

ANNUAL REPORT 2022



Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit from the Experience

CORPORATE INFORMATION

MANAGEMENT COMPANY

AKD Investment Management Limited
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(s)

Ms. Anum Dhedhi
Ms. Aysha Ahmed
Mr. Ali Wahab Siddiqi
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

Mr. Muhammad Munir Abdullah

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqi (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 (Chairperson)
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

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

- » Keep primary focus on investing clients' interest
- » Achieve highest standards of regulatory compliance and good governance
- » Prioritize risk management while endeavouring 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 leading 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), Golden Arrow Stock Fund (GASF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF) and AKD Islamic Stock Fund (AKDISSF) is pleased to present its annual report along with the Funds' Audited Financial Statements for the year ended June 30, 2022.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the FY22, the return of AKD Opportunity Fund stood at -26.14% compared to the benchmark KSE-100 Index return of -12.28%.

Golden Arrow Stock Fund (GASF)

For the FY22, the return of Golden Arrow Stock Fund stood at -19.27% compared to the benchmark KSE-100 Index return of -12.28%.

AKD Index Tracker Fund (AKDITF)

For the FY22, the return of AKD Index Tracker Fund stood at -12.18% compared to the benchmark KSE-100 Index return of -12.28%.

AKD Cash Fund (AKDCF)

For the FY22, the return of AKD Cash Fund stood at 9.64% compared to the benchmark return of 9.29%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 4.75170 per unit to the unit holders during the year ended June 30, 2022.

AKD Aggressive Income Fund (AKDAIF)

For the FY22, the return of AKD Aggressive Income Fund stood at 7.23% compared to the benchmark return of 11.31%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 3.81178 per unit to the unit holders during the year ended June 30, 2022.

AKD Islamic Income Fund (AKDISIF)

For the FY22, the return of AKD Islamic Income Fund stood at 9.39% compared to the benchmark return of 3.34%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 4.57079 per unit to the unit holders during the year ended June 30, 2022.

AKD Islamic Stock Fund (AKDISSF)

For the FY22, the return of AKD Islamic Stock Fund stood at -18.72% compared to the benchmark KMI-30 Index return of -10.25%.

MACRO PERSPECTIVE

Pakistan's economy continued to witness robust growth as the pace of the economy exceeded expectations of the State Bank of Pakistan (SBP), albeit coming at the expense of an elevated Current Account Deficit (CAD) amid rising inflation fueled by a significant currency devaluation and an unprecedented increase in international commodity prices. During FY22, the SBP remained prudent given the inflationary pressures; hence, increasing the policy rate by 675 basis points to 13.75%.

The CAD for FY22 clocked in at USD 17.32 billion as compared to USD 2.82 billion reported during the same period last year (SPLY) owing mainly to an increase in commodity prices, import of plants and machineries under TERF/LTFF loan facilities provided by the SBP and import of COVID vaccines. The Balance of Trade in Goods and Services recorded a deficit of USD 44.71 billion, adding another USD 13.56 billion as imports increased by 34% YoY to USD 84.13 billion. However, exports also posted growth of 25% YoY to stand at USD 39.42 billion. Foreign workers continued to support the external account as workers' remittances surged by 6% YoY to USD 31.24 billion. The Government's continued efforts to attract investments from Non-Resident Pakistanis also paid off, with an impressive inflow of USD 4.61 billion through Roshan Digital Accounts (RDA) from more than 420,000 accounts till June 2022.

According to the press release, the Federal Board of Revenue (FBR) made a net revenue collection of PKR 6.13 trillion during FY22 exceeding the target of PKR 6.10 trillion and increasing 29% over revenues of PKR 4.74 trillion during the same period last year. We believe, record tax collection was on the back of strong economic growth and progressive tax policies of the previous government during the fiscal year. Notably however, tax collection growth came at a cost with major growth in revenue collection was naturally due to an unprecedented growth in imports (customs duty, sales tax, withholding tax) in FY22. Also, the gross collection, including refunds and rebate payments, increased by 29% from PKR 4.89 trillion during FY21 to PKR 6.31 trillion in FY22.

As per the Pakistan Bureau of Statistics (PBS), the average National Consumer Price Index (NCPI) in FY22 was recorded at 12.15% YoY as compared to 8.90% YoY recorded during FY21 primarily due to the removal of fuel subsidies, steadfast food inflation, high transport and electricity costs. Average Core Inflation (measured by excluding food and energy prices) clocked in at 8.12% YoY and 8.98% YoY for Urban and Rural areas respectively, as compared to 5.98% YoY and 7.61% YoY during the SPLY.

The Large Scale Manufacturing (LSM) sector witnessed an increase of 11.7% YoY for FY22 as compared to 11.2% YoY reported during SPLY. During the period under review, major contribution towards the growth came from Textile, Food, Coke and Petroleum products, chemicals and Wearing Apparel.

Likewise, sectors that contributed negative growth included transport equipment, fabricated materials, and Rubber products.

EQUITY MARKET REVIEW

The tumultuous FY22 ended with the KSE-100 index recording a decline of 12.3% YoY to settle at 41,541 points as widespread political and economic uncertainty took a heavy toll on the market. The FY22 started with rising tensions, as the US announced an end of military aggression in Afghanistan, coupled with geopolitical turmoil triggered monetary tightening at home as the policy rate was jacked up by 650bps to 13.75% to address inflation. Investors' sentiment was further jolted following Russia's full-scale invasion into Ukraine which led to a further surge in international commodity prices. Positive investor sentiment on the back of hope of political stability following the former PM Khan's ouster was short-lived as economic realities kicked in with an unsustainable current account deficit and depleting foreign exchange reserves; sovereign default seemed imminent without IMF support. Without say, averting a sovereign default through an IMF program kept confidence in check as harsh economic decisions by the new ruling government were unavoidable. The average daily turnover decreased by 45% YoY to 291.47 million shares during FY22. Similarly, during 4QFY22, the average daily turnover clocked in at 249.45 million shares which declined/increased by 63% YoY / 8% QoQ.

Despite very cheap equity valuations, the market participants remained bearish as the economic outlook seemed bleak with cash constraints as immediate relief through an IMF program was arguably unlikely. Also, the new incumbent government was expected to take unprecedented and unpopulous economic measures including removal of oil subsidies, curtailment of imports, and imposition of heavy taxation on corporate sectors to curb the twin deficits as a pre-requisite to discussions with the IMF.

Some of the news flow that weighed on investor sentiments included:

1. Soaring international energy prices following the Russia-Ukraine war.
2. CAD in May 2022 declined significantly by USD 1.43 billion taking the 11MFY22 CAD to USD 15.20 billion.
3. The State Bank of Pakistan (SBP) in its last monetary policy meeting raised the policy rate by 250 bps to 13.75% in order to reduce external account pressures and improve the deteriorating inflation outlook.
4. The provisional growth rate for the year 2021-22 was estimated at 5.97% according to Ministry of Finance which was relatively higher than the estimates of both the IMF and World Bank.
5. Pakistan forex reserves dwindled to USD 14.21 billion on the back of debt repayments, but then notably increased to USD 16.20 billion albeit delayed after receipt of PKR 2.3 billion from China.
6. Moody's rating agency downgraded Pakistan's outlook to negative from stable on the back of heightened external vulnerability risks and uncertainty about the Government's ability to secure additional external financing.

7. The Government decided to impose additional 10% super tax on high income earning sectors including Fertilizer, Steel, Sugar, Cement, Textiles, Banking, Oil and Gas etc. in order expand the tax ambit to reach the IMF agreed tax collection target of PKR 7.42 trillion.
8. FBR collected revenues worth PKR 6.13 trillion during FY22 exceeding the target of PKR 6.10 trillion and increasing 29% over revenues of PKR 4.74 trillion during same period last year.

Foreign investors continued to remain net sellers with net outflows of USD 297.51 million. Individuals, Banks / DFIs, and Corporates were major buyers with net inflows of USD 157.19 million, USD 115.18 million, and USD 111.01 million, respectively. Whereas, Mutual Funds, Brokers, and Insurance were net sellers with net outflows of USD 128.23 million, USD 20.17 million, and USD 1.15 million, respectively.

The sectors that dragged the KSE-100 down the most included Cement (-41%), Commercial Banks (-14%), Tobacco (-33%), Oil & Gas Exploration (-9%) and Engineering (-41%). However, some of the losses were compensated by Miscellaneous (28%), Fertilizer (4%), Chemicals (2%), Modarabas (59%), and Real Estate Investment Trust (23%).

In terms of valuation, the KSE-100 Index closed at a forward Price to Earnings multiple of 3.88x, which is a 61% discount as compared to MSCI Frontier Markets P/E of 9.97x and offering a healthy dividend yield of 9.83% still illustrating a compelling case to invest.

MONEY MARKET REVIEW

During FY22, twenty six (26) Market Treasury Bill (MTB) auctions were conducted by the State Bank of Pakistan, where the government managed to raise PKR 17.13 trillion. Weighted average yields of 3, 6 and 12 months MTBs were 10.16%, 10.54% and 10.53% respectively, up by 3.01%, 3.25% and 3.11% as compared to 7.15%, 7.29% and 7.42% same period last year.

To further address the need of liquidity, SBP also conducted twelve (12) auctions of fixed rate Pakistan Investment Bond (PIB) and was successful in raising PKR 1.84 trillion. The weighted average yield for 3, 5 and 10 year PIBs increased by 2.23%, 1.77% and 1.61% to 10.67%, 10.70% and 11.06% respectively, as compared to 8.44%, 8.93% and 9.45% same period last year.

The Monetary Policy Committee (MPC) cognizant of external account vulnerabilities and inflationary pressures remained prudent and announced eight (8) Monetary Policy Statements during FY22, increasing the policy rate by 675 basis points to 13.75% to address foreseeable risks. Furthermore, SBP also conducted 104 Open Market Operations (OMO) of different maturities and injected average amount of PKR 1.14 trillion at an average cut off yield of 9.42% and mopped-up average amount of PKR 0.10 trillion at an average cut off yield of 7.22%.

As per the auction target calendar for August – October 2022, the SBP targets to raise PKR 5.35 trillion by issuing 3 to 12 months tenor MTB against maturing amount of PKR 5.73 trillion. In addition, SBP also targets to raise PKR 525 billion through 3 to 30 years tenor fixed rate PIB during the period.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- (a) The financial statements, prepared by the Management of the Company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and movement in unit holders' funds.
- (b) Proper books of account of the Funds have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments.
- (d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from have been adequately disclosed.
- (e) The system of internal control is sound in design and has effectively implemented and monitored.
- (f) There are no significant doubts upon the Funds' ability to continue as a going concern.
- (g) Statutory payments, taxes, duties, levies and charges, if any have been properly disclosed in the financial statements.
- (h) Summary of key financial data / performance tables is appended to the Financial Statements of the Funds.
- (i) The Pattern of unit holdings is appended to the Financial Statements of the Funds.
- (j) The statement showing the attendance of Directors in BOD meetings and Audit Committee meetings is as under:

S.No.	Name of Director	MEETINGS ATTENDANCE					
		27-Apr-22	25-Feb-22	29-Oct-21	29-Sep-21	Attended	Leave
1	Mr. Abdul Karim	✓	✓	✓	✓	4	0
2	Mr. Imran Motiwala	✓	✓	✓	✓	4	0
3	Ms. Anum Dhedhi	✓	✓	✓	✓	4	0
4	Mr. Saim Mustafa Zuberi	✓	✓	✓	✓	4	0
5	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
6	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
7	Ms. Aysha Ahmed	✓	✓	✓	✓	4	0

S.No.	Name of Director	MEETINGS ATTENDANCE					
		26-Apr-22	25-Feb-22	29-Oct-21	28-Sep-21	Attended	Leave
1	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
2	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
3	Mr. Saim Mustafa Zuberi	✗	✓	✗	✗	1	3

- (k) There have been no trades in the units of the Funds carried out by the Directors, CEO, CFO, CIO, COO, Company Secretary and their spouses and minor children of the Management Company other than as disclosed below and in the note to the financial statements:

S.No.	Trades by	Designation	Investment (No of Units)	Redemption (No of Units)
AKD CASH FUND				
1	Imran Motiwala	CEO & Director	37,302	37,302
2	Hasan Ahmed	Director	41,620	41,767
3	Sehr Imran Motiwala	Spouse-CEO & Director	136,394	136,394
4	Muhammad Amin Yaqoob	Minor Children - COO & Company Secretary	18,062	18,062
5	Abdul Rehman Yaqoob	Minor Children - COO & Company Secretary	18,062	18,062
6	Ayesha Yaqoob	Minor Children - COO & Company Secretary	18,062	18,062
AKD ISLAMIC INCOME FUND				
1	Imran Motiwala	CEO & Director	338,360	338,360
2	Muhammad Munir	CFO	-	854
3	Anum Dhedhi	CIO & Director	82,504	-
4	Sehr Imran Motiwala	Spouse-CEO & Director	447,569	447,569
5	Ameer Arif Dagha	Spouse-CIO & Director	282,997	-
6	Muhammad Yaqoob	COO & Company Secretary	78,228	78,079
7	Ayesha Yaqoob	Minor Children - COO & Company Secretary	16,388	16,388
8	Muhammad Amin Yaqoob	Minor Children - COO & Company Secretary	16,388	16,388
9	Abdul Rehman Yaqoob	Minor Children - COO & Company Secretary	16,388	16,388
AKD ISLAMIC STOCK FUND				
1	Imran Motiwala	CEO & Director	189,461	187,224
2	Anum Dhedhi	CIO & Director	-	100,314
3	Sehr Imran Motiwala	Spouse-CEO & Director	204,865	356,205
4	Muhammad Yaqoob	COO & Company Secretary	-	10,646
AKD OPPORTUNITY FUND				
1	Imran Motiwala	CEO & Director	46,681	93,894
2	Hasan Ahmed	Director	-	21,385
3	Sehr Imran Motiwala	Spouse-CEO & Director	66,087	66,087
4	Ameer Arif Dagha	Spouse-CIO & Director	-	137,627
5	Muhammad Yaqoob	COO & Company Secretary	-	35,945
6	Ayesha Yaqoob	Minor Children - COO & Company Secretary	-	5,519
7	Muhammad Amin Yaqoob	Minor Children - COO & Company Secretary	-	5,519
8	Abdul Rehman Yaqoob	Minor Children - COO & Company Secretary	-	5,519
9	Maliha Yaqoob	Spouse-COO & Company Secretary	-	41,548
GOLDEN ARROW STOCK FUND				
1	Imran Motiwala	CEO & Director	151,145	419,771
2	Hasan Ahmed	Director	3,241	3,241
3	Ayesha Yaqoob	Minor Children - COO & Company Secretary	67,743	101,306
4	Muhammad Amin Yaqoob	Minor Children - COO & Company Secretary	67,743	101,306
5	Abdul Rehman Yaqoob	Minor Children - COO & Company Secretary	67,743	101,306

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

- i. The total number of directors are seven as follows:
 - a) Male: Five
 - b) Female: Two
- ii. The composition of the Board of Directors is as follows:
 - Independent Director: Three
 - Non-Executive Directors: Five
 - Executive Directors: Two
 - Female directors: Two

RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of AM3++ (A M three Plus Plus) to AKD Investment Management Limited (AKDIML) on June 30, 2022.

RATING OF THE FUNDS

AKD OPPORTUNITY FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 5-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year) and trailing 60 months (5 Year)] and 4-Star Performance Ranking in short term [based on performance review of trailing 12 months (1 Year)] for the period ended December 31, 2021 to AKD Opportunity Fund (AKDOF) on February 4, 2022.

AKD CASH FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of “AA+(f)” (Double A Plus; fund stability rating) for the period ended December 31, 2021 to AKD Cash Fund (AKDCF) on March 8, 2022.

AKD AGGRESSIVE INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of “A+(f)” (Single A Plus; fund stability rating) for the period ended December 31, 2021 to AKD Aggressive Income Fund (AKDAIF) on March 7, 2022.

GOLDEN ARROW STOCK FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 5-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year) and trailing 60 months (5 Year)] and short term [based on performance review of trailing 12 months (1 Year)] for the period ended December 31, 2021 to Golden Arrow Stock Fund (GASF) on February 4, 2022.

AKD ISLAMIC INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of “A+(f)” (Single A Plus; fund stability rating) for the period ended December 31, 2021 to AKD Islamic Income Fund (AKDISIF) on March 8, 2022.

AKD ISLAMIC STOCK FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 3-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year)] and 5-Star Performance Ranking in short term [based on performance review of trailing 12 months (1 Year)] for the period ended December 31, 2021 to AKD Islamic Stock Fund (AKDISF) on February 4, 2022.

HOLDING COMPANY

AKD Group Holdings (Private) Limited [Formerly: Aqeel Karim Dhedhi Securities (Private) Limited] is the holding company of AKD Investment Management Limited and holds 99.97% of the outstanding ordinary shares of the Company.

APPOINTMENT OF AUDITORS

The Board re-appointed M/s Yousuf Adil, Chartered Accountants as the statutory auditors for AKD Opportunity Fund, AKD Index Tracker Fund, AKD Cash Fund and AKD Aggressive Income Fund and M/s Riaz Ahmad & Company, Chartered Accountants as the statutory auditor for Golden Arrow Stock Fund for the year 2022-2023 as recommended by the Audit Committee.

The present auditors M/s Yousuf Adil, Chartered Accountants are retiring and have completed their five years as auditors of AKD Islamic Income Fund and AKD Islamic Stock Fund. As per the requirements of the NBFC Regulations, 2008 the auditors have to be changed this year. The Board appointed M/s Riaz Ahmad & Company, Chartered Accountants as the statutory auditors for AKD Islamic Income Fund and AKD Islamic Stock Fund for the year 2022-2023 as recommended by the Audit Committee.

ACKNOWLEDGEMENTS

The Directors would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan, the Ministry of Finance, the State Bank of Pakistan and the Management of the Pakistan Stock Exchange for their continued support and cooperation. The Board also appreciates the devoted performance of the staff and officers of the AKD Investment Management Limited. The Board will also like to thank the investors for their confidence in the Company.

FUTURE OUTLOOK

With the IMF executive board approval of the disbursement of a USD 1.1 billion tranche has in retrospect been viewed positively to the stringent conditions linked with the program, has visibly begun

to bear fruit as the economy has been slowing down amid several measures taken by the government to ensure fiscal discipline and much needed stability. However, the catastrophic flooding in July and August 2022 would further slowdown the economy as the agriculture sector is expected to be hit severely with major crop losses (especially cotton) with immense damage to infrastructure and homes. As the government scrambles to address the devastation, the fiscal loss of the floods is estimated at USD 10 billion reportedly, approximately 3.0% of GDP. The uncertainty related to the estimated loss to the economy and the likelihood of a further downward revision of GDP growth for the current year, coupled with heightened commodity prices internationally; will keep investor sentiment in check.

That said, the resumption of the IMF loan program is likely to pave the way to additional external funding avenues from multilateral lenders and global funding providing much needed support to the external account and reducing exchange rate volatility. More importantly, in the wake of the current floods, further support from international donors and with domestic charity is indeed encouraging which can provide liquidity for rehabilitation efforts and hence economic activity. It is expected that during 4QCY22, Pakistan's external debt servicing liability (*interest component*) stands at USD 862 million and the payment of USD 1 billion for international Sukuk in December is expected to keep the PKR volatile. Moreover, the economic stabilization and eventual ease in international commodity prices amid global recessionary fears is expected to contain inflationary pressures in 2HFY23.

The KSE-100 index is currently trading at an attractive PER of 4.3x compared to the regional average of 12.8x while offering a dividend yield of 8.5% vs. 2.9% offered by the region.

We remain selective for stocks that are relatively immune to higher interest rates and PKR depreciation while the rehabilitation process will keep the cyclical sectors in limelight.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim
Chairman

Karachi: September 28, 2022

FUND INFORMATION

AKD Cash Fund

Management Company

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

Legal Advisor

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

Trustee

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

Registrar

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

Bankers

Askari Bank Limited
Bank Al Habib Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
United Bank Limited

Distributor

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

Auditors

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

Rating-AKDCF

BY PACRA: AA+(f)

FUND MANAGER'S REPORT

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

Open – end Money Market Scheme

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

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

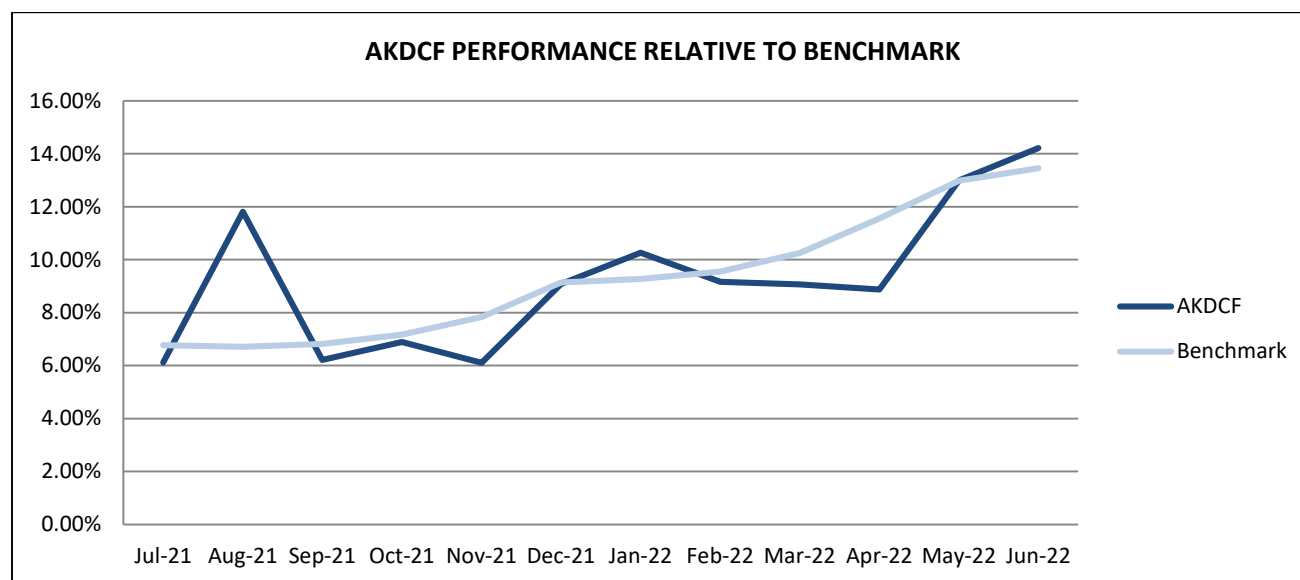
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the FY22, the return of AKD Cash Fund stood at 9.64% compared to benchmark return of 9.29%.

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

70% three (3) months PKRV rate + 30% three (3) months average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP.

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



Monthly yield (annualized)	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
AKDCF	6.12%	11.81%	6.22%	6.89%	6.11%	9.08%	10.27%	9.17%	9.07%	8.87%	13.00%	14.22%
Benchmark	6.77%	6.71%	6.82%	7.17%	7.84%	9.14%	9.27%	9.55%	10.25%	11.56%	12.98%	13.45%

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

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

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

Asset Allocation (% of Total Assets)	30-Jun-22	30-Jun-21
Cash and Cash Equivalents	78.75%	99.82%
Commercial Papers / STS	20.54%	-
Other Assets including Receivables	0.71%	0.18%

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

FY22 Return	9.64%
Benchmark Return	9.29%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
30-Jun-22	30-Jun-21		30-Jun-22	30-Jun-21
(Rupees in 000)			(Rupees)	
1,273,399	418,559	204.23%	50.7461	50.6287

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

MACRO PERSPECTIVE

Pakistan's economy continued to witness robust growth as the pace of the economy exceeded expectations of the State Bank of Pakistan (SBP), albeit coming at the expense of an elevated Current Account Deficit (CAD) amid rising inflation fueled by a significant currency devaluation and an unprecedented increase in international commodity prices. During FY22, the SBP remained prudent given the inflationary pressures; hence, increasing the policy rate by 675 basis points to 13.75%.

The CAD for FY22 clocked in at USD 17.32 billion as compared to USD 2.82 billion reported during the same period last year (SPLY) owing mainly to an increase in commodity prices, import of plants and machineries under TERF/LTFF loan facilities provided by the SBP and import of COVID vaccines. The Balance of Trade in Goods and Services recorded a deficit of USD 44.71 billion, adding another USD 13.56 billion as imports increased by 34% YoY to USD 84.13 billion. However, exports also posted growth of 25% YoY to stand at USD 39.42 billion. Foreign workers continued to support the external account as workers' remittances surged by 6% YoY to USD 31.24 billion. The Government's continued efforts to

attract investments from Non-Resident Pakistanis also paid off, with an impressive inflow of USD 4.61 billion through Roshan Digital Accounts (RDA) from more than 420,000 accounts till June 2022.

According to the press release, the Federal Board of Revenue (FBR) made a net revenue collection of PKR 6.13 trillion during FY22 exceeding the target of PKR 6.10 trillion and increasing 29% over revenues of PKR 4.74 trillion during the same period last year. We believe, record tax collection was on the back of strong economic growth and progressive tax policies of the previous government during the fiscal year. Notably however, tax collection growth came at a cost with major growth in revenue collection was naturally due to an unprecedented growth in imports (customs duty, sales tax, withholding tax) in FY22. Also, the gross collection, including refunds and rebate payments, increased by 29% from PKR 4.89 trillion during FY21 to PKR 6.31 trillion in FY22.

As per the Pakistan Bureau of Statistics (PBS), the average National Consumer Price Index (NCPI) in FY22 was recorded at 12.15% YoY as compared to 8.90% YoY recorded during FY21 primarily due to the removal of fuel subsidies, steadfast food inflation, high transport and electricity costs. Average Core Inflation (measured by excluding food and energy prices) clocked in at 8.12% YoY and 8.98% YoY for Urban and Rural areas respectively, as compared to 5.98% YoY and 7.61% YoY during the SPLY.

The Large Scale Manufacturing (LSM) sector witnessed an increase of 11.7% YoY for FY22 as compared to 11.2% YoY reported during SPLY. During the period under review, major contribution towards the growth came from Textile, Food, Coke and Petroleum products, chemicals and Wearing Apparel. Likewise, sectors that contributed negative growth included transport equipment, fabricated materials, and Rubber products.

MONEY MARKET REVIEW

During FY22, twenty six (26) Market Treasury Bill (MTB) auctions were conducted by the State Bank of Pakistan, where the government managed to raise PKR 17.13 trillion. Weighted average yields of 3, 6 and 12 months MTB were 10.16%, 10.54% and 10.53% respectively, up by 3.01%, 3.25% and 3.11% as compared to 7.15%, 7.29% and 7.42% same period last year.

To further address the need of liquidity, SBP also held twelve (12) auctions of fixed rate Pakistan Investment Bond (PIB) and was successful in raising PKR 1.84 trillion. The weighted average yield for 3, 5 and 10 year PIBs increased by 2.23%, 1.77% and 1.61% to 10.67%, 10.70% and 11.06% respectively, as compared to 8.44%, 8.93% and 9.45% same period last year.

The Monetary Policy Committee (MPC) cognizant of external account vulnerabilities and inflationary pressures remained prudent and announced eight (8) Monetary Policy Statements during FY22, increasing the policy rate by 675 basis points to 13.75% to address foreseeable risks. Furthermore, SBP also conducted 104 Open Market Operations (OMO) of different maturities and injected average amount of PKR 1.14 trillion at an average cut off yield of 9.42% and mopped-up average amount of PKR 0.10 trillion at an average cut off yield of 7.22%.

As per the auction target calendar for August – October 2022, the SBP targets to raise PKR 5.35 trillion by issuing 3 to 12 months tenor MTB against maturing amount of PKR 5.73 trillion. In addition, SBP also targets to raise PKR 525 billion through 3 to 30 years tenor fixed rate PIB during the period.

FUTURE OUTLOOK

With the IMF executive board approval of the disbursement of a USD 1.1 billion tranche has in retrospect been viewed positively to the stringent conditions linked with the program, has visibly begun to bear fruit as the economy has been slowing down amid several measures taken by the government to ensure fiscal discipline and much needed stability. However, the catastrophic flooding in July and August 22 would further slowdown the economy as the agriculture sector is expected to be hit severely with major crop losses (especially cotton) with immense damage to infrastructure and homes. As the government scrambles to address the devastation, the fiscal loss of the floods is estimated at USD 10 billion reportedly, approximately 3.0% of GDP. The uncertainty related to the estimated loss to the economy and the likelihood of a further downward revision of GDP growth for the current year, coupled with heightened commodity prices internationally; will keep investor sentiment in check.

That said, the resumption of the IMF loan program is likely to pave the way to additional external funding avenues from multilateral lenders and global funding providing much needed support to the external account and reducing exchange rate volatility. More importantly, in the wake of the current floods, further support from international donors and with domestic charity is indeed encouraging which can provide liquidity for rehabilitation efforts and hence economic activity. It is expected that during 4QCY22, Pakistan's external debt servicing liability (*interest component*) stands at USD 862 million and the payment of USD 1 billion for international Sukuk in December is expected to keep the PKR volatile. Moreover, the economic stabilization and eventual ease in international commodity prices amid global recessionary fears is expected to contain inflationary pressures in 2HFY23.

The KSE-100 index is currently trading at an attractive PER of 4.3x compared to the regional average of 12.8x while offering a dividend yield of 8.5% vs. 2.9% offered by the region.

We remain selective for stocks that are relatively immune to higher interest rates and PKR depreciation while the rehabilitation process will keep the cyclical sectors in limelight.

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

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

xii) Break down of unit holding by size:

Range (Units)	No. of Investors
0.0001 to 9,999	314
10000 to 49999	37
50,000 - 99,999	7
100,000 - 499,999	13
500,000 and above	10
	381

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

There were no unit splits during the period.

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

Investments are subject to credit and market risk.

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

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

AKD Cash Fund

Details of Pattern of Holding (Units)

As At June 30, 2022

	No. of Unitholders	Units Held	% of Total
Associated Companies	-	-	-
Directors and CEO	-	-	-
Individuals	365	20,466,137	81.56%
Insurance Companies	-	-	-
Banks/DFIs	-	-	-
Retirement funds	6	3,652,399	14.56%
Public Limited Companies	1	291,362	1.16%
Others	9	683,646	2.72%
	381	25,093,544	100.00%

**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 CASH FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Cash 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 year ended June 30, 2022 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, September 30, 2022

AKD CASH FUND

Financial Statements
for the year ended June 30, 2022

Chartered Accountant
Firm Name: Yousuf Adil & Co.
Firm No: 123456789
Firm Address: 123 Main Street, Karachi
Firm Phone: 021-12345678
Firm Email: info@yousufadil.com

INDEPENDENT AUDITOR'S REPORT

To the unit holders of AKD Cash Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **AKD Cash Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the related income statement, the statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance, cash flows and transactions for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and Management Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
<p>Valuation and existence of investments at fair value</p> <p>As disclosed in note 6 to the financial statements, investments carried at fair value through profit or loss amounted to Rs. 331.471 million as at June 30, 2022.</p> <p>These investments represent a significant item on the statement of assets and liabilities. This is a main driver of the Fund's performance.</p> <p>The Fund invests primarily in government securities (i.e. Market Treasury Bills) and there is a risk that these investments are incorrectly valued.</p>	<p>In response to this matter, our key audit procedures included the following:</p> <ul style="list-style-type: none">obtained understanding of relevant controls placed by the Management Company applicable to the balances;Ensured that the investments are valued using the methodology specified in accounting policies;performed verification procedures on purchases and sales on a sample of trades made during the year regarding movement of the securities;

Key audit matter	How the matter was addressed in our audit
<p>Further, the Fund may have included investments in its financial statements which were not owned by the Fund.</p> <p>Considering the above factors, the valuation and existence of investments at fair value are significant areas during our audit due to which we have considered this as a key audit matter.</p>	<ul style="list-style-type: none"> traced securities held by the Fund with the securities appearing in the Investor Portfolio Services (IPS) account statement to verify existence; and any differences identified during our testing that were over our acceptable threshold were investigated further.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report in respect of the Fund but does not include the financial statements and our auditor's report thereon and the information related to any other fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

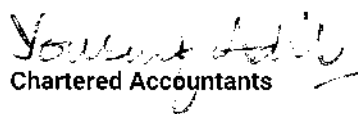
We also provide to the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shafqat Ali.


Chartered Accountants

Place: Karachi

Date: September 29, 2022

UDIN: AR202210186AcGEh8u9P

AKD CASH FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2022

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
ASSETS			
Bank balances	5	681,431	2,499
Investments	6	595,695	421,992
Profit receivable on bank deposits and commercial paper		8,451	85
Deposits and other receivables	7	706	675
Total Assets		1,286,283	425,251
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	8	1,442	889
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	68	28
Payable to Securities and Exchange Commission of Pakistan	10	178	88
Accrued expenses and other liabilities	11	9,328	5,687
Dividend payable		1,868	-
Total Liabilities		12,884	6,692
NET ASSETS		1,273,399	418,559
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,273,399	418,559
CONTINGENCIES AND COMMITMENTS			
	12	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	13	25,093,544	8,267,235
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		50.7461	50.6287

The annexed notes from 1 to 28 form an integral part of these financial statements.



For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

AKD CASH FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
INCOME			
Capital loss on sale of investments		(1,461)	(439)
Net unrealised appreciation on re-measurement of investments classified 'at fair value through profit or loss'	6.3	345	47
Income from government securities		63,400	28,767
Income from commercial paper		10,065	2,576
Income from letter of placement		-	9
Profit on bank deposits		18,841	723
Other income	11.1	3,036	-
Total Income		94,226	31,683
EXPENSES			
Remuneration of AKD Investment Management Limited - Management Company	8.1	3,971	1,761
Sindh sales tax on the remuneration of Management Company	8.2	518	229
Expenses allocated by Management Company	8.3	1,335	660
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	505	286
Sindh sales tax on the remuneration of Trustee	9.2	66	37
Annual fee to Securities and Exchange Commission of Pakistan	10.1	178	88
Auditor's remuneration	14	328	303
Brokerage and settlement charges		141	151
Fees and subscription		28	39
Printing and related cost		-	34
Legal and professional		525	408
Provision for Sindh Workers' Welfare Fund	11.1	-	554
Total expenses		7,595	4,550
Net income for the year before taxation		86,631	27,133
Taxation	15	-	-
Net income for the year after taxation		86,631	27,133
Allocation of net income for the year			
Net income for the year after taxation		86,631	27,133
Income already paid on units redeemed		(14,969)	(7,857)
		71,662	19,276
Accounting income available for distribution			
Relating to capital gains		-	-
Excluding capital gains		71,662	19,276
		71,662	19,276

Earnings per unit

16

The annexed notes from 1 to 28 form an integral part of these financial statements.

[Signature]

[Signature]
Chief Executive Officer

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

[Signature]
Chief Financial Officer

[Signature]
Director

AKD CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022 ----- (Rupees in '000) -----	2021 -----
Net income for the year after taxation	86,631	27,133
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>86,631</u>	<u>27,133</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

AK

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

AKD CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2022

	2022			2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	416,123	2,436	418,559	531,170	2,050	533,220
Issue of 45,468,465 (2021: 22,643,274) units						
- Capital value	2,302,008	-	2,302,008	1,145,366	-	1,145,366
- Element of income	82,606	-	82,606	40,988	-	40,988
	2,384,614	-	2,384,614	1,186,354	-	1,186,354
Redemption of 28,642,156 (2021: 24,917,511) units						
- Capital value	(1,450,114)	-	(1,450,114)	(1,260,404)	-	(1,260,404)
- Element of loss	(40,073)	(14,969)	(55,042)	(34,612)	(7,857)	(42,469)
	(1,490,187)	(14,969)	(1,505,156)	(1,295,016)	(7,857)	(1,302,873)
Total comprehensive income for the year	-	86,631	86,631	-	27,133	27,133
Final cash distribution during the year declared on June 24, 2022 @ Rs. 4.75170 (2021: Rs. 3.17886)	-	(68,733)	(68,733)	-	(18,890)	(18,890)
Refund of capital	(42,516)	-	(42,516)	(6,385)	-	(6,385)
Net income for the year after distribution	(42,516)	17,898	(24,618)	(6,385)	8,243	1,858
Net assets at end of the year	1,268,034	5,365	1,273,399	416,123	2,436	418,559
Undistributed income brought forward						
- Realised income		2,389			1,602	
- Unrealised income		47			448	
		2,436			2,050	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		71,662			19,276	
		71,662			19,276	
Final cash distribution during the year declared on June 24, 2022 @ Rs. 4.75170 (2021: Rs. 3.17886)		(68,733)			(18,890)	
Undistributed income carried forward		5,365			2,436	
Undistributed income carried forward						
- Realised income		5,020			2,389	
- Unrealised income		345			47	
		5,365			2,436	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			50.6287			50.5830
Net assets value per unit at end of the year			50.7461			50.6287

The annexed notes from 1 to 28 form an integral part of these financial statements.





Chief Executive Officer

Chief Financial Officer

Director

For AKD Investment Management Limited
(Management Company)

AKD CASH FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		86,631	27,133
Adjustments for non cash and other items:			
Net unrealised appreciation on re-measurement of investments classified 'at fair value through profit or loss'	6.3	(345)	(47)
Other income		(3,036)	-
Provision for Sindh Workers' Welfare Fund		-	554
		83,250	27,640
(Increase) / decrease in assets			
Profit receivable on bank deposits and commercial paper		(8,366)	3,249
Deposits and other receivables		(31)	(40)
		(8,397)	3,209
Increase / (decrease) in liabilities			
Payable to AKD Investment Management Limited - Management Company		553	(42)
Payable to the Central Depository Company of Pakistan Limited - Trustee		40	(7)
Payable to Securities and Exchange Commission of Pakistan		90	(67)
Accrued expenses and other liabilities		6,677	(4,424)
		9,228	(4,540)
Investments - net		44,240	47,671
Net cash generated from operating activities		128,321	73,980
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		2,342,098	1,179,969
Payment on redemption of units		(1,505,156)	(1,302,873)
Distribution paid during the year		(66,865)	(18,890)
Net cash generated from / (used in) financing activities		770,077	(141,794)
Net increase / (decrease) in cash and cash equivalents		896,530	(67,814)
Cash and cash equivalents at beginning of the year		116,372	184,186
Cash and cash equivalents at end of the year	18	1,012,902	116,372

The annexed notes from 1 to 28 form an integral part of these financial statements.


Chief Executive Officer

For AKD Investment Management Limited
(Management Company)


Chief Financial Officer


Director

AKD CASH FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Cash Fund (the Fund) was established under a Trust Deed executed between AKD Investment Management Limited (AKDIML) 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 August 15, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012. The Fund commenced operations from January 21, 2012. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e. January 19, 2012.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules and has obtained a 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 Money Market Fund as per circular 7 of 2009 by SECP. The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, deposits with banks, certificate of deposits, certificate of musharakas, commercial papers and reverse repos.

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

The Management Company has been assigned a quality rating of "AM3++" by the Pakistan Credit Rating Agency Limited (PACRA) on June 30, 2022. The Fund has been given stability rating of 'AA+(f)' by PACRA on March 08, 2022.

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 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) 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, along with 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 requirements 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, 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 Regulations and requirements of the Trust Deed have been followed.



2.1.2 The SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except the certain investments which are measured at fair value.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistani Rupees, which is the Fund's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except stated otherwise.

2.4 Significant accounting policies, accounting estimates, judgements and changes therein

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) Classification and valuation of financial assets (Note 4.1.1 and 6);
- (ii) Impairment of financial assets (Note 4.1.5); and
- (iii) Provisions (Note 4.3)

3. AMENDMENTS TO ACCOUNTING STANDARDS

3.1 Amendments to accounting standards that are effective for the year ended June 30, 2022

The following amendments to accounting standards are effective for the year ended June 30, 2022. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

**Effective from accounting
period beginning on or after**

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

January 01, 2021

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021

April 01, 2021

3.2 Amendments to accounting standards that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

**Effective from accounting
period beginning on or after**

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

January 01, 2022

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
Other than the aforesaid amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the SECP:	
- IFRS 1 – First Time Adoption of International Financial Reporting Standards	
- IFRS 17 – Insurance Contracts	

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial

4.1 Financial instruments

4.1.1 Classification of financial assets

IFRS 9 contains three principal classification categories for financial assets:

- Amortised cost ("AC"),
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI), only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirement to measure at amortized cost or at FVOCI as at FVTPL. If doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

4.1.2 Recognition and initial measurement of financial instruments

Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

4.1.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortized cost. Amortised cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVOCI

All financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income.

For debt instruments classified as financial assets at FVOCI, the amounts already recognised in other comprehensive income are reclassified to income statement on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

4.1.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities (other than government securities)

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non performing debt securities.



Basis of valuation of government securities

The government securities not listed on stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV) rates which are based on the remaining tenor of the security.

4.1.5 Impairment

Under expected credit loss (ECL) model of IFRS 9, the Fund recognises loss allowances on financial assets other than debt securities. The Fund measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured at 12-month ECL:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

As disclosed in note 2.1.2 of these financial statements, the Fund follows requirements of circular 33 of 2012 (the circular) for impairment of debt securities. Under the circular, provision for non performing debt securities is made on the basis of time based criteria as prescribed under the circular. Impairment loss recognised on debt securities can be reversed through the income statement.

As allowed under circular no. 33 of 2012 dated October 24, 2012 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

4.1.6 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

4.1.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.1.8 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.1.9 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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4.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

4.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of Section 113 (Minimum Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash not less than ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

4.6 Element of income / loss included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.7 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year is deemed to comprise of the portion of income already paid on units redeemed during the year and cash distribution for the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute at least 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

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4.8 Net assets value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the reporting date.

4.9 Revenue recognition

- Capital gain or loss on sale of investments is accounted for in the income statement on the date at which the sale transaction takes place.
- Profit on bank deposits and investment in debt securities are recognised on a time proportionate basis using the effective interest method.
- Unrealised gain / loss arising on remeasurement of investments classified as 'fair value through profit or loss' is included in the income statement in the period in which it arises.

4.10 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee, annual fee payable to the SECP, and selling and marketing expense) are recognised in the income statement on an accrual basis.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
5. BANK BALANCES			
Saving accounts	5.1	681,421	2,489
Current accounts		10	10
		<u>681,431</u>	<u>2,499</u>

5.1 Mark-up rates on these accounts ranges from 12.25% to 15% per annum (2021: 5.5% per annum).

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
6. INVESTMENTS			
At fair value through profit or loss			
Government securities - Market treasury bills	6.1	331,471	421,992
At amortised cost			
Commercial paper / short term sukuk (STS)	6.2	264,224	-
		<u>595,695</u>	<u>421,992</u>

6.1 Government securities - Market treasury bills

Issue date	Tenor	Face value				Balance as at June 30, 2022			Market value as a percentage of	
		At July 01, 2021	Purchased during the year	Sold / matured during the year	As at June 30, 2022	Carrying value	Market value	Appreciation / Diminution	Investments	Net assets
(Rupees in '000)						(%)				
February 11, 2021	6 Months	18,000	-	16,000	-	-	-	-	-	-
February 11, 2021	8 Months	17,000	-	17,000	-	-	-	-	-	-
March 25, 2021	6 Months	280,000	-	280,000	-	-	-	-	-	-
May 6, 2021	3 Months	25,000	-	25,000	-	-	-	-	-	-
May 20, 2021	3 Months	8,000	-	8,000	-	-	-	-	-	-
June 3, 2021	3 Months	35,000	-	35,000	-	-	-	-	-	-
June 17, 2021	3 Months	8,000	-	8,000	-	-	-	-	-	-
June 3, 2021	3 Months	39,000	-	39,000	-	-	-	-	-	-
July 15, 2021	3 Months	-	55,000	55,000	-	-	-	-	-	-
July 15, 2021	3 Months	-	15,000	15,000	-	-	-	-	-	-
July 29, 2021	3 Months	-	15,000	15,000	-	-	-	-	-	-
July 29, 2021	3 Months	-	25,000	25,000	-	-	-	-	-	-
May 6, 2021	3 Months	-	180,000	180,000	-	-	-	-	-	-
August 12, 2021	3 Months	-	45,000	45,000	-	-	-	-	-	-
August 12, 2021	3 Months	-	2,000	2,000	-	-	-	-	-	-
August 26, 2021	3 Months	-	110,000	110,000	-	-	-	-	-	-
September 23, 2021	3 Months	-	235,000	235,000	-	-	-	-	-	-
October 21, 2021	3 Months	-	35,000	35,000	-	-	-	-	-	-
November 4, 2021	3 Months	-	230,000	230,000	-	-	-	-	-	-
November 4, 2021	3 Months	-	33,000	33,000	-	-	-	-	-	-
September 23, 2021	3 Months	-	385,000	385,000	-	-	-	-	-	-
September 23, 2021	3 Months	-	130,000	130,000	-	-	-	-	-	-
December 2, 2021	3 Months	-	380,000	380,000	-	-	-	-	-	-
December 31, 2020	3 Months	-	900,000	900,000	-	-	-	-	-	-
January 27, 2022	3 Months	-	20,000	20,000	-	-	-	-	-	-
February 10, 2022	3 Months	-	35,000	35,000	-	-	-	-	-	-
January 13, 2022	3 Months	-	65,900	65,900	-	-	-	-	-	-
February 24, 2022	3 Months	-	30,000	30,000	-	-	-	-	-	-
March 10, 2022	3 Months	-	65,000	65,000	-	-	-	-	-	-
March 24, 2022	3 Months	-	820,000	820,000	-	-	-	-	-	-
March 24, 2022	3 Months	-	88,000	88,000	-	-	-	-	-	-
April 7, 2022	3 Months	-	66,000	66,000	-	-	-	-	-	-
January 27, 2022	3 Months	-	500,000	500,000	-	-	-	-	-	-
February 10, 2022	3 Months	-	520,000	520,000	-	-	-	-	-	-
April 28, 2022	3 Months	-	300,000	300,000	-	-	-	-	-	-
April 28, 2022	3 Months	-	300,000	300,000	-	-	-	-	-	-
April 28, 2022	3 Months	-	90,000	90,000	-	-	-	-	-	-
June 2, 2022	3 Months	-	70,000	-	70,000	68,471	68,537	67	11.51	5.38
June 2, 2022	3 Months	-	35,000	15,000	20,000	19,567	19,582	15	3.29	1.54
June 16, 2022	3 Months	-	175,000	-	175,000	170,128	170,346	220	28.60	13.38
June 16, 2022	3 Months	-	75,000	-	75,000	72,963	73,008	43	12.26	5.73
Investment as at June 30, 2022						331,126	331,471	345		
Investment as at June 30, 2021						421,945	421,992	47		

6.2 Commercial paper / short term sukuk (STS)

Investee Company	Rate of return per annum	Issue date	Maturity date	Face value				Carrying value as at June 30, 2022	Rating	Carrying value as a percentage of	
				As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2022			Investments	Net assets
				(Rupees in '000)						(%)	
Power Generation and Distribution	(%)										
K- Electric Limited	14	April 12, 2022	October 12, 2022	-	110,000	-	110,000	110,000	A1+	18.47	8.64
K- Electric Limited	8.68	October 7, 2021	April 7, 2022	-	35,000	35,000	-	-	-	-	-
K- Electric Limited	8.01	August 26, 2021	February 22, 2022	-	30,000	30,000	-	-	-	-	-
China Power Hub Generation Company (Pvt.) Limited	14.05	April 12, 2022	October 10, 2022	-	112,224	-	112,224	112,224	A1+	18.64	8.81
Lucky Electric Power Company Limited	14.23	April 14, 2022	October 14, 2022	-	15,000	-	15,000	15,000	A1+	2.52	1.18
Lucky Electric Power Company Limited	16.83	June 15, 2022	December 15, 2022	-	27,000	-	27,000	27,000	A1+	4.53	2.12
Investment as at June 30, 2022							264,224	264,224			
Investment as at June 30, 2021							-	-			

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	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
6.3			
Net unrealised appreciation on re-measurement of investments classified 'at fair value through profit or loss'			
Market value of investments	6.1	331,471	421,992
Carrying amount of investments	6.1	(331,126)	(421,945)
		<u>345</u>	<u>47</u>

7. DEPOSITS AND OTHER RECEIVABLES

Security deposits with Central Depository Company of Pakistan Limited		100	100
Advance tax	7.1	606	575
		<u>706</u>	<u>675</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, upto year ended June 30, 2021, withholding tax on profit on debt 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.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
8.			
PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee	8.1	541	145
Sindh sales tax on management fee	8.2	70	17
Expenses allocated by the Management Company	8.3	162	58
Federal exercise duty on management fee	8.4	669	669
		<u>1,442</u>	<u>889</u>

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

Net Asset of the Fund	Remuneration Rate (Per annum)
Up to Rupees 1 billion	0.40%
Rupees 1 billion - Rupees 1.5 billion	0.50%
Over Rupees 1.5 billion	1.25%

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

8.3 The Management Company has charged expenses at the rate of 0.15% (2021: 0.1%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.4 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company was applied with effect from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED since June 13, 2013.

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On June 30, 2016, SHC had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 0.669 million (2021: Rs. 0.669 million) until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2022 would have been higher by Re. 0.027 per unit (2021: Re. 0.081 per unit).

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn.

Therefore, provision for FED has not been recorded in these financial statements from July 01, 2016 onwards.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
9. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	9.1	59	24
Sindh sales tax on trustee fee	9.2	8	3
CDS charges		1	1
		<u>68</u>	<u>28</u>
9.1	The Trustee is entitled to a remuneration to be paid monthly 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 remuneration is paid to the Trustee at 0.055% (2021: 0.065%) of net assets on monthly basis in arrears.		
9.2	Sindh sales tax on services at the rate of 13% (2021: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.		

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee to SECP	10.1	<u>178</u>	<u>88</u>
10.1	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% (2021: 0.02%) of the average annual net assets of the scheme.		

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditor's remuneration		246	229
Printing charges payable		150	150
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	-	3,036
Withholding tax payable		8,896	2,242
Brokerage payable		1	10
Zakat payable		35	19
Others		-	1
		<u>9,328</u>	<u>5,687</u>

11.1 Provision for Sindh Workers' Welfare Fund (SWWF)

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

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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 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.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2022 and June 30, 2021.

13. NUMBER OF UNITS IN ISSUE

	2022 ---(Number of Units)---	2021 ---(Number of Units)---
Opening units in issue	8,267,235	10,541,472
Units issued during the year	45,468,465	22,643,274
Less: Units redeemed during the year	(28,642,156)	(24,917,511)
Total units in issue at the end of the year	25,093,544	8,267,235

14. AUDITOR'S REMUNERATION

	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
Annual audit fee	162	147
Half year fee	69	63
Income certification	30	30
Other certification	20	20
Out of pocket	23	21
	304	281
Sindh sales tax	24	22
	328	303

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 at least 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (Minimum Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the year, Management Company has distributed cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

16. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

17. TOTAL EXPENSE RATIO

The Total Expense Ratio of the Fund is 0.85% (2021: 1.03%) which includes 0.09% (2021: 0.22%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP. This ratio is within the maximum limit of 2.0% prescribed under the NBFC Regulations.

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18.	CASH AND CASH EQUIVALENTS	Note	2022 ----- (Rupees in '000) -----	2021
	Bank balances	5	681,431	2,499
	Market treasury bills (with maturity of three months or less)	6.1	331,471	113,873
			<u>1,012,902</u>	<u>116,372</u>

19. TRANSACTIONS WITH RELATED PARTIES / 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, 2008 and Constitutive documents of the Fund.

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

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

19.1 Transactions during the year with connected persons / related parties

	2022 ----- (Rupees in '000) -----	2021
AKD Investment Management Limited - Management Company		
Issue of Nil Units (2021: 21,879) units	-	1,120
Redemption of Nil Units (2021: 21,879) units	-	1,140
Management remuneration	3,971	1,761
Sindh sales tax on management remuneration	518	229
Expenses allocated by management company	1,335	660
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	505	286
CDS charges	6	6
Sindh sales tax on trustee remuneration and CDS Charges	66	38
Security deposit paid	-	100
Imran Motiwala - CEO & Director of the Management Company		
Issue of 37,302 (2021: Nil) units	1,946	-
Redemption of 37,302 (2021: Nil) units	1,955	-
Sehr Imran Motiwala - Spouse of the CEO & Director of the Management Company		
Issue of 136,394 (2021: Nil) units	7,114	-
Redemption of 136,394 (2021: Nil) units	7,143	-
Hasan Ahmed - Director of the Management Company		
Issue of 41,620 (2021: 7) units	2,229	1
Redemption of 41,766 (2021: Nil) units	2,293	-
Dividend paid	-	1
Company Secretary and Chief Operating Officer of the Management Company (with spouse and minor children)		
Issue of 54,187 (2021: Nil) units	2,910	-
Redemption of 54,187 (2021: Nil) units	2,928	-

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2022 2021
----- (Rupees in '000) -----

Unit holders holding 10% or more of the units in issue

Dinaz Cassim

Issue of 5,199,293 (2021: 51,028) units	271,815	2,581
Redemption of 1,256,122 (2021: 681,137) units	65,000	35,000
Dividend paid	13,900	3,037
Refund of capital 168,082 (2021: Nil) units	8,510	-

Durain Cassim

Issue of 5,442,664 (2021: 71,951) units	285,012	3,639
Redemption of 858,256 (2021: 2,486,716) units	45,000	128,000
Dividend paid	17,661	4,282
Refund of capital 186,761 (2021: 157,771) units	9,456	-

Bank Alfalah Ltd. Employees Provident Fund**

Issue of Nil (2021: 2,626,792) units	-	137,041
Dividend paid	12,874	4,179
Refund of capital Nil (2021: 82,456) units	-	4,171

19.2 Balances outstanding at year end:

AKD Investment Management Limited - Management Company

Management remuneration payable	541	145
Federal excise duty payable on management remuneration	669	669
Sindh Sales tax payable on management remuneration	70	17
Payable against allocated expenses	162	58

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	59	24
CDS charges payable	1	1
Sindh Sales Tax payable on trustee remuneration	8	3
Deposit with CDC	100	100

Hasan Ahmed - Director of the Management Company

Units held Nil (2021: 146)	-	7
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Unit holders holding 10% or more of the units in issue

Dinaz Cassim

Units held 5,117,533 (2021: 1,006,280) units	259,695	50,947
--	---------	--------

Durain Cassim

Units held 6,190,043 (2021: 1,418,874) units	314,120	71,836
--	---------	--------

Bank Alfalah Ltd. Employees Provident Fund**

Units held 2,709,248 (2021: 2,709,248)	137,484	137,166
--	---------	---------

* Prior period connected party, current figures not shown

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

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20. FINANCIAL INSTRUMENTS BY CATEGORY

All the financial assets and liabilities carried on the statement of assets and liabilities are categorised as follows:

Financial assets

	2022	2021
	(Rupees in '000)	
At fair value thorough profit or loss		
Investments - Government securities (Treasury bills)	331,471	421,992
At amortised cost		
Bank balances	681,431	2,499
Investments in commercial paper	264,224	-
Profit receivable on bank deposits and commercial paper	8,451	85
Deposits	100	100
	<u>1,285,677</u>	<u>424,676</u>

Financial liabilities

At amortised cost

Payable to AKD Investment Management Limited - Management Company	1,442	889
Payable to the Central Depository Company of Pakistan Limited - Trustee	68	28
Accrued expenses and other liabilities	397	390
Dividend payable	1,868	-
	<u>3,775</u>	<u>1,307</u>

21. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, profit rate and other price risk), credit risk and liquidity risk. Risks of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provides broad guidelines for management of above mentioned risks. The Board of Directors of Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund's financial assets primarily comprise of balances with banks, investment in government securities and commercial papers classified at 'fair value through profit or loss' and 'at amortised cost'. The Fund also has profit receivable on bank deposits and commercial paper and deposits. The Fund's principal financial liabilities include remuneration payable to the Management Company, the Trustee and accrued and other liabilities.

21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

NA

21.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, the Fund does not hold any security which exposes the Fund to price risk.

21.2 Credit risk

Credit risk represents the risk of loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from bank balances, deposits, profit receivable on bank deposits and investment in commercial papers.

Management of credit risk

The Fund keeps deposits and performs transactions with reputed financial institutions with reasonably high credit ratings. The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major customers. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from balances with banks and financial institutions is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimize the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees in '000) -----				
Bank balances	681,431	681,431	2,499	2,499
Profit receivable on bank deposits and commercial paper	8,451	8,451	85	85
Deposit	100	100	100	100
Investment in commercial papers	264,224	264,224	-	-
	<u>954,206</u>	<u>954,206</u>	<u>2,684</u>	<u>2,684</u>

The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at June 30, 2022.

		2022		2021	
	Rating Agency	Rupees in '000	%	Rupees in '000	%
Bank balances by rating category					
AA+ / A1+	PACRA / VIS	2,329	0.34	2,305	92.26
AA / A1+	PACRA / VIS	678,784	99.61	83	3.34
AAA / A1+	PACRA / VIS	318	0.05	110	4.40
		<u>681,431</u>	<u>100</u>	<u>2,499</u>	<u>100</u>

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Rating Agency	2022		2021	
	Rupees in '000	%	Rupees in '000	%
Profit receivable on bank deposits and commercial paper				
AA+ / A1+	PACRA	8,451 100%	85 100%	

Above ratings are on the basis of available ratings assigned by PACRA / VIS Rating Company Limited as of June 30, 2022.

Balance with banks is assessed to have low credit risk of default since the banks are highly regulated by the State Bank of Pakistan. Accordingly, the Fund estimates that loss allowance on balance with banks at the end of the reporting period at an amount equal to 12 month Expected Credit Loss (ECL). None of the balance with bank at the end of the reporting period is past due, and taking into account the historical default experience and the current credit ratings of the bank, the Fund have assessed that there is no impairment, and hence have not recorded any loss allowance on this balance.

Rating Agency	2022		2021	
	Rupees in '000	%	Rupees in '000	%
Commercial Papers				
A1+	PACRA	264,224 100%	- -	

Above ratings are on the basis of available ratings assigned by PACRA as of June 30, 2022.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund's transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset or such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, no such instances were witnessed by the Fund during the current year .

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

NA

21.1.2 Yield / interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2022, the Fund is exposed to such risk on its balances held with bank balances and investments in government securities and commercial paper. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2022, details of Fund's profit bearing financial instruments were as follows:

	2022 (Rupees in '000)	2021
Variable rate Instruments (financial asset)		
Balances with banks	681,421	2,489
Fixed rate Instruments (financial assets)		
Government securities - Market treasury bills	331,471	421,992
Commercial paper	264,224	-
	595,695	421,992

a) Sensitivity analysis for variable rate instruments

At the reporting date the Fund has balances in savings bank accounts on which interest ranges from 7.75% - 11.25% that could expose the Fund to cash flow interest rate risk. The net income for the year would have increased / decreased by Rs. 6.814 million (2021: Rs. 0.025 million) had the interest rates on saving accounts with the banks increased / decreased by 100 basis points. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate Instruments

Fund is exposed to fair value interest rate risk for investment in government securities. In case of 100 basis points increase / decrease in interest rates on June 30, 2022, with all other variables held constant, the net income for the year and the net assets would have been lower / higher by Rs. 3.31 million (2021: Rs.4.22 million).

Exposure to interest rate risk and maturity

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

As at June 30, 2022						
Particular	Effective interest rate	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
		Rupees In '000				
		%				
On-balance sheet financial instruments						
Financial assets at fair value through profit or loss						
Investments - Government securities (Treasury bills)	14.86 - 15	331,471	-	-	-	331,471
Financial assets at amortized cost						
Bank balances	7.75 - 11.25	681,421	-	-	10	681,431
Profit receivable on bank deposits and commercial paper		-	-	-	8,451	8,451
Deposits		-	-	-	100	100
Investment in commercial papers		264,224	-	-	-	264,224
		945,645	-	-	8,561	954,206
Sub total		1,277,116	-	-	8,561	1,285,677

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As at June 30, 2022

Particular	Effective interest rate	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		

(Rupees in '000)

Financial liabilities at amortised cost

Payable to AKD Investment Management Limited - Management Company	-	-	-	-	1,442	1,442
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	68	68
Accrued expenses and other liabilities	-	-	-	-	397	397
Dividend Payable	-	-	-	-	1,868	1,868
Sub total	-	-	-	-	3,775	3,775

On-balance sheet gap

1,277,116 - - 4,786 1,281,902

Total interest rate sensitivity gap

1,277,116 - - 4,786

As at June 30, 2021

Particular	Effective interest rate	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		

%

(Rupees in '000)

On-balance sheet financial instruments

Financial assets at fair value through profit or loss

Investments - Government securities (Treasury bills)	7.15 - 8.07	113,873	308,119	-	-	421,992
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Financial assets at amortised cost

Bank balances	5 - 6.5	2,489	-	-	10	2,499
Profit receivable on bank deposits and commercial paper		-	-	-	85	85
Deposit		2,489	-	-	100	100
		2,489	-	-	195	2,684

Sub total

116,362 308,119 - 195 424,676

Financial liabilities at amortised cost

Payable to AKD Investment Management Limited - Management Company	-	-	-	-	889	889
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	28	28
Accrued expenses and other liabilities	-	-	-	-	390	390
Sub total	-	-	-	-	1,307	1,307

On-balance sheet gap

116,362 308,119 - (1,112) 423,369

Total interest rate sensitivity gap

116,362 308,119 - (1,112)

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As at June 30, 2022				
Within one Month	Over one to three months	Over three to twelve months	Over one to five years	Total
(Rupees in '000)				
Financial liabilities				
Payable to AKD Investment Management Limited - Management Company	1,442	-	-	1,442
Payable to Central Depository Company of Pakistan Limited - Trustee	68	-	-	68
Accrued expenses and other liabilities	397	-	-	397
Dividend Payable	1,868	-	-	1,868
	1,907	-	-	1,907

As at June 30, 2021				
Within one Month	Over one to three months	Over three to twelve months	Over one to five years	Total
(Rupees in '000)				
Financial liabilities				
Payable to AKD Investment Management Limited - Management Company	889	-	-	889
Payable to Central Depository Company of Pakistan Limited - Trustee	28	-	-	28
Accrued expenses and other liabilities	390	-	-	390
	1,307	-	-	1,307

22. UNIT HOLDERS' FUND (UHF) RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund's objective when managing unit holders' fund is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the benefits of the unit holders to maintain a strong base of assets to support the development of the investment activities of the Fund and to meet unexpected losses or opportunities. As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. In order to comply with the requirement and to maintain or adjust the Unit Holders' Fund, the Fund's policy is to perform the following:

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors of the Management Company is updated regarding key performance indicators, e.g., yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

23. 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).

	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
ASSETS				
Government securities - Market treasury bills	-	331,471	-	331,471
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
ASSETS				
Government securities - Market treasury bills	-	421,992	-	421,992

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

24. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund are as follows:

S.no	Name	Designation	Qualification	Experience in years
1	Mr. Imran Motiwala	Chief Executive Officer	B.Sc. (Marketing)	29
2	Mr. Muhammad Yaqoob	Chief Operating Officer and Company	MBA (Finance), CFA Charterholder	18
3	Ms. Anum Dhedhi	Chief Investment Office	B.Sc. (Financial Economics)	11
4	Mr. Sheikh Usman Haroon	Risk Manager	ACCA, CFA Level III Passed	8
5	Mr. Danish Aslam	Senior Fund Manager	BS (Accounting & Finance), CFA Level I Passed	4
6	Mr. Ali Abbas	Head of Research	MBA (Finance), CFA Charterholder	6

Mr. Danish Aslam is the Manager of the Fund. He is also managing AKD Islamic Income Fund and AKD Aggressive Income Fund.

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25. PATTERN OF UNIT HOLDING

Individuals
Retirement Funds
Public Limited Companies
Others

As at June 30, 2022		
Number of unit holders	Number of units held	% of total units
365	20,466,137	81.56
6	3,652,399	14.56
1	291,362	1.16
9	683,646	2.72
381	25,093,544	100

Individuals
Retirement Funds
Public Limited Companies
Others
Director

As at June 30, 2021		
Number of unit holders	Number of units held	% of total units
290	4,262,903	91.52
7	3,697,268	5.60
1	291,362	2.76
7	15,555	0.12
1	147	0.00
306	8,267,235	100

26. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

During the year 89th, 90th, 91st and 92nd board meetings were held on September 29, 2021, October 29, 2021, February 25, 2022 and April 27, 2022 respectively. Information in respect of attendance by Directors in these meetings is given below :

S.No.	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abdul Karim	4	4	-	-
2	Mr. Imran Motiwala	4	4	-	-
3	Ms. Anum Dhedhi	4	4	-	-
4	Mr. Saim Mustafa Zuberi	4	4	-	-
5	Mr. Ali Wahab Siddiqui	4	4	-	-
6	Mr. Hasan Ahmed	4	4	-	-
7	Ms. Aysha Ahmed	4	4	-	-

27. GENERAL

27.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

27.2 Comparative figures have been reclassified where necessary for better presentation and comparison.

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28 SEP 2022 by the Board of Directors of the Management Company.



For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

**AKD CASH FUND
PERFORMANCE TABLE**

	2022	2021	2020
Total net assets value (Rs '000)*	1,273,399	418,559	533,220
Net assets value per unit - (Rs)*	50.7461	50.6287	50.5830
Selling price as at June 30 (Rs)*	50.7461	50.6287	50.5830
Repurchase price as at June 30 (Rs)*	50.7461	50.6287	50.5830
Highest selling price (Rs)	55.3810	53.7609	56.6225
Lowest selling price (Rs)	50.6374	50.5928	50.5028
Highest repurchase price (Rs)	55.3810	53.7609	56.6225
Lowest repurchase price (Rs)	50.6374	50.5928	50.5028
Return of the Fund			
- capital growth (Rs '000)	854,840	(114,661)	430,819
- income distribution (including refund of capital) (Rs '000)*	111,249	25,275	58,142
Distribution per unit			
Interim			
- Gross (2022: Announced on June 30, 2022) (Rs)	4.75	3.18	6.08
- Gross (2021: Announced on June 30, 2021) (Rs)			
- Gross (2020: Announced on June 30, 2020) (Rs)			
Final		-	-
Average Annual Return			
- Last one year	9.64	6.38	12.24
- Last two years	8.00	9.27	10.05
- Last three years	9.39	8.81	8.26
Weighted Average Portfolio Duration	40	72	48

* Final distributions for the period made subsequent to the year end have been adjusted against the closing NAVs.

Note: The portfolio composition of the fund has been disclosed in note 6 to the financial statements.

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.



**AKD Investment
Management Ltd.**

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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

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