

# 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 Islamic Income Fund



#### Management Company

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

#### Trustee

Digital Custodian Company Limited (DCCL)  
[Formerly: MCB Financial Services Limited (MCBFSL)]  
4th Floor, Perdesi House, 2/1 R-Y Old Queens Road  
Karachi-74200

#### Bankers

Bankislami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited

#### Auditors

Riaz Ahmad and Company  
Chartered Accountants  
Office No. 5, 20th Floor, Bahria Town Tower  
Block 2, P.E.C.H.S.  
Karachi, Pakistan

#### 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

Al-Hilal Securities Advisors (Pvt.) Ltd.  
Financial Investments Mart (Pvt) Ltd.  
Investlink Advisor (Private) Limited.  
Investomate (Private) Limited  
YPay Financial Services (Pvt.) Ltd.

#### Rating-AKDISIF

PACRA: AA-(f)

## FUND MANAGER'S REPORT

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

Open – end Islamic Income Scheme

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

AKD Islamic Income Fund (AKDISIF) is a fund that primarily focuses on Shariah compliant income securities and instruments. The objective of AKDISIF is to provide investors with an investment vehicle that strives to enhance capital coupled with regular halal income by investing in Shariah compliant income investments.

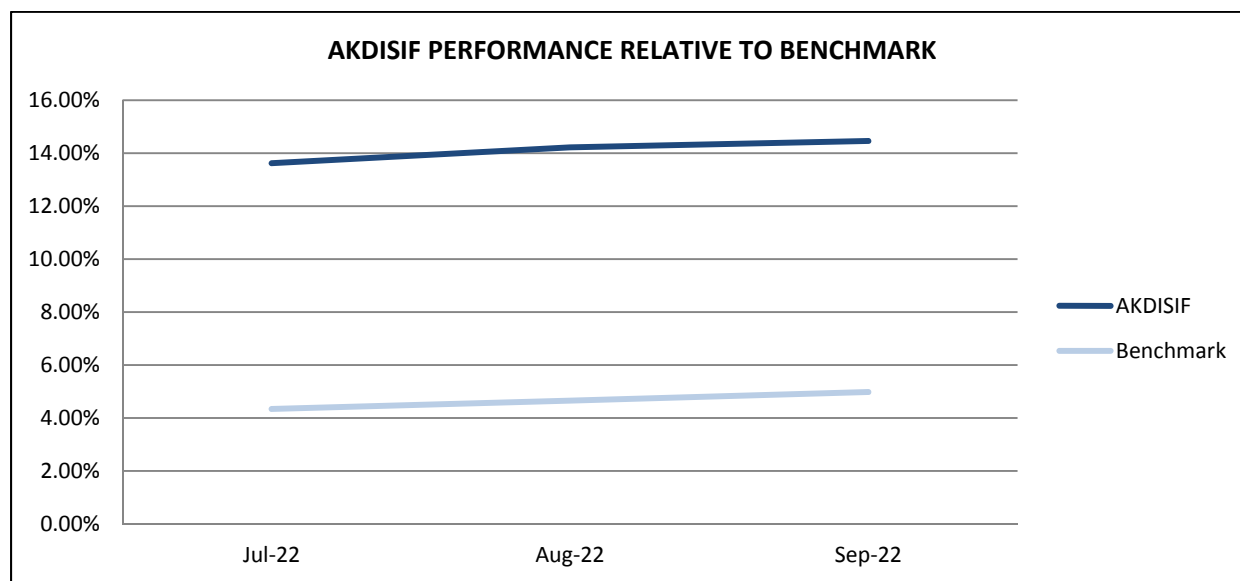
**iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:**

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

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

Six (6) months average deposit rates of three (3) A Rated Scheduled Islamic Banks or Islamic Windows of Conventional 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>AKDISIF</b>	13.62%	14.22%	14.46%
<b>Benchmark</b>	4.34%	4.65%	4.98%

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

AKD Islamic Income Fund is an Open – end Islamic Income Scheme. The returns of the fund are generated primarily through investment in Shariah Complaint debt securities and Islamic bank deposits. AKDISIF is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

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>
Cash and Cash Equivalents	34.19%	37.50%
Sukuk	31.88%	36.09%
Commercial Papers / STS	29.27%	23.26%
Other Assets including Receivables	4.66%	3.15%

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

<b>1QFY23 Return (annualized)</b>	<b>14.26%</b>
<b>Benchmark Return (annualized)</b>	<b>4.66%</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>968,430</b>	<b>892,873</b>	<b>8.46%</b>	<b>52.4149</b>	<b>50.5961</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**

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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.

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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	1,277
10,000 to 49,999	59
50,000 - 99,999	21
100,000 - 499,999	18
500,000 and above	7
<b>Total</b>	<b>1,382</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 ISLAMIC INCOME FUND**  
**Condensed Interim Statement of Assets and Liabilities**  
**As at September 30, 2022**

		(Un-Audited) September 30, 2022 Rupees in '000	(Audited) June 30, 2022 Rupees in '000
<b>Assets</b>			
Bank balances	5	331,669	336,944
Investments	6	593,309	533,288
Profit receivable on bank deposits and sukuk certificates	7	29,340	18,815
Deposits, prepayments and other receivables	8	9,331	2,864
Preliminary expenses and floatation cost	9	112	183
Receivable against sale of Investments		6,389	6,387
<b>Total Assets</b>		<b>970,150</b>	<b>898,481</b>
<b>Liabilities</b>			
Payable to AKD Investment Management Limited - Management Company	10	698	980
Payable to Digital Custodian Company Limited - Trustee	11	107	98
Payable to Securities and Exchange Commission of Pakistan	12	48	159
Accrued expenses and other liabilities	13	867	4,371
<b>Total Liabilities</b>		<b>1,720</b>	<b>5,608</b>
<b>Net Assets</b>		<b>968,430</b>	<b>892,873</b>
<b>Unit Holders' Fund (as per statement attached)</b>		<b>968,430</b>	<b>892,873</b>
<b>Contingencies and Commitments</b>	14	<b>Number of units</b>	
<b>Number of units in issue</b>		<b>18,476,252</b>	<b>17,647,089</b>
		<b>Rupees</b>	
<b>Net assets value per unit</b>		<b>52.4149</b>	<b>50.5961</b>

The annexed notes 1 to 21 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 ISLAMIC INCOME FUND**  
**Condensed Interim Income Statement (un-audited)**  
**For the first quarter ended September 30, 2022**

	2022	2021
Income	(Rupees in '000)	
Net unrealised appreciation / (dminution) on remeasurement of investments classified as 'financial assets at fair value through profit and loss'	(464)	(1,308)
Unrealised gain on future contracts	-	2,705
Capital gain on sale of investment (Income from Spread transaction)	-	5,715
Income from sukuk certificates	13,792	5,468
Income from Islamic commercial papers / STS	9,947	-
Income from security margin	-	136
Dividend Income	-	28
Profit on bank deposits	12,151	5,599
Reversal of Provision against Sindh Workers' Welfare Fund	-	1,491
<b>Total Income</b>	<b>35,426</b>	<b>19,834</b>
<b>Expenses</b>		
Remuneration of AKD Investment Management Limited - Management Company	948	802
Sales tax on the remuneration of the Management Company	123	104
Remuneration of Digital Custodian Comapny Limited - Trustee	284	241
Sales tax on the Trustee remuneration	37	31
Annual fee to the Securities and Exchange Commission of Pakistan	47	40
Expenses allocated by the Management Company	356	301
Auditors' remuneration	63	59
Settlement and bank charges	7	107
Security transaction Cost	-	869
Amortisation of preliminary expenses and floatation costs	71	72
Fee and subscription	170	194
Printing and related cost	-	38
Legal and professional charges	88	259
Charity	-	5
<b>Total expenses</b>	<b>2,194</b>	<b>3,122</b>
<b>Net income for the period before taxation</b>	<b>33,232</b>	<b>16,712</b>
Taxation	-	-
<b>Net Profit for the period after taxation</b>	<b>33,232</b>	<b>16,712</b>
<b>Allocation of net income for the period</b>		
Net income for the period after taxation	33,232	16,712
Income already paid on units redeemed	(2,931)	(1,009)
	<b>30,301</b>	<b>15,703</b>
<b>Accounting income available for distribution</b>		
Relating to capital gains	-	7,112
Excluding capital gains	30,301	8,591
	<b>30,301</b>	<b>15,703</b>

The annexed notes 1 to 21 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 ISLAMIC INCOME FUND**  
**Condensed Interim Statement of Comprehensive Income (un-audited)**  
**For the first quarter ended September 30, 2022**

	2022 (Rupees in '000)	2021
Net Profit for the period after taxation	33,232	16,712
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u><u>33,232</u></u>	<u><u>16,712</u></u>

The annexed notes 1 to 21 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 ISLAMIC INCOME FUND**  
**Condensed Interim Cash Flow Statement (un-audited)**  
**For the first quarter ended September 30, 2022**

	2022	2021
Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit for the period before taxation	33,232	16,712
<b>Adjustments</b>		
Amortisation of preliminary expenses and floatation costs	71	72
Net unrealised (appreciation) / diminution on remeasurement of investments classified as 'financial assets at fair value through profit and loss'	464	1,308
	<u>33,767</u>	<u>18,092</u>
<b>(Increase) / decrease in assets</b>		
Investments	(60,485)	(26,695)
Profit receivable on bank deposits and sukuk certificates	(10,525)	(499)
Deposits, prepayments and other receivables	(6,467)	(22,918)
Receivable against sale of Investments	(2)	-
	<u>(77,479)</u>	<u>(50,112)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to AKD Investment Management Limited - Management Company	(282)	77
Payable to Digital Custodian Company Limited - Trustee	9	14
Payable to Securities and Exchange Commission of Pakistan	(111)	(44)
Accrued expenses and other liabilities	(3,504)	4,623
	<u>(3,888)</u>	<u>4,670</u>
<b>Net cash (used in) / generated from operating activities</b>	<u>(47,600)</u>	<u>(27,350)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	290,869	374,492
Payment against redemption of units	(248,544)	(269,589)
<b>Net cash generated from / (used in) financing activities</b>	<u>42,325</u>	<u>104,903</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>(5,275)</u>	<u>77,553</u>
Cash and cash equivalents at beginning of the period	<u>336,944</u>	<u>261,069</u>
<b>Cash and cash equivalents at end of the period</b>	<u>5</u> <u>331,669</u>	<u>338,622</u>

The annexed notes 1 to 21 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 ISLAMIC INCOME FUND**
**Condensed Interim Statement of Movement In Unit Holders' Fund (un-audited)**
**For the first quarter ended September 30, 2022**

	2022			2021		
	Capital value	Undistributed income	Net assets	Capital value	Undistributed income	Net assets
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at beginning of the period</b>	<b>886,157</b>	<b>6,716</b>	<b>892,873</b>	<b>719,616</b>	<b>4,273</b>	<b>723,889</b>
Issuance of 5,638,282 units (2021: 7,321,285 units)						
- Capital value (at Ex-Nav at the beginning of the period)	285,275	-	285,275	369,303	-	369,303
- Element of income	5,594	-	5,594	5,189	-	5,189
<b>Total proceeds on issuance of units</b>	<b>290,869</b>	<b>-</b>	<b>290,869</b>	<b>374,492</b>	<b>-</b>	<b>374,492</b>
Redemption of 4,809,119 units (2021: 5,263,080 units)						
- Capital value (at Ex-Nav at the beginning of the period)	243,323	-	243,323	265,482	-	265,482
- Element of income	2,290	2,931	5,221	3,098	1,009	4,107
<b>Total payments on redemption of units</b>	<b>245,613</b>	<b>2,931</b>	<b>248,544</b>	<b>268,580</b>	<b>1,009</b>	<b>269,589</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>33,232</b>	<b>33,232</b>	<b>-</b>	<b>16,712</b>	<b>16,712</b>
Distribution during the period	-	-	-	-	-	-
Refund of Capital	-	-	-	-	-	-
<b>Net (loss) / income for the period less distribution</b>	<b>-</b>	<b>33,232</b>	<b>33,232</b>	<b>-</b>	<b>16,712</b>	<b>16,712</b>
<b>Net assets at end of the period</b>	<b>931,413</b>	<b>37,017</b>	<b>968,430</b>	<b>825,528</b>	<b>19,976</b>	<b>845,504</b>
Undistributed income brought forward						
- Realised		9,488			963	
- Unrealised		(2,772)			3,310	
		<u>6,716</u>			<u>4,273</u>	
Accounting (loss) / income available for distribution						
- Relating to capital gains		-			7,112	
- Excluding capital gains		30,301			8,591	
		<u>30,301</u>			<u>15,703</u>	
Distribution during the period		-			-	
<b>Undistributed gain carried forward</b>		<b>37,017</b>			<b>19,976</b>	
Undistributed gain carried forward						
- Realised income		37,481			18,579	
- Unrealised income / (loss)		(464)			1,397	
		<u>37,017</u>			<u>19,976</u>	
Net assets value per unit at beginning of the period			(Rupees) 50.5961			(Rupees) 50.4424
Net assets value per unit at end of the period			52.4149			51.5268

The annexed notes 1 to 21 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 ISLAMIC INCOME FUND**

**Notes to the condensed Interim financial statements (un-audited)**

**For the first quarter ended September 30, 2022**

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

AKD Islamic Income Fund (the Fund) was established under a Trust Deed, dated August 30, 2017, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Digital Custodian Comapny Limited (DCCL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on May 30, 2017. The initial Public Offering (IPO) of the Fund was made during the period from February 19, 2018 to February 20, 2018 and the Fund commenced operations from February 21, 2018. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e. February 19, 2018.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

The Fund is an open-ended collective investment scheme and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Fund is categorised as an open end Shariah Complaint (Islamic) Income Scheme in accordance with Circular 7 of 2009, issued by the Securities and Exchange Commission of Pakistan (SECP). Al-Hilal Shariah Advisors (Private) Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

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 2, 2022.

Title to the assets of the Fund are held in the name of Digital Custodian Comapny Limited as Trustee of the Fund.

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**

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

	Note	(Un-audited) September 30, 2022	Audited June 30, 2022
		Rupees in '000	
<b>5. BANK BALANCES</b>			
In saving accounts	5.1	331,669	336,944
5.1	This represent bank accounts held with different banks. Mark-up rates on these accounts range between 13.50% to 14.75% (June 30, 2022:12.25% to 15%) per annum.		
<b>6. INVESTMENTS</b>			
<b>Financial assets at Fair value through profit or loss</b>			
- Sukuk certificates	6.1.1	309,309	324,288
		<u>309,309</u>	<u>324,288</u>
<b>At amortised cost</b>			
- Commercial paper-unlisted / Short Term Sukuk (STS)	6.1.3	284,000	209,000
		<u>593,309</u>	<u>533,288</u>



6.1.1 At fair value through profit or loss

Name of investee company	Rate of return	Number of certificates		Carrying value as at Sep. 30, 2022	Market value as at Sep. 30, 2022	Unrealised appreciation / (diminution) as at Sep. 30, 2022	Market value as a percentage of net assets	Market value as a percentage of total investments
		Purchased during the period	Sold / Matured during the period					
Sukuk certificates - Listed								
Energyco PK Limited (formerly: BYCO Petroleum Pakistan Limited)	16.39%	150	-	150	2,670	2,628	0.25%	0.43%
TPL Tracker Limited	18.81%	115	-	115	89,924	89,892	3.28%	15.15%
TPL Corporation Limited	18.33%	1,150	-	1,150	115,000	-	11.87%	19.38%
Sukuk certificates - Unlisted								
Hub Power Company Limited	14.29%	250	-	250	19,470	19,174	1.98%	3.23%
Hub Power Holdings Limited	17.42%	300	-	300	24,738	24,738	2.55%	4.17%
Mughal Iron & Steels Industries Limited	17.23%	10	-	10	8,990	8,772	0.91%	1.48%
Pakistan International Airlines Corporation Limited	16.52%	10,000	-	10,000	49,181	49,205	5.08%	8.25%
Total as at September 30, 2022				309,773	309,309	(464)		
Total as at June 30, 2022				327,060	324,286	(2,772)		

6.1.2 Significant terms and conditions of sukuk certificates are as follows:

Name of investee company	Face value per certificate (Rupees)	Redeemed Face value per certificate (Rupees)	Markup rate	Issue date	Maturity date	Secured / Unsecured	Rating
Sukuk certificates - Listed							
Energyco PK Limited (formerly: BYCO Petroleum Pakistan Limited)	100,000	16,667	3 months KIBOR + 1.05%	January 18, 2017	January 18, 2023	Secured	AAA
TPL Tracker Limited	1,000,000	777,778	3 months KIBOR + 3.00%	March 30, 2021	March 30, 2026	Secured	A+
TPL Corporation Limited	100,000	100,000	3 months KIBOR + 2.25%	June 23, 2022	June 23, 2027	Secured	A
Sukuk certificates - Unlisted							
Hub Power Company Limited	100,000	75,000	1 year KIBOR + 1.90%	March 19, 2020	March 19, 2024	Secured	AAA
Hub Power Holdings Limited	82,459	82,459	6 months KIBOR + 2.50%	November 12, 2020	November 12, 2025	Secured	AAA
Mughal Iron & Steels Industries Limited	1,000,000	875,000	3 months KIBOR + 1.30%	March 2, 2021	March 2, 2026	Secured	A+
Pakistan International Airlines Corporation Limited	5,000	5,000	1 months KIBOR + 1.00%	July 26, 2021	July 26, 2031	Secured	A+

6.1.3 Commercial Paper - Unlisted / Short term Sukuk (STS)

Name of investee Company	Rate of return per annum	Issue Date	Maturity Date	Face value	Carrying value	Markup rate	Carrying value as percentage of net assets	Carrying value as percentage of investment	Rating
K-Electric Limited	14.00%	April 12, 2022	October 12, 2022	90,000	90,000	6 month KIBOR + 950bps	9.25%	15.17%	AA
Lucky Electric power Company Limited	14.23%	April 14, 2022	October 14, 2022	46,000	46,000	6 month KIBOR + 1200bps	4.75%	7.75%	AA
China Power Hub Generation Company (Pvt.) Limited	17.06%	July 28, 2022	January 30, 2023	25,000	25,000	6 month KIBOR + 1350bps	2.58%	4.21%	AAA+
K-Electric Limited	17.24%	Aug 10, 2022	January 10, 2023	50,000	50,000	6 month KIBOR + 1350bps	5.16%	8.43%	AA
Lucky Electric power Company Limited	17.07%	June 15, 2022	December 15, 2022	73,000	73,000	6 month KIBOR + 1200bps	7.54%	12.30%	AA
Total as at September 30, 2022				284,000	284,000				
Total as at June 30, 2022				209,000	209,000				

		(Un-Audited) 30-Sep-2022	(Audited) 30-Jun-2022
Rupees in '000			
<b>7</b>	<b>PROFIT RECEIVABLE ON BANK AND SUKUK CERTIFICATES</b>		
	Bank Deposits	3,939	3,969
	Sukuk Certificates	10,756	10,147
	Commercial Paper / STS	14,646	4,699
		<u>29,340</u>	<u>18,815</u>
<b>8</b>	<b>DEPOSITS AND PREPAYMENTS AND OTHER RECEIVABLES</b>		
	Security deposits with		
	- National Clearing Company of Pakistan Limited	2,500	2,500
	- Central Depository Company of Pakistan Limited	100	100
	Prepaid PSX Listing Fee	20	-
	Prepaid Shairah Advisor fee	128	210
	Receivable against conversion of units	6,529	-
	Advance Tax	54	54
		<u>9,331</u>	<u>2,864</u>
<b>9</b>	<b>PRELIMINARY EXPENSES AND FLOATION COST</b>		
	Cost	1,433	1,433
	<b>Accumulated amortisation</b>		
	Opening balance	(1,250)	(963)
	Amortisation during the period / year	9.1 (71)	(287)
		<u>112</u>	<u>183</u>
<b>9.1</b>	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.		
<b>10</b>	<b>PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
	Management Fee	10.1 317	290
	Sales tax on management fees	10.2 41	38
	Expenses allocated by the management company	10.3 119	109
	Formation cost	184	471
	Others	37	72
		<u>698</u>	<u>980</u>
<b>10.1</b>	During the period the Management Company has charged 0.4% p.a. management fee from July 01, 2022 to September 30, 2022 on the daily net assets of the Fund.		
<b>10.2</b>	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.		
<b>10.3</b>	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.		
<b>11</b>	<b>PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE</b>		
	Trustee fee	11.1 95	87
	Sindh Sales Tax	11.2 12	11
		<u>107</u>	<u>98</u>

- 11.1 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.

The tariff structure applicable to the fund is as follows:

Amount of Funds Under Management [Average Net Assets Value (NAV)]	Tariff per annum
Upto Rs 1,000 million	0.12% of Net Assets
Exceeding Rs 1,000 million and up to Rs.5,000 million	Rs. 1.2 million plus 0.065% per annum of the amount exceeding Rs. 1,000 million
Exceeding Rs. 5,000 million and up to Rs. 10,000 million	Rs. 3.8 million plus 0.06% per annum of the amount exceeding Rs. 5,000 million

- 11.2 Sindh Sales Tax is charged at 13% (June 30, 2022: 13%) on Trustee fee.

**12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**

Annual fee payable to SECP	12.1	<u>48</u>	<u>159</u>
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- 12.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02% (June 30, 2022: 0.02%) percent of the average annual net assets of the scheme. The fee is payable annually in arrears.

**13 ACCRUED AND OTHER LIABILITIES**

Auditors remuneration	215	185
NCC fee Payable	26	25
Printing charges payable	96	150
Payable against conversion of units	5	-
Withholding tax payables	168	3,690
Sales load payable	5	3
Payable against time barred cheques	134	134
Charity Payable	162	162
Others	56	22
	<u>867</u>	<u>4,371</u>

**14 CONTINGENCIES AND COMMITMENTS**

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

**15 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2022 is 0.93% (Sep. 30, 2021: 1.56%) (annualised) which includes 0.09% (Sep. 30, 2021: 0.15%) (annualised) 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 2.5% (2021: 2.5%) prescribed under the NBFC Regulations for a collective investment scheme categorised as " Shariah Compliant Income Scheme".

## 16 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.

## 17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AKD Investment Management Limited, being the Management Digital Custodian Company Limited, being the Trustee, AKD Group Holding Private Limited (Formerly: Aqeel Karim Dhedhi Securities Limited), AKD Securities Limited, directors, officers and other connected persons of the Management Company, and their connected persons.

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

17.1 Transactions during the period	(Un-Audited)	
	Period ended September 30,	
	2022	2021
	(Rupees in '000)	
<b>AKD Investment Management Limited - Management Company</b>		
Remuneration to the Management Company	948	802
Sales Tax Provincial on Management Remuneration	123	104
Expenses allocated by the Management Company	356	301
Issue of 170,980 units (2021: 88,509)	8,802	4,505
Redemption of 64,107 units (2021: 88,509)	3,322	4,553
<b>Digital Custodian Company Limited - Trustee</b>		
Remuneration to the Trustee	284	241
Sales tax on trustee remuneration payable	37	31
<b>M3 Technologies Pakistan Private Limited Employees Provident Fund</b>		
Issue of Nil units (2021: 97,336)	-	5,000
<b>Company Secretary and Chief Operating (with spouse and minor children) Officer of the Management Company</b>		
Issue of 1,116 units (2022: 8 )	57	1
<b>Chief Executive Officer of the Management Company</b>		
Issue of 19,782 units (2021: 357)	1,021	18
Redemption of 19,782 units (2021:357)	1,029	18
<b>Spouse of the Chief Executive Officer of the Management Company</b>		
Issue of 113,759 units (2021: 32,609)	5,898	1,659
Redemption of 112,072 units (2021: 32,609)	5,822	1,660
<b>Spouse of the Director and Chief Investment Officer of the Management Company</b>		
Redemption of 282,997 units (2021: Nil Units)	14,679	-
<b>Director and Chief Investment Officer of the Management Company</b>		
Redemption of 82,504 units (2021: Nil Units)	4,186	-
<b>Hasan Ahmed - Director of the Management Company</b>		
Issue of Nil units 107 (2021: Nil Units)	6	-
<b>Muhammad Farid Alam - Key Management Personnel of Associated Company</b>		
Issue of Nil units 29 (2021: Nil Units)	2	-

	(Un-Audited) 30-Sep-2022	(Audited) 30-Jun-2022
	Rupees in '000	
<b>17.2 Balances outstanding at the period / year end</b>		
<b>AKD Investment Management Limited - Management Company</b>		
Remuneration payable	317	290
Sales Tax Provincial on Management Remuneration	41	38
Payable against expenses allocated by the Management Company	119	109
Payable against formation cost	184	471
Sales load payable	37	72
Outstanding 107,115 ( 2021: 242) Units	5,614	12
<b>Digital Custodian Company Limited - Trustee</b>		
Remuneration payable	95	87
Sindh Sales Tax on trustee remuneration payable	12	11
<b>Receivable / Payable against conversion of units between AKD Funds</b>		
Receivable against Conversion of units - AKD Cash Fund	10	-
Receivable against Conversion of units - AKD Islamic Stock Fund	550	-
Receivable against Conversion of units - Golden Arrow Stock Fund	4	-
Receivable against Conversion of units - AKD Opportunity Fund	4,963	-
Receivable against Conversion of units - AKD Index Traker Fund	1,002	-
Payable against Conversion of units - AKD Opportunity Fund	5	-
<b>Spouse of the Director and Chief Executive Officer of the Management Company</b>		
Outstanding 1,687 ( June 2022: Nil Units)	88	-
<b>Director and Chief Investment Officer of the Management Company</b>		
Outstanding Nil ( June 2022: 82,506 Units)	-	4,174
<b>Spouse of the Director and Chief Investment Officer of the Management Company</b>		
Outstanding ( June 2022: 282,997 Units)	-	14,319
<b>Company Secretary and Chief Operating (with spouse and minor children) Officer of the Management Company</b>		
Outstanding 1,265 units (June 2022: 149 units)	66	8
<b>Muhammad Farid Alam - Key Management Personnel of Associated Company</b>		
Outstanding 35,205 units (June 2022: 35,176 units)	1,845	1,780
<b>Afsheen Aqeel Dhedhi - Close relative of the Sponsor of the Management Company</b>		
Outstanding 31units (June 2022: 31units)	2	2
<b>Hina Aqeel - Close relative of the Sponsor of the Management Company</b>		
Outstanding 42,709 units (June 2022: 42,709 units)	2,239	2,161
<b>Yasmeen Dhedhi - Close relative of the Sponsor of the Management Company</b>		
Outstanding 16,449 units (June 2022: 16,449 units)	862	832
<b>Hasan Ahmed - Director of the Management Company</b>		
Outstanding units 107 (June 2022: Nil units)	6	-
<b>M3 Technologies Pakistan Private Limited Employees Provident Fund</b>		
Outstanding 106,154units (June 2022: 106,154 units)	5,564	5,371
<b>Pak Qatar Investment Account- Connected person due to holding of more than 10% units</b>		
Outstanding units 4,530,603 (June 2022: 4,530,603 units)	237,471	229,231
<b>Pak Qatar Individual Family Participant Investment Fund- Connected person due to holding of more than 10% units</b>		
Outstanding units 2,233,154 (June 2022: 2,233,154 units)	117,051	112,989

**18. 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 and financial liabilities including the levels in the fair value hierarchy.

	As at September 30, 2022						
	Carrying Amount			Fair Value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			(Rupees in '000)			
<b>ASSETS</b>							
Financial assets measured at fair value							
Investment	309,309	284,000	593,309	-	309,309	-	309,309

	As at June 30, 2022						
	Carrying Amount			Fair Value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			(Rupees in '000)			
<b>ASSETS</b>							
Financial assets measured at fair value							
Investment	324,288	209,000	533,288	-	324,288	-	324,288

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.

28 OCT 2022

**19. DATE OF AUTHORISATION FOR ISSUE**

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

**20. CORRESPONDING FIGURES**

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.

**21. GENERAL**

21.1 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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