

# Quarterly Report

## September 30, 2022

(un-audited)



Funds Managed by:  
AKD Investment Management Ltd

**Partner with AKD**  
Profit form 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 first quarter report along with the Funds' unaudited Financial Statements for the quarter ended September 30, 2022.

### **FUNDS' FINANCIAL PERFORMANCE**

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

For the 1QFY23, the return of AKD Opportunity Fund stood at 2.67% compared to the benchmark KSE-100 Index return of -0.99%.

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

For the 1QFY23, the return of Golden Arrow Stock Fund stood at 2.46% compared to the benchmark KSE-100 Index return of -0.99%.

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

For the 1QFY23, the return of AKD Islamic Stock Fund stood at -3.87% compared to the benchmark KMI-30 Index return of -1.90%.

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

For the 1QFY23, the return of AKD Index Tracker Fund stood at -1.25% compared to the benchmark KSE-100 Index return of -0.99%.

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

For the 1QFY23, the annualized return of AKD Cash Fund stood at 14.29% compared to the benchmark return of 14.62%.

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

For the 1QFY23, the annualized return of AKD Islamic Income Fund stood at 14.26% compared to the benchmark return of 4.66%.

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

For the 1QFY23, the annualized return of AKD Aggressive Income Fund stood at 5.70% as compared to the benchmark return of 16.25%.

## MACRO PERSPECTIVE

The global economy is facing indeed difficult times with growing international tensions between powerful nations after the invasion of Russia in Ukraine leading to a substantial surge in fuel related commodity prices and unprecedented inflationary pressures. According to the World Bank, one risk of such inflationary pressures is a decrease in growth rates which is reminiscent of stagflation in the 1970s which compelled them to make a downward revision in their global growth estimates to 3% in FY23. Pakistan is no exception and not immune to the economic and geo-political turmoil the world is experiencing.

The Monetary Policy Committee (MPC) opting for monetary tightening measures since last year have gained traction given the deceleration in economic activity coupled with containing the Current Account Deficit (CAD) and Consumer Price Index (CPI) in recent times. Factoring the supply shock impact on food prices due to recent floods and its spillover impact into broader prices in the economy, the MPC kept the policy rate unchanged at 15% in its last meeting held on October 10, 2022. That said, an additional impetus to further slowdown the economy given the aftermath of the floods cannot be ruled out, and hence this may dictate the MPC stance going forward. Consequently, we expect, flood-induced damages to bring down the GDP growth to 1.5-2.0% in FY23.

During 1QFY23, the CAD narrowed to USD 2.21 billion as compared to USD 3.53 billion during the same period last year, down 37.41% YoY. This was primarily driven by the 5.31% YoY surge in exports which propelled to USD 9.29 billion against USD 8.82 billion during 1QFY22, while imports were contained at USD 18.36 billion as compared to USD 19.89 billion in SPLY, shrinking -7.70% YoY. The overseas workers' remittances recorded a decline of -6.27% YoY to clock in at USD 7.69 billion during the 1QFY23. The potential threat of recession and its subsequent impact on commodity prices is likely to provide respite to the additional import pressure resulting from the floods. Hence, we expect the CAD to reach USD 11.5 billion (3% of GDP) this fiscal year. The Government's continued efforts to attract investments from Non-Resident Pakistanis also paid off, with an impressive inflow of USD 5.15 billion through Roshan Digital Accounts (RDA) from more than 470,000 accounts till September 2022.

Moreover, the FBR collected revenues worth PKR 1.64 trillion during 1QFY23 exceeding the target of PKR 1.61 trillion, PKR 27 billion higher than the target because of a 41% increase in direct tax during the quarter. The FBR has managed to accomplish its targets despite the import compression and no imposition of sales tax on petroleum products is commendable.

During the quarter under review, Pakistan's liquid foreign exchange reserves decreased by USD 1.95 billion despite the Country receiving USD 1.10 billion from the IMF EEF facility. As of September 30, 2022, the Country's liquid foreign exchange reserves stood at USD 13.59 billion.

As per the Pakistan Bureau of Statistics (PBS), the average National Consumer Price Index (NCPI) during 1QFY23 was recorded at 25.11% YoY as compared to 8.58% YoY recorded during 1QFY22 primarily due

to higher food prices given the flood-induced supply chain disruptions coupled with higher electricity and fuel prices. Moreover, the CPI reading for September 2022 eased to 23.2% YoY as compared to 27.3% in August 2022 on the back of a 17.66% MoM decline in the Housing Index which accounts for 23.63% weight in the overall CPI basket. Given the global recessionary fears, it is likely any easing in global commodity prices will be offset by the increasing food prices due to the floods.

The Large Scale Manufacturing Index for the month of August 2022 posted a decline of -0.4% YoY as compared to August 2021 owing primarily to demand contraction in a high inflation and interest rate environment. During the period under review, major contributions towards the decline came from food, Pharmaceuticals, petroleum products, non-metallic minerals, and tobacco. Contrary to that, sectors that contributed to growth included Wearing Apparel, Furniture, iron & steel, chemical products, and other manufacturing sectors.

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 Equity Market witnessed a volatile first quarter during FY23 on the back of a series of economic and political developments that kept the participants' confidence levels troubled. The Government's success to secure the IMF program fueled investors' sentiment on one side, whereas on the other hand, elevated political uncertainty and steadfast currency devaluation in the wake of depleting FX reserves offset prospects of a rally. Furthermore, the devastating floods that hit most areas of Pakistan are reportedly estimated to cost the economy around USD 30 billion making an already difficult economic situation much worse. However, the expectations of healthy inflows in the form of aid and grants from global lending Institutions such as the World Bank, Asian Development Bank, Asian Infrastructure Investment Bank with some Pak friendly Countries provided some respite to the market participants closing the quarter at 41,128.67 points (-0.99%QoQ / -8.40%YoY). In USD terms, the market declined by a whopping 11.22% as local currency depreciated by 10.33%.

The average daily turnover shrank by -47.24% YoY to 217.47 million shares during 1QFY23 as compared to 412.17 million in the corresponding period last year. However, comparing the volumes with 4QFY22, the average daily turnover displayed a decline of -12.82%.

Interestingly, it was encouraging to note foreigners were net buyers amounting to USD 16.70 million. Individuals, Other Organizations, and Banks / DFIs reported buying of USD 22.97 million, USD 10.32 million, and USD 9.23 million, respectively. Whereas, Insurance Companies and Mutual Funds were net sellers with net outflows of USD 41.44 million and USD 35.22 million, respectively.

The sectors that took a toll on the KSE-100 index included Oil & Gas Exploration (-7.89%), Fertilizer (-7.89%), Commercial Banks (-3.40%), Automobile Assembler (-10.55%) and Tobacco (-10.36%). However, some breather was provided by Technology & Communication (14.31%), Cement (6.02%), Investment Banks (9.70%), Transport (10.54%) and Synthetic & Rayon (7.02%).

During the quarter, we have seen a very strong correlation between the Equity market and the appreciation of the local currency. Being an import dependent economy with significant debt levels, any devaluation in the local currency not only increases the import bill or debt servicing expenses, but also damages the country's outlook in the eyes of prospective lenders and investors which in turn leads to potential risks of default.

We believe that the worst has already been priced in the Equity Market. In terms of valuation, the KSE-100 Index is attractively priced at a Price to Earnings multiple of 4.32x, which is trading at a 51.39% discount as compared to MSCI Frontier Markets P/E of 8.89x and offering a healthy dividend yield of 9.42% still illustrating a compelling case to invest.

## **MONEY MARKET REVIEW**

During 1QFY23, six (6) Market Treasury Bill (MTB) auctions were carried out by the State Bank of Pakistan, where the government managed to raise PKR 4.79 trillion against the auction target of PKR 4.95 trillion. The weighted average yield of 3, 6 and 12 months MTB were 15.64%, 15.65% and 15.77% respectively, up by 8.37%, 8.12% and 8.11% as compared to 7.27%, 7.53% and 7.65% same period last year.

To further address the need for liquidity, SBP also conducted three (3) auctions of fixed rate Pakistan Investment Bond (PIB) and was successful in raising PKR 687.04 billion. The weighted average yield for 3, 5 and 10 year PIBs increased by 5.14%, 4.12% and 3.18% to 13.92%, 13.30% and 13.01% respectively, as compared to 8.78%, 9.18% and 9.84% same period last year.

The Monetary Policy Committee (MPC) announced two (2) Monetary Policy Statements during 1QFY23, increasing the policy rate by 125 basis points to 15.00% to address inflationary pressure and contain risk to external stability. Furthermore, SBP conducted 30 Open Market Operations (OMO) of different



maturities and injected an average amount of PKR 417.35 billion at an average cut off yield of 15.10% and mopped-up the average amount of PKR 432.87 billion at an average cut off yield of 14.93%.

As per the auction target calendar for October – December 2022, the SBP targets to raise PKR 5.85 trillion by issuing 3 to 12 months tenor MTB against the maturing amount of PKR 5.56 trillion. In addition, SBP also targets to raise PKR 525 billion through 3 to 30 years tenor fixed rate PIB and PKR 840 billion through 2 to 10 years floating rate PIB.

## **FUTURE OUTLOOK**

The last two years have reshaped the direction of the world following the Covid-19 pandemic as countries scrambled to cope with human mortalities versus economic activity, which resulted in unprecedented trade disruptions and triggered a super commodity price cycle. Then, Russia's invasion of Ukraine and geopolitical tensions rise with US imposing sanctions on Russia on the back of which power related commodity prices further skyrocketed as G2G trade disruptions were inevitable. The current global economic scenario is analogous to that of the 1970s post-recession. Central banks around the world have shifted from a growth oriented stance to monetary tightening and inflation control objectives.

While international rating agencies continue to downgrade Pakistan's credit ratings and outlook one after another, the positive news on the FATF front is expected to bode well for the country's image. Prior to the announcement of the FATF decision, the equity market incorporated the positive effect. However, going forward, the more dominant economic and political themes will play a significant role in determining market sentiment.

Pakistan's ninth review under IMF's Extended Fund Facility (EFF) program is expected to start in November 2022. As of now, Pakistan has fulfilled all the prior conditions of IMF of reducing fiscal expenditures and generating higher revenues through the imposition of additional taxes and removal of subsidies. In its review, it is expected that IMF will adopt a rather lenient approach keeping the flood situation in consideration.

We presume that SBP will move from a monetary tightening to an easing stance given the fact that the recent floods hitting the country was an outlier event and coupled with an improvement in external account in the last four months. The primary objective of SBP and other countries to raise their interest rates was to slowdown economies and address record inflationary pressures on the back of deteriorating fiscal positions. However, from Pakistan's standpoint, with the floods destroying major crops with higher than expected unemployment, it is likely the country may experience lower growth while inflation levels might remain elevated due to a shortage of food staples as the rebuilding process will take its time. We expect the SBP to reduce the policy rate by a meager 25-50bps to provide clarity to the markets on the SBP outlook since their fiscal goals for tightening have by and large been achieved. Also, the SBP expects in line with most analysts that the current account deficit will average around 3%

of the GDP. Moreover, the international assistance and external financing received in the wake of floods will also support the Country's foreign exchange reserves and provide fiscal respite to the currency. Nevertheless, a key milestone to keep an eye on will be the repayment of sovereign bonds of USD 1 billion due in December, as well as the gross external financing requirement of USD 34 billion during FY23.

We believe that many of the factors are already priced in the market as represented by the P/E multiple of 4.32x in comparison to long term historical average of 8.2x. The equity market is poised to deliver a healthy recovery in light of the improving external position, decrease in inflation in FY24 coupled with financial support from bilateral partners and Pak friendly countries.

For and on behalf of the board

**Imran Motiwala**  
Chief Executive Officer

**Abdul Karim**  
Chairman

Karachi: October 28, 2022

## FUND INFORMATION

### AKD Cash Fund



#### Management Company

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

#### Trustee

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

#### 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

#### Auditors

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

#### Legal Advisor

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

#### Registrar

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

#### Distributor

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

#### 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.

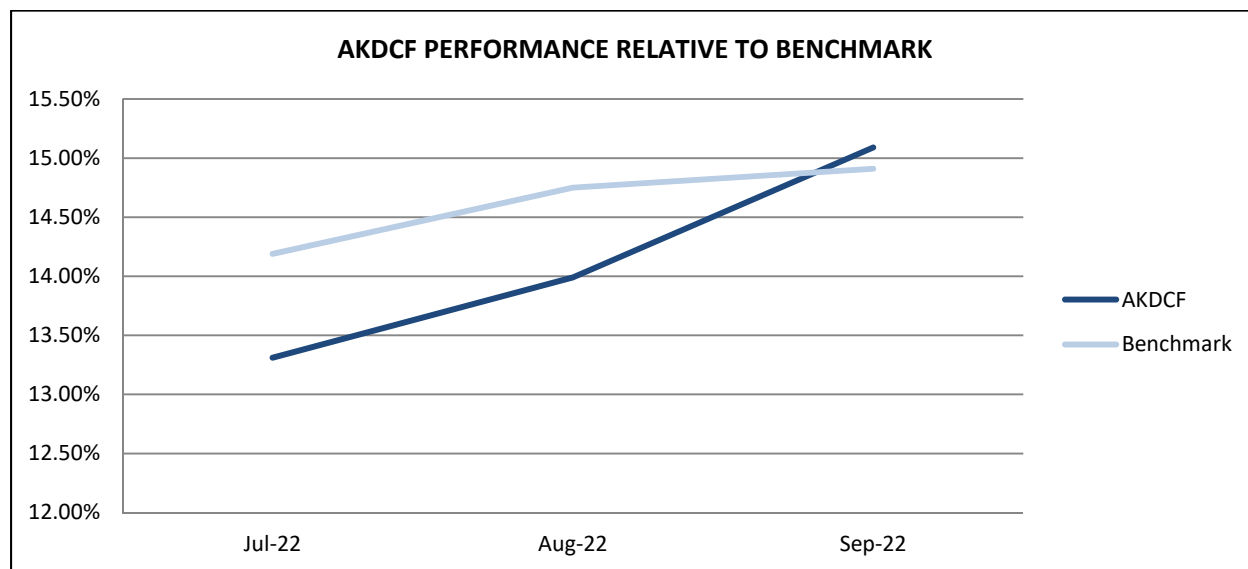
**iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:**

For the 1QFY23, the annualized return of AKD Cash Fund stood at 14.29% compared to the benchmark return of 14.62%.

**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-22	Aug-22	Sep-22
<b>AKDCF</b>	13.31%	13.99%	15.09%
<b>Benchmark</b>	14.19%	14.75%	14.91%

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 and short term corporate debt 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:**

<b>Asset Allocation (% of Total Assets)</b>	<b>30-Sep-22</b>	<b>30-Jun-22</b>
<b>Cash and Cash Equivalents</b>	82.38%	78.75%
<b>Commercial Papers / STS</b>	15.91%	20.54%
<b>Other Assets including Receivables</b>	1.71%	0.71%

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

<b>1QFY23 Return (annualized)</b>	<b>14.29%</b>
<b>Benchmark Return (annualized)</b>	<b>14.62%</b>

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

<b>Net Assets Value</b>		<b>Change in Net Assets</b>	<b>NAV Per Unit</b>	
<b>30-Sep-22</b>	<b>30-Jun-22</b>		<b>30-Sep-22</b>	<b>30-Jun-22</b>
<b>(Rupees in 000)</b>			<b>(Rupees)</b>	
<b>1,656,239</b>	<b>1,273,399</b>	<b>30.06%</b>	<b>52.5738</b>	<b>50.7461</b>

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**

The global economy is facing indeed difficult times with growing international tensions between powerful nations after the invasion of Russia in Ukraine leading to a substantial surge in fuel related commodity prices and unprecedented inflationary pressures. According to the World Bank, one risk of such inflationary pressures is a decrease in growth rates which is reminiscent of stagflation in the 1970s which compelled them to make a downward revision in their global growth estimates to 3% in FY23. Pakistan is no exception and not immune to the economic and geo-political turmoil the world is experiencing.

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impetus to further slowdown the economy given the aftermath of the floods cannot be ruled out, and hence this may dictate the MPC stance going forward. Consequently, we expect, flood-induced damages to bring down the GDP growth to 1.5-2.0% in FY23.

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## **FUTURE OUTLOOK**

The last two years have reshaped the direction of the world following the Covid-19 pandemic as countries scrambled to cope with human mortalities versus economic activity, which resulted in unprecedented trade disruptions and triggered a super commodity price cycle. Then, Russia's invasion of Ukraine and geopolitical tensions rise with US imposing sanctions on Russia on the back of which power related commodity prices further skyrocketed as G2G trade disruptions were inevitable. The current global economic scenario is analogous to that of the 1970s post-recession. Central banks around the world have shifted from a growth oriented stance to monetary tightening and inflation control objectives.

While international rating agencies continue to downgrade Pakistan's credit ratings and outlook one after another, the positive news on the FATF front is expected to bode well for the country's image. Prior to the announcement of the FATF decision, the equity market incorporated the positive effect. However, going forward, the more dominant economic and political themes will play a significant role in determining market sentiment.

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We presume that SBP will move from a monetary tightening to an easing stance given the fact that the recent floods hitting the country was an outlier event and coupled with an improvement in external

account in the last four months. The primary objective of SBP and other countries to raise their interest rates was to slowdown economies and address record inflationary pressures on the back of deteriorating fiscal positions. However, from Pakistan’s standpoint, with the floods destroying major crops with higher than expected unemployment, it is likely the country may experience lower growth while inflation levels might remain elevated due to a shortage of food staples as the rebuilding process will take its time. We expect the SBP to reduce the policy rate by a meager 25-50bps to provide clarity to the markets on the SBP outlook since their fiscal goals for tightening have by and large been achieved. Also, the SBP expects in line with most analysts that the current account deficit will average around 3% of the GDP. Moreover, the international assistance and external financing received in the wake of floods will also support the Country’s foreign exchange reserves and provide fiscal respite to the currency. Nevertheless, a key milestone to keep an eye on will be the repayment of sovereign bonds of USD 1 billion due in December, as well as the gross external financing requirement of USD 34 billion during FY23.

We believe that many of the factors are already priced in the market as represented by the P/E multiple of 4.32x in comparison to long term historical average of 8.2x. The equity market is poised to deliver a healthy recovery in light of the improving external position, decrease in inflation in FY24 coupled with financial support from bilateral partners and Pak friendly countries.

**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:**

<b>Range (Units)</b>	<b>No. of Investors</b>
0.0001 to 9,999	342
10,000 to 49,999	35
50,000 - 99,999	5
100,000 - 499,999	13
500,000 and above	11
<b>Total</b>	<b>406</b>

**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:**

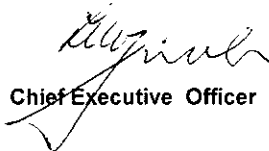
No soft commission has been received by the AMC from its broker or dealer by virtue of transactions conducted by the Collective Investment Scheme.

**AKD CASH FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2022**

	(Unaudited) September 30 2022	(Audited) June 30 2022
Note	---- (Rupees in '000) ----	
<b>ASSETS</b>		
Bank balances	5 11,358	681,431
Investments	6 1,620,926	595,695
Profit receivable on bank deposits and commercial papers	7 17,479	8,451
Receivable against Conversion of Units	10,076	-
Deposits, Prepayments and other receivables	749	706
<b>Total assets</b>	<u>1,660,588</u>	<u>1,286,283</u>
<b>LIABILITIES</b>		
Payable to AKD Investment Management Limited - Management Company	8 1,557	1,442
Payable to Central Depository Company of Pakistan Limited - Trustee	9 78	68
Payable to Securities and Exchange Commission of Pakistan	10 67	178
Accrued expenses and other liabilities	11 779	9,328
Dividend Payable	1,868	1,868
<b>Total liabilities</b>	4,349	12,884
<b>NET ASSETS</b>	<u>1,656,239</u>	<u>1,273,399</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<u>1,656,239</u>	<u>1,273,399</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	
	---- (Number of units) ----	
<b>NUMBER OF UNITS IN ISSUE</b>	<u>31,503,128</u>	<u>25,093,544</u>
	(Rupees)	
<b>NET ASSET VALUE PER UNIT</b>	<u>52.5738</u>	<u>50.7461</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer


**AKD CASH FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

Note	Quarter ended September 30 2022	Quarter ended September 30 2021
	(Rupees in '000)	
<b>INCOME</b>		
Capital gain / (loss) on sale of investments	(714)	(144)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net	994	10
Income / profit on:		
- government securities	37,996	10,239
- Commercial papers / STS	9,531	228
- bank deposits	2,303	331
Other Income (Reversal of Provision against Sindh Workers' Welfare Fund)	-	3,036
<b>Total income</b>	<u>50,110</u>	<u>13,700</u>
<b>EXPENSES</b>		
Remuneration of the Management Company	1,670	603
Sindh sales tax on remuneration of the Management Company	217	78
Remuneration of the Trustee	184	98
Sindh sales tax on remuneration of the Trustee	24	13
Annual fee to the Securities and Exchange Commission of Pakistan	67	30
Allocated expenses to the management company	501	226
Brokerage (Securities & transaction cost)	20	8
Legal and professional charges	78	163
Bank & Settlement charges	57	27
Fees and subscriptions	19	7
Auditors' remuneration	83	77
Printing and related costs	-	38
<b>Total expenses</b>	<u>2,920</u>	<u>1,368</u>
<b>Net income from operating activities</b>	<u>47,190</u>	<u>12,332</u>
<b>Net income for the period before taxation</b>	<u>47,190</u>	<u>12,332</u>
Taxation	-	-
<b>Net income for the period after taxation</b>	<u>47,190</u>	<u>12,332</u>
<b>Allocation of net income for the period</b>		
Net income for the period after taxation	47,190	12,332
Income already paid on units redeemed	(2,175)	(1,703)
	<u>45,015</u>	<u>10,629</u>
<b>Accounting income available for distribution</b>		
- Relating to capital gains	280	-
- Excluding capital gains	44,735	10,629
	<u>45,015</u>	<u>10,629</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Director

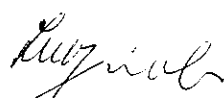
  
Chief Financial Officer

**AKD CASH FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Quarter ended September 30 2022 (Rupees in '000)	Quarter ended September 30 2021
Net income for the period after taxation	47,190	12,332
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u><u>47,190</u></u>	<u><u>12,332</u></u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

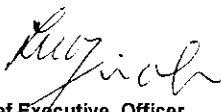


**AKD CASH FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

Note	Quarter ended September 30 2022 (Rupees in '000)	Quarter ended September 30 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	47,190	12,332
<b>Adjustments for non-cash and other items</b>		
Unrealised (appreciation) / diminution on re-measurement of investments at fair value through profit or loss - net	(994)	(10)
Capital (gain) / loss on sale of investments - net	714	144
	<u>46,910</u>	<u>12,466</u>
<b>(Increase) / decrease in assets</b>		
Investments	280	279,125
Profit receivable on bank deposits and commercial papers	(9,028)	(275)
Receivable against Conversion of Units	(10,076)	-
Deposits, Prepayments and other receivables	(43)	(3,587)
	<u>(18,867)</u>	<u>275,263</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to AKD Investment Management Limited - Management Company	115	121
Payable to Central Depository Company of Pakistan Limited - Trustee	10	15
Payable to the Securities and Exchange Commission of Pakistan	(111)	(58)
Accrued expenses and other liabilities	(8,549)	(4,417)
	<u>(8,535)</u>	<u>(4,339)</u>
<b>Net cash generated from operating activities</b>	<u>19,508</u>	<u>283,390</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	526,373	524,790
Amount paid against redemption of units	(190,723)	(324,507)
<b>Net cash used in / generated from financing activities</b>	<u>335,650</u>	<u>200,283</u>
<b>Net Increase / (decrease) in cash and cash equivalents during the period</b>	355,158	483,673
Cash and cash equivalents at beginning of the period	1,012,902	116,372
<b>Cash and cash equivalents at end of the period</b>	<u>14</u> <u>1,368,060</u>	<u>600,045</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**AKD CASH FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 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) authorized 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.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block 8, Clifton, Karachi in the province of Sindh.
- 1.3 The Fund is an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.4 The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, bank deposits, certificate of deposits, certificate of musharakas, commercial papers, reverse repos. Title of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund. The Fund is classified as a "Money Market Fund".
- 1.5 The Management Company has been assigned a quality rating of "AM3++" by Pakistan Credit Rating Agency Limited (PACRA) on June 30, 2022. The Fund has been given stability rating of 'AA+(f)' by PACRA on September 7, 2022.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.7 The Fund has 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**

These condensed interim 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 Standards) 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 VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement of the Trust Deed

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulation and requirements of the Trust Deed have been followed.

- 2.2 This condensed interim financial information does not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2022.
- 2.3 This condensed interim financial information is being submitted to the unitholders as required under Regulation 38 2(f)V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

**3 SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES**

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2022.

In preparing this condensed interim financial information, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2022.

**4 FINANCIAL RISK MANAGEMENT**

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2022.

	(Un-audited) September 30 2022	(Audited) June 30 2022
	---- (Rupees in '000) ----	
<b>5 BANK BALANCES</b>		
- In saving accounts	11,353	681,421
- In current accounts	5	10
	<u>11,358</u>	<u>681,431</u>

5.1 The rate of return on these accounts are from 13.5% to 14% (June 30, 2022 : 12.25% to 15%) per annum

**6 INVESTMENTS**

**Financial assets at fair value through profit or loss**

- Government securities - Market Treasury Bills

At amortised cost

- Commercial paper / short term Sukuks (STS)

6.1.1	1,356,702	331,471
6.1.2	<u>264,224</u>	<u>264,224</u>
	<u>1,620,926</u>	<u>595,695</u>

6.1 Financial assets 'at fair value through profit or loss' - net

**6.1.1 Government securities - Market Treasury Bills**

Tenor	Face Value				Balance as at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of investments
	At July 1, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022	Carrying Value	Market value	Unrealised (diminution) / appreciation as at September 30, 2021		
3 months	340,000	2,835,000	1,790,000	1,365,000	1,355,708	1,355,702	994	81.91	83.70
	340,000	2,835,000	1,790,000	1,366,000	1,355,708	1,356,702	994		
					<u>1,355,708</u>	<u>1,356,702</u>	<u>994</u>		
					<u>331,126</u>	<u>331,471</u>	<u>345</u>		

Total - September 30, 2022

Total - June 30, 2022



6.1.2 - Commercial paper / short term Sukuks (STS)

Name of investee company	Rate of return per annum	Face value			Carrying value	Issue Date	Maturity Date	Short Term Rating	Face value as a percentage of	
		As at July 01, 2022	Purchased during the period	Matured / sold during the period					Investments	Net assets
	%	----- (Rupees in '000) -----								
K- Electric Limited	14	110,000	-	-	110,000	April 12, 2022	October 12, 2022	A1+	6.79	6.64
China Power Hub Generation Company (Pvt.) Limited	14.05	112,224	-	-	112,224	April 12, 2022	October 10, 2022	A1+	6.92	6.78
Lucky Electric Power Company Limited	14.23	15,000	-	-	15,000	April 14, 2022	October 14, 2022	A1+	0.93	0.91
Lucky Electric Power Company Limited	17.07	27,000	-	-	27,000	June 15, 2022	December 15, 2022	A1+	1.67	1.63
<b>Investment as at September 30, 2022</b>					<b>264,224</b>					
<b>Investment as at June 30, 2022</b>					<b>264,224</b>					

	(Un-audited) September 30 2022	(Audited) June 30 2022
	480	984
	16,999	7,467
	<u>17,479</u>	<u>8,451</u>

Note

7 PROFIT RECEIVABLE ON BANK DEPOSITS AND COMMERCIAL PAPERS

Profit receivable  
- on bank balances  
- on Commercial Paper

8 PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee  
Sindh Sales Tax on Management fee  
Expenses allocated by the Management Company  
Federal exercise duty on Management fee

	8.1	621	541
	8.2	81	70
	8.3	186	162
	8.4	669	669
		<u>1,557</u>	<u>1,442</u>

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

Net Asset of the Fund Rs.	Remuneration Rate (Per annum)
Up to 1 Billion	0.40%
1 Billion - 5 Billion	0.50%

- 8.2 Sindh sales tax at the rate of 13% (June 30, 2022: 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% (June 30, 2022 0.15%) per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to Fund, from July 01, 2022 to September 30, 2022.
- 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.

On June 30, 2016, the Honorable Sindh High Court of Pakistan 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 (June 30, 2022: 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 September 30, 2022 would have been higher by Rs. 0.0212 per unit (June 30, 2022: Rs. 0.0267 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.

		(Un-audited) September 30 2022	(Audited) June 30 2022
		---- (Rupees in '000) ----	
<b>9</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>Note</b>	
	Trustee Fee	9.1	68
	Sindh Sales Tax payable on trustee fee	9.2	9
	CDS Charegs Payable		1
		<u>78</u>	<u>68</u>
9.1	The Trustee is entitled to a monthly remuneration to be paid monthly in arrears for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. However, tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.055% (June 30, 2022: 0.055%) of net assets. The remuneration is paid to the Trustee on monthly basis in arrears.		
9.2	Sindh sales tax at the rate of 13% (2022: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.		
<b>10</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>		
	Annual fee payable to the SECP	10.1	67
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% (June 30, 2022: 0.02%) of the average annual net assets of the scheme.		178

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited)	(Audited)
			September 30	June 30
			2022	2022
			---- (Rupees in '000) ----	
	Auditors remuneration		296	246
	Printing charges payable		123	150
	Withholding tax payable		251	8,896
	Brokerage payable		12	1
	Zakat Payable		35	35
	Credit rating fee payable		50	-
	Payable on redemption of Units		2	-
	Payable against conversion of units		10	-
			<u>779</u>	<u>9,328</u>

## 12 CONTINGENCIES AND COMMITMENTS

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

## 13 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed 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. The Management Company has intends to distribute 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.

	Note	(Un-audited) September 30 2022	(Audited) June 30 2022
---- (Rupees in '000) ----			
<b>14 CASH AND CASH EQUIVALENTS</b>			
Bank balances	5	11,358	681,431
Market Treasury Bills (with original maturity of three months or less)	6.1.1	1,356,702	331,471
		<u>1,368,060</u>	<u>1,012,902</u>

#### 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2022 is 0.87% (Sep 30, 2021: 0.91%) (annualised) which includes 0.09% (Sep 30, 2021: 0.08%) (annualised) representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations.

#### 16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

#### 16.1 Details of transactions with related parties / connected persons during the period

	(Un-audited) Quarter ended September 30, 2022	(Un-audited) Quarter ended September 30, 2021
----- (Rupees in '000) -----		
<b>AKD Investment Management Limited - Management Company</b>		
Management remuneration	1,670	603
Sindh sales tax on management remuneration	217	78
Allocated expenses	501	226
Issue of units 39,310 (2021 : NIL Units)	2,000	-
Redemption of units 39,310 (2021 : NIL Units)	2,004	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	184	98
Sindh sales tax on trustee remuneration	24	13
CDS Charges Payable	2	2
<b>Dinaz Cassim</b>		
<b>Unit holders holding 10% or more of the units in issue</b>		
Issue of units 192,940 (2021 : NIL Units)	10,000	-
Redemption of units 295,125 (2021 : NIL Units)	15,000	-
<b>Durrain Cassim</b>		
<b>Unit holders holding 10% or more of the units in issue</b>		
Issue of units 385,880 Units - (2021 : 1,767,853 Units)	20,000	90,000
Redemption of units 983,748 (2021 : NIL Units)	50,000	-
<b>Lubna Najmul Hussain Dossa**</b>		
<b>Unit holders holding 10% or more of the units in issue</b>		
Issue of units 3,936,890 Units - (2021 : Nil Units)	205,534	-

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
<b>16.2 Details of balances with related parties / connected persons as at period / year end</b>		
<b>AKD Investment Management Limited - Management Company</b>		
Management remuneration payable	621	541
Federal excise duty payable on management remuneration	669	669
Sindh Sales tax payable on management remuneration	81	70
Payable against allocated expenses	186	162
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	68	59
CDS charges payable	1	1
Sindh Sales Tax payable on trustee remuneration	9	8
Deposit with CDC	100	100
<b>Receivable / Payable against conversion of units - AKD Funds</b>		
Payable against conversion of units - AKD Islamic Income Fund	10	-
Receivable against conversion of units - AKD Index Tracker Fund	312	-
Receivable against conversion of units - Golden Arrow Stock Fund	9,764	-
<b>Dinaz Cassim</b>		
<b>Unit holders holding 10% or more of the units in issue</b>		
Units held 5,015,348 - (June 30, 2022 : 5,117,533 Units)	263,676	259,695
<b>Durrain Cassim</b>		
<b>Unit holders holding 10% or more of the units in issue</b>		
Units held 5,592,175 (June 30, 2022 :6,190,043 Units)	294,002	314,120
<b>Lubna Najmul Hussain Dossa**</b>		
<b>Unit holders holding 10% or more of the units in issue</b>		
Units held 6,247,765 - (June 30, 2022 : Nil Units)	328,469	-
<b>Bank Alfalah limited Employees Provident Fund*</b>		
<b>Unit holders holding 10% or more of the units in issue</b>		
Units held Nil (June 30, 2022: 2,709,248 Units)	-	137,484

\* Prior period connected party, current figures not shown

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

**17 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

The following table shows financial instruments recognized 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).

The following table show the carrying amount and fair values of financial assets including the levels in the fair value hierarchy.

As at September 30, 2022 and June 30, 2022, the Fund held the following assets measured at fair values:

	September 30, 2022			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>ASSETS</b>				
At fair value through profit and loss'				
Government securities - Market Treasury Bills	-	1,356,702	-	1,356,702
	=====			
	June 30, 2022			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>ASSETS</b>				
At fair value through profit and loss'				
Government securities - Market Treasury Bills	-	331,471	-	331,471
	=====			

During the period ended September 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

**18 DATE OF AUTHORISATION FOR ISSUE**

28 OCT 2022


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

**19 GENERAL**

19 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

19.2 Figures have been rounded off to the nearest thousand rupees.

For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



**AKD Investment  
Management Ltd.**

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