: Provision for impairment						(34,235)					
TPL Corporation Limited	100,000	-	150	-	150	15,000	15,000	-	2.45	1.65	-
Cement											
Dewan Cement Limited - (6.1.4)	5,000	20,000	-	-	20,000	100,000	-	-	-	-	-
Less: Provision for impairment						(100,000)					
Miscellaneous											
Pace Pakistan Limited - (6.1.5)	5,000	115	-	-	115	574	-	-	-	-	-
Less: Provision for impairment						(574)					
Commercial Banks											
Silk Bank Limited	4,996	20,000	-	-	20,000	88,545	89,750	1,205	14.67	9.86	-
The Bank of Punjab	99,800	750	-	-	750	75,599	77,956	2,357	12.74	8.57	-
Total - December 31, 2021						179,144	182,706	3,562			
						163,151	164,168	1,017			
Total - June 30, 2021											

6.1.1 Significant terms and conditions of term finance certificate are as follows:

Name of security	Face value per certificate	Redeemed face value per certificate	Mark-up rate (per annum)	Maturity	Rating
----- (Rupees) -----					
TPL Corporation Limited	100,000	100,000	3 months + 2.5%	December 31, 2026	AA-
Silk Bank Limited	5,000	4,998	6 month KIBOR + 1.85%	August 10, 2025	BBB+
The Bank of Punjab	100,000	99,840	6 month KIBOR + 1%	December 23, 2026	AA-

6.1.2 The Term Finance Certificates (TFCs) of Summit Bank Limited (SBL) had an original maturity of October 27, 2018. An extra ordinary general meeting was called on November 19, 2018, where in it was resolved that the maturity date of these certificates be extended for one year (i.e. October 27, 2019) on the existing terms and conditions. Since SBL defaulted on timely payment of its final installment, the management company has made 100 percent provision amounting to Rs. 24.925 million against the defaulted installment in line with the requirement of Circular 33 dated October 24, 2012. Furthermore, profit on installment due amounting to Rs. 1.23 million has also been suspended.

6.1.3 The Term Finance Certificates (TFCs) of Worldcall Telecom Limited (WTL) had an original maturity of October 07, 2013. WTL had defaulted on timely repayment of principal, therefore, the TFC has been classified as non-performing by Mutual Funds Association of Pakistan w.e.f November 8, 2012. Accordingly the outstanding investment had been fully provided.

6.1.4 The Fund had advanced an amount of Rs 100 million in respect of Pre-IPO placement of Dewan Cement Limited (DCL) under an agreement, which required public offering to be completed within 270 days of the date of agreement (which was January 9, 2008). Dewan Cement Limited (DCL) failed to complete the public offering within the said time period and had also defaulted in payment of principal and profit for the said period. As a matter of prudence, the Fund had made provision for the amount of the investment in accordance with the provisioning criteria specified in Circular No. 1 of 2009 dated January 6, 2009 issued by the SECP.

6.1.5 The Term Finance Certificates (TFCs) of Pace (Pakistan) Limited (PPL) had an original maturity of October 07, 2013. PPL had defaulted on timely repayment of principal, therefore, the TFC has been classified as non-performing by Mutual Funds Association of Pakistan w.e.f September 5, 2011. Accordingly the outstanding investment had been fully provided.

6.2 Sukuk Certificates

Investee company	Redeemed Face value per certificate (Rupees)	Number of certificates			Balance as at December 31, 2021			Market value as a percentage of			Investment as percentage of total size
		As at July 01, 2021	Purchased during the period	Redeemed during the period	As at December 31, 2021	Carrying value	Market value	Unrealised appreciation / (diminution) as at December 31, 2021	Investments	Net assets	

----- (Rupees in '000) -----												----- (%) -----	
Sukuku certificates - unlisted													
Hub Power Holdings Limited (6.2.1)	82,459	750	-	-	750	61,844	61,844	-	10.11	6.80	1.03		
TPL Trakker Limited (6.2.2)	944,444	30	-	-	30	29,044	28,475	(569)	4.65	3.13	2.03		
Mughal Iron and Steel Mills Limited(6.2.3)	1,000,000	15	-	-	15	15,053	15,606	553	2.55	1.72	0.52		
New Allied Electronics Industries (Private) Limited (6.2.4)	313	96,000	-	-	96,000	30,000	-	-	-	-	-		
Less: provision for impairment						(30,000)							
Total December 31, 2021						105,941	105,925	(16)					
Total June 30, 2021						106,844	107,607	763					

6.2.1 The Hub Power Holdings Limited issued sukuk certificates on November 12, 2020, which will be matured on November 12, 2025. It carries mark up at the rate 6-month KIBOR plus 2.5% per annum.

6.2.2 The tenor of the sukuk is 5 years and carries mark up at the rate 3 months KIBOR plus 3.00% per annum.

6.2.3 The tenor of the sukuk is 5 years and carries mark up at the rate 3 months KIBOR plus 1.30% per annum.

6.2.4 New Allied Electronics Industries (Private) Limited defaulted on the amount of principal and mark-up due on the scheduled redemption dates i.e. October 25, 2008, January 25, 2009, April 25, 2009, July 25, 2009, October 25, 2009, January 25, 2010 and April 25, 2010. Hence, the Fund had been fully provided for the amount of the investment in accordance with the requirements of Circular No. 1 of 2009 dated January 6, 2009.

6.3

Market treasury bills

Tenor	Face Value				Balance as at December 31, 2021			Market value as a percentage of	
	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value	Market value	Unrealised (diminution) / appreciation as at December 31, 2021	Investments	Net assets
(Rupee in '000)									
Market treasury bills - 3 months	22,000	730,000	672,000	80,000	79,269	79,118	(151)	12.93	8.69
Market treasury bills - 6 months	63,000	205,000	268,000	-	-	-	-	-	-
Total December 31, 2021					79,269	79,118	(151)		
Total June 30, 2021					84,293	84,300	7		

On December 22, 2021 the fund transferred Market Treasury bills of Rs. 80 million (face value) into National Clearing Company Limited (NCCPL) exposure margin account maintained with Bank A.-Falah Limited in respect of exposure margin and mark to market losses in ready market , DFC market and MTS.

6.4

Listed equity securities - spread transactions

Sector / Companies	As at July 01, 2021	Purchased during the period	Sold during the period	As at December 31, 2021	Carrying values as at December 31, 2021		Market value as at December 31, 2021	
					(Number of Shares)		(Rupees)	
AUTOMOBILE ASSEMBLER								
Ghandhara Industries Limited	-	2,000	2,000	-	-	-	-	-
Ghandhara Nissan Limited	4,000	73,500	77,500	-	-	-	-	-
Sargar Engineering Works Limited	-	14,500	14,500	-	-	-	-	-
CEMENT								
D.G Khan Cement Company Limited	204,000	220,000	424,000	-	-	-	-	-
Lucky Cement Limited	-	166,000	166,000	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	50,000	50,000	-	-	-	-	-
Pioneer Cement Limited	261,000	500,000	761,000	-	-	-	-	-
Power Cement Limited	-	924,500	924,500	-	-	-	-	-
CHEMICALS								
Engro Polymer & Chemicals Limited	100,000	-	100,000	-	-	-	-	-
Chani Global Holding Limited	188,000	-	188,000	-	-	-	-	-
ENGINEERING								
Aisha Steel Mills Limited	20,000	299,000	319,000	-	-	-	-	-
Anreli Steels Limited	12,000	-	12,000	-	-	-	-	-
International Steels Limited	7,500	1,250,000	1,257,500	-	-	-	-	-
International Industries Limited	15,000	79,500	89,000	5,500	774	763		
FERTILIZERS								
Fauji Fertilizer Bin Qasim Limited	-	655,500	155,500	500,000	12,200	12,390		
COMMERCIAL BANKS								
National Bank Of Pakistan	-	200,000	200,000	-	-	-	-	-
FOOD AND PERSONAL CARE PRODUCTS								
Al Shaheer Corporation Limited	47,000	-	47,000	-	-	-	-	-

Sector / Companies	(Number of Shares)					(Rupees)	
	As at July 01, 2021	Purchased during the period	Sold during the period	As at December 31, 2021	Carrying Values as at December 31, 2021	Market Value as at December 31, 2021	
Unity Foods Limited	1,645,500	3,292,000	4,937,500	-	89,500	7,487	7,583
Frieslandcampina Engro Pakistan Limited	-	89,500	-	-	-	-	-
Treet Corporation Limited	-	1,812,000	1,812,000	-	-	-	-
OIL & GAS EXPLORATION COMPANIES							
Oil & Gas Development Company Limited	300,000	101,000	401,000	-	-	-	-
Pakistan Petroleum Limited	-	115,000	-	115,000	8,976	9,090	9,090
OIL & GAS MARKETING COMPANIES							
Pakistan State Oil Company Limited	55,000	146,000	201,000	-	-	-	-
Sui Northern Gas Pipelines Limited	-	175,000	175,000	-	-	-	-
POWER GENERATION AND DISTRIBUTION							
Hub Power Company Limited	-	84,000	84,000	-	-	-	-
Kot Addu Power Company Limited	-	10,000	10,000	-	-	-	-
K-Electric Limited	-	1,650,000	1,650,000	-	-	-	-
REFINERY							
Attock Refinery Limited	95,500	645,000	300,500	440,000	60,369	63,373	63,373
Byco Petroleum Pakistan Limited	419,000	14,389,000	7,808,000	7,000,000	45,220	47,670	47,670
Pakistan Refinery Limited	-	777,500	777,500	-	-	-	-
National Refinery Limited	-	17,500	17,500	-	-	-	-
CABLE AND ELECTRICAL GOODS							
Pak Elektron Limited	20,000	175,000	195,000	-	-	-	-
Waves Singer Pakistan Limited	-	1,644,000	1,144,000	500,000	7,805	7,795	7,795
GLASS AND CERAMICS							
Tariq Glass Industries Limited	32,500	-	32,500	-	-	-	-
Ghani Global Glass Limited	-	25,000	25,000	-	-	-	-
TEXTILE COMPOSITE							
Nishat Mills Limited	150,000	264,000	414,000	-	-	-	-
Nishat Chunian Limited	160,000	300,000	460,000	-	-	-	-
Gul Ahmed Textile Mills Limited	-	150,000	150,000	-	-	-	-
TECHNOLOGY & COMMUNICATION							
Avanteon Limited	-	120,500	120,500	-	-	-	-
Telecard Limited	-	139,000	139,000	-	-	-	-
Netsol Technologies Limited	-	22,000	22,000	-	-	-	-
TRG Pakistan Limited	430,000	2,296,500	2,726,500	-	-	-	-
TPL Corp Limited	-	599,000	599,000	-	-	-	-
Hum Network Limited	-	11,208,000	11,208,000	-	-	-	-
Total - December 31, 2021					142,831	148,564	
Total - June 30, 2021					324,340	319,758	

In view of its adverse financial position, Security Leasing Corporation Limited had deferred the payment of 3rd redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2009 and 4th redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2010. As per the terms of the preference shares, the preference shareholders have preference over ordinary shareholders in the event of liquidation of the Company. The management has fully provided for its investment during the year ended June 30, 2018.

6.5 Commercial Paper

Name of investee company	Rate of return per annum	(Face value)				Carrying value	Maturity	Rating	Carrying value as percentage of	
		As at July 01, 2021	Purchased during the period	Matured / sold during the period	As at December 31, 2021				Investments	Net assets
----- (Rupees in '000) -----										
Waves singer Pakistan limited	11.01%	-	26,000	-	26,000	24,042	July 30, 2022	A1	3.93	2.64
TPL Corporation Limited	10.40%	-	75,000	-	75,000	71,341	December 25, 2021	A1	11.66	7.84
TPL Corporation Limited	10.40%	75,000	-	75,000	-	-	January 11, 2022	A1	-	-
Total - December 31, 2021						101,000	95,383			
Total - June 30, 2021						75,000	71,328			

6.6 Net unrealised appreciation on re-measurement of investments classified at 'fair value through profit or loss'

	(Unaudited)	(Audited)
	December 31, 2021	June 30, 2021
----- (Rupees in '000) -----		
Market value of investments	367,749	356,075
Carrying amount of investments	(364,354)	(354,288)
	3,395	1,787

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

7. PROFIT RECEIVABLE

Profit receivable on:

- Term finance and sukuks certificates	11,294	8,598
- Commercial papers	3,891	61
- Bank deposits	785	171
	<u>15,970</u>	<u>8,830</u>

8. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE

Security deposits with		
- National Clearing Company of Pakistan Limited	2,750	2,750
- Central Depository Company of Pakistan Limited	100	100
Prepaid fee of NCCPL	197	73
Prepaid listing fee PSX	14	-
Security Margin Deposit	23,670	406
Receivable against future settlement	-	5,077
Income receivable against Margin Trading System	72	155
Advance tax	121	96
	<u>26,924</u>	<u>8,657</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 period ended December 31, 2021, withholding tax on profit on debt and dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) /2008-VOL.II - 66417- R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

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

9. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee	9.1	1,181	1,016
Sindh Sales Tax on Management fee	9.2	154	132
Expenses allocated by the Management Company	9.3	120	103
Federal excise duty on Management fee	9.4	4,141	4,141
Sales load payable		4	64
Other		48	48
		<u>5,648</u>	<u>5,504</u>

- 9.1 The remuneration to the Management Company is been charged at 1.5% (June 30, 2021: 1.5%) of the daily average net assets value and is payable 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 0.15% (June 30, 2021: 0.15%) per annum of the average annual net assets of the Fund.
- 9.4 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the note 9.4 to the audited annual financial statements of the Fund for the year ended June 30, 2021. 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 December 31, 2021 would have been higher by Re. 0.244 per unit (June 30, 2021: Re. 0.260 per unit).

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
10. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	10.1	59	51
Settlement charges payable to the trustee		13	53
Sindh sales tax on trustee fee	10.2	9	14
		<u>81</u>	<u>118</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.
- 10.2** Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable to SECP	11.1	<u>91</u>	<u>152</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 percent of the average annual net assets of the scheme.

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
12. ACCRUED AND OTHER LIABILITIES			
Auditor's remuneration		216	336
National Clearing Company of Pakistan Limited clearing charges payable		57	57
Withholding tax payable		70	1,198
Provision against Sindh Workers Welfare Fund	12.1	-	5,784
Payable against future settlement		5,173	-
Others		<u>1,014</u>	<u>655</u>
		<u>6,530</u>	<u>8,030</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. 5.784 million.

13. CONTINGENCIES AND COMMITMENTS

- 13.1 The commitment to sell equity securities at a future date under spread transactions amounts to Rs. 142.830 million (June 30, 2021: Rs. 328.225 million)
- 13.2 Except as disclosed in note 13.1, there are no other contingencies and commitments outstanding as at December 31, 2021 and June 30, 2021.

14. TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund from July 1, 2020 to December 31, 2021 is 2.71% (annualised) (June 30, 2021: 2.70%) and this includes 0.28% (June 30, 2021: 0.42%) representing government levies, Sindh Worker's Welfare Fund, SECP fee etc.

14. 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.

15. CASH AND CASH EQUIVALENTS

Bank balances

Market treasury bills (having original maturity upto 3 months)

	(Unaudited) December 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021
	250,296	45,303
	79,118	21,819
	<u>329,414</u>	<u>67,122</u>

16. TRANSACTIONS WITH CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, the Trustee, directors and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations and Constitutive documents of the Fund.

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

Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Transactions during the period:

AKD Investment Management Limited - Management Company

Management fee

Sindh sales tax on management fee

Allocated expenses

Sales load

	(Unaudited) For the half year ended December 31, 2021 ----- (Rupees in '000) -----	2020
	6,844	5,472
	890	711
	684	547
	15	15

(Unaudited)
For the half year ended
December 31,
2021 2020
----- (Rupees in '000) -----

Central Depository Company of Pakistan Limited - Trustee

Trustee fee	342	274
CDC charges	127	23
Sindh sales tax on trustee fee	44	36

AKD Securities Limited

Brokerage on purchase of listed equity securities for spread transactions	325	-
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(Unaudited) (Audited)
December 31 June 30,
2021 2021
----- (Rupees in '000) -----

16.2 Balance outstanding at the period / year end

AKD Investment Management Limited - Management Company

Management remuneration payable	1,181	1,016
Sindh sales tax payable on management remuneration	154	132
Federal excise duty payable on management remuneration	4,141	4,141
Payable against allocated expenses	120	103
Sales load payable	4	64
Others	48	48

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	59	51
Settlement charges payable	13	53
Sindh sales tax payable on trustee remuneration and settlement charges	9	14
Security deposit	100	100

AKD Securities Limited

Brokerage on purchase of listed equity securities for spread transactions	261	95
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Payable to AKD Funds against conversion

Golden Arrow Stock Fund	1,597	-
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Unit holders holding 10% or more of the units in issue

National Bank of Pakistan Employees Pension Fund

Outstanding 9,855,367 (June 30, 2021: 9,855,367) units	529,201	504,227
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Sindh Province Pension Fund*

Outstanding Nil (June 30, 2021: 1,664,213) units	-	85,146
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* Prior period connected person, current period figures not shown

16. 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
	----- (Rupees in '000) -----			
Investments				
Fair value through profit or loss				
Term finance and sukuks certificates	-	182,706	-	182,706
Sukuk certificates		105,925	-	105,925
Market treasury bills	-	79,118	-	79,118
Listed equity securities (spread transactions)	148,664	-	-	148,664
	148,664	367,749	-	516,413

	(Audited)			
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investments				
Fair value through profit or loss				
Term finance and sukuks certificates	-	164,168	-	164,168
Sukuk certificates		107,607	-	107,607
Market treasury bills	-	84,300	-	84,300
Listed equity securities (spread transactions)	319,758	-	-	319,758
	319,758	356,075	-	675,833

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

17. GENERA

17.1 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.

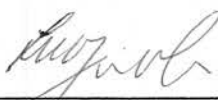
17.2 Comparative figures have been reclassified where necessary for the purpose of better presentation and comparison.

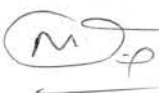
18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 25 FEB 2022 by the Board of Directors of the Management Company

YQ

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