

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 Opportunity 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 Falah Limited
Bank Al Habib 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-AKDOF

BY PACRA
Performance Ranking
LT Rating: 5-Star
ST Rating: 2-Star

FUND MANAGER'S REPORT

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

Open – end Equity Scheme

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

The investment objective of AKD Opportunity Fund (AKDOF) is to invest in the capital markets, searching for the optimal combination of investment strategies, mainly in equities, followed by fixed income and money market as contingent defensive strategy.

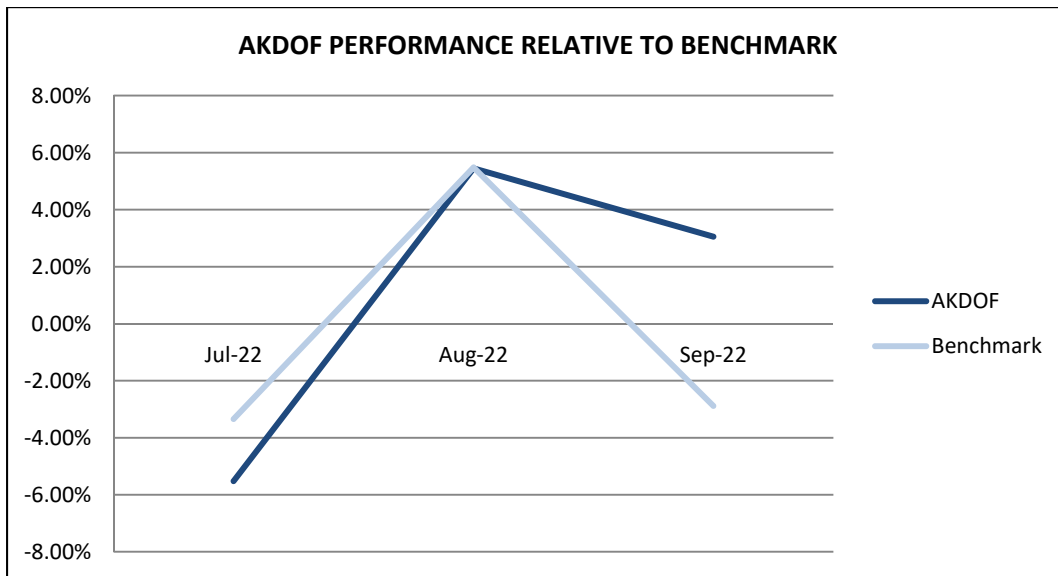
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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

KSE-100 Index.

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



Monthly return	Jul-22	Aug-22	Sep-22
AKDOF	-5.52%	5.45%	3.05%
Benchmark	-3.35%	5.48%	-2.89%

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

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

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

Asset Allocation (% of Total Assets)	30-Sep-22	30-Jun-22
Equities	98.59%	98.83%
Cash	1.09%	0.95%
Other Assets including Receivables	0.32%	0.22%

- viii) **Non-Compliant Investments:**

Name of Non Compliant Investment	Type of Investment	Value of Investment before Provision	Provision held if any	Value of Investment after Provision	Percentage of Net Assets	Percentage of Gross Assets
-----Rupees in '000-----						
TRG Pakistan Limited	Equity	132,082	Nil	132,082	10.09%	9.87%

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

1QFY23 Return	2.67%
Benchmark Return	-0.99%

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

Net Asset Value			NAV Per Unit	
30-Sep-22	30-Jun-22	Change in Net Assets	30-Sep-22	30-Jun-22
(Rupees In "000")			Rs.	Rs.
1,309,645	1,358,192	-3.57%	103.6793	100.9845

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

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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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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.

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.

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

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

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

There were no unit splits during the period.

xiv) Break down of unit holding size:

Range(Units)	No of Investors
0.0001 to 9,999	1,129
10,000 to 49,999	99
50,000 - 99,999	21
100,000 - 499,999	15
500,000 and above	4
Total	1,268

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

Investments are subject to credit and market risk.

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

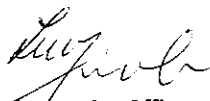
No soft commission has been received by the AMC from its broker or dealer by virtue of transactions conducted by the Collective Investment Scheme.


AKD Opportunity Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2022

		(Un-Audited) 30 September 2022	(Audited) 30 June 2022
	Note	(Rupees in '000)	
Assets			
Bank balances	5	14,641	13,135
Investments	6	1,319,304	1,363,915
Deposits, Prepayments and other receivables	7	2,967	2,930
Dividend and profit receivable on bank deposits		1,301	73
Total Assets		1,338,213	1,380,053
Liabilities			
Payable to AKD Investment Management Limited - Management Company	8	13,086	13,038
Payable to Central Depository Company of Pakistan Limited - Trustee	9	227	217
Payable to Securities and Exchange Commission of Pakistan	10	67	450
Payable against purchase of securities		154	2,580
Amount payable on redemption of units		7,969	-
Accrued expenses and other liabilities	11	7,065	5,576
Total Liabilities		28,568	21,861
Contingencies and Commitments	13		
Net Assets		1,309,645	1,358,192
Unit holders' fund (as per statement attached)		1,309,645	1,358,192
		(Number of Units)	
Number of units in issue		12,631,689	13,449,509
		(Rupees)	
Net assets value per unit		103.6793	100.9845

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

For AKD Investment Management Limited
 (Management Company)


 Chief Executive Officer


 Director

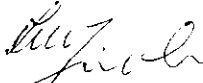

 Chief Financial Officer

AKD Opportunity Fund
Condensed Interim Income Statement (Un-Audited)
For the Quarter ended September 30, 2022

	2022	2021
Note	(Rupees in '000)	
Income		
Gain / (loss) on sale of investments - net	15,399	29,287
Dividend income	24,008	18,566
Profit/markup on:		
- bank balances	387	439
	39,794	48,292
Other Income (Reversal of Provision against Sindh Workers' Welfare Fund)	-	61,066
Unrealized appreciation / (diminution) in the fair value of investments 'at fair value through profit or loss - net	5,301	(334,180)
	<u>45,095</u>	<u>(224,822)</u>
Expenses		
Remuneration of AKD Investment Management Limited - Management Company	6,707	17,416
Sindh Sales tax on remuneration of Management Company	872	2,264
Remuneration of Central Depository Company of Pakistan Limited - Trustee	587	1,123
Sindh Sales tax on remuneration of Trustee	76	146
Annual fee to the Securities and Exchange Commission of Pakistan	67	174
Expenses allocated by Management Company	1,677	3,919
Securities transaction cost	793	3,066
Auditors' remuneration	88	81
Settlement and bank charges	20	95
Fee and subscription	170	203
Printing and stationary	-	38
Legal and professional charges	108	279
	<u>11,165</u>	<u>28,804</u>
Net Gain / (loss) from operating activities	<u>33,930</u>	<u>(253,626)</u>
Taxation	14	-
Net Gain / (loss) for the period after taxation	<u>33,930</u>	<u>(253,626)</u>
Allocation of net income for the period:		
Net income for the period after taxation	33,930	-
Income already paid on units redeemed	(139)	-
	<u>33,791</u>	<u>-</u>
Accounting income available for distribution		
-Relating to Capital gains	20,700	-
-Excluding Capital gains	13,091	-
	<u>33,791</u>	<u>-</u>

The annexed notes from 1 to 18 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 Opportunity Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Quarter ended September 30, 2022

	2022	2021
	(Rupees in '000)	
Net Gain / (loss) for the period after taxation	33,930	(253,626)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	<u>33,930</u>	<u>(253,626)</u>

The annexed notes from 1 to 18 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 Opportunity Fund
Condensed Interim Statement of Movement In Unit Holders' Fund (Un-Audited)
For the Quarter ended September 30, 2022

	2022			2021		
	----- (Rupees in '000) -----					
	Capital value	Undistributed income	Net assets	Capital value	Undistributed income	Net assets
Net assets at beginning of the period	623,079	735,113	1,358,192	2,099,709	1,427,523	3,527,232
Issue of 787,616 units (2021: 3,451,055 units)						
- Capital value (at net asset value per unit at the beginning of the year)	79,537	-	79,537	471,815	-	471,815
- Element of income	752	-	752	(3,318)	-	(3,318)
Total proceeds on issuance of units	80,289	-	80,289	468,497	-	468,497
Redemption of 1,605,436 units (2021: 6,139,000 units)						
- Capital value (at net asset value per unit at the beginning of the year)	162,124	-	162,124	839,301	-	839,301
- Element of income	503	139	642	(8,737)	-	(8,737)
Total payments on redemption of units	162,627	139	162,766	830,564	-	830,564
Total comprehensive income / (loss) for the period	-	33,930	33,930	-	(253,626)	(253,626)
Distribution during the period	-	-	-	-	-	-
Refund of Capital	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	33,930	33,930	-	(253,626)	(253,626)
Net assets at end of the period	540,741	768,904	1,309,645	1,737,642	1,173,897	2,911,539
Undistributed income brought forward						
- Realised income		1,378,318			477,485	
- Unrealised income		(643,205)			950,038	
		735,113			1,427,523	
Accounting income available for distribution						
- Relating to capital gains		20,700			-	
- Excluding capital gains		13,091			-	
		33,791			-	
Net loss for the period after taxation		-			(253,626)	
Distribution during the period		-			-	
Undistributed gain carried forward		768,904			1,173,897	
Undistributed gain carried forward						
- Realised income		763,603			1,508,077	
- Unrealised income / (loss)		5,301			(334,180)	
		768,904			1,173,897	
Net assets value per unit at beginning of the period			(Rupees) 100.9845			(Rupees) 136.7162
Net assets value per unit at end of the period			103.6793			125.9768

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

For AKD Investment Management Limited

(Management Company)

Chief Executive Officer

Director

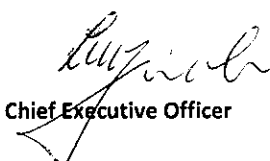
Chief Financial Officer

AKD Opportunity Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the Quarter ended September 30, 2022

	2022	2021
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net gain / (loss) for the period after taxation	33,930	(253,626)
Adjustments for non cash items:		
Unrealized (appreciation) / diminution in the fair value of investments 'at fair value through profit or loss - net	(5,301)	334,180
	<u>28,629</u>	<u>80,554</u>
Decrease / (increase) in assets		
Investments	49,912	342,019
Receivable against sale of securities	-	2,397
Deposits, Prepayments and other receivables	(37)	(559)
Dividend and profit receivable on bank deposits	(1,228)	(10,951)
	<u>48,647</u>	<u>332,906</u>
(Decrease) / increase in liabilities		
Payable to AKD Investment Management Limited - Management Company	48	(727)
Payable to Central Depository Company of Pakistan Limited - Trustee	10	(28)
Payable to Securities and Exchange Commission of Pakistan	(383)	(348)
Payable against purchase of securities	(2,426)	(11,322)
Amount payable on redemption of units	7,969	45,515
Accrued expenses and other liabilities	1,489	(53,266)
	<u>6,707</u>	<u>(20,176)</u>
Net cash flow generated from operating activities	83,983	393,284
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received on issue of units	80,289	468,497
Cash paid on redemption of units	(162,766)	(830,564)
Net cash flow used in financing activities	(82,477)	(362,067)
Net increase / (decrease) in cash and cash equivalents during the period	1,506	31,217
Cash and cash equivalents at beginning of the period	13,135	33,639
Cash and cash equivalents at end of the period	14,641	64,856

The annexed notes from 1 to 18 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 Opportunity Fund

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the Quarter ended September 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

AKD Opportunity Fund (the Fund) was established under Trust deed, dated December 19, 2005 executed between AKD Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 7, 2005 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. The Fund commenced its operations from April 01, 2006.

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

The Fund is an open ended Collective Investment Scheme and offers units for public subscription on a continuous basis. The units are transferrable and can also be redeemed by surrendering to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.

The Fund is categorised as Equity Scheme as per circular 7 of 2009 by SECP. The principal activity of the Fund is to make investments in listed securities and deposits with banks.

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

The Management Company has been assigned a quality rating of "AM3++" by the Pakistan Credit Rating Agency Limited (PACRA) on June 30, 2022. The Fund has been given performance ranking of '5-Star' / '2-Star' in Long Term / Short Term by PACRA on August 10, 2022.

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 PRESENTATION

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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

2.2 These 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 Fund'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
5 BANK BALANCES		
	(Rupees in '000)	
Savings accounts	5.1 14,407	12,897
Current accounts	234	238
	14,641	13,135
5.1 These represents saving accounts maintained with various banks carrying profit at the rate ranging from 13.50% to 14.00% (30 June 2021: 12.25% to 13.00%) per annum.		
6 INVESTMENTS		
<i>Investments in securities at fair value through profit or loss</i>		
Listed equity securities	6.1 <u>1,319,304</u>	<u>1,363,915</u>

6.1 Listed Equity Securities

Name of the investee company	Face value per share (Rupees)	Number of shares					Balance as at Sept. 30, 2022				Market value as percentage of investments of net assets	Market value as percentage of net assets of the investee company held		
		As at July 01, 2022	Purchases during the period	Bonus / Right issue	Sales during the period	As at Sept. 30, 2022	Carrying cost	Market value	Appreciation/ (diminution)					
Fully paid ordinary shares														
Automobile Assembler														
Pak Suzuki Motor Company Limited	10	25,000	-	-	25,000	-	-	-	-	-	-	-	-	-
Automobile Parts & Accessories														
Thal Limited	5	47,000	-	-	-	47,000	12,672	12,883	211	0.98	0.98	0.98	0.98	0.06
Cable and Electrical Goods														
Pakistan Cables Limited	10	34,000	-	5,100	-	39,100	4,743	4,750	7	0.36	0.36	0.36	0.36	0.11
Commercial Banks														
BankIslami Pakistan Limited	10	250,000	-	-	8,500	241,500	2,908	2,586	(322)	0.20	0.20	0.20	0.20	0.02
Samba Bank Limited	10	275,000	-	-	-	275,000	2,706	1,796	(910)	0.14	0.14	0.14	0.14	0.03
							<u>5,614</u>	<u>4,382</u>	<u>(1,232)</u>					
Engineering														
Pakistan Engineering Company Limited	10	2,100	-	-	2,100	-	-	-	-	-	-	-	-	-
Food and Personal Care Products														
Al Shaheer Corporation Limited	10	13,500,123	-	-	2,000,000	11,500,123	103,961	130,411	26,450	9.88	9.88	9.88	9.88	3.83
Quice Food Industries Limited	10	5,000,000	-	-	1,500,000	3,500,000	14,035	13,580	(455)	1.03	1.03	1.03	1.04	3.55
							<u>117,996</u>	<u>143,991</u>	<u>25,995</u>					
Insurance														
Askari General Insurance Company Limited	10	779,533	-	-	-	779,533	13,252	13,252	-	1.00	1.00	1.00	1.01	1.08
EFU General Insurance Limited	10	300,000	-	-	-	300,000	33,453	29,100	(4,353)	2.21	2.21	2.21	2.22	0.15
Pakistan Reinsurance Company Limited	10	717,000	-	-	-	717,000	6,274	5,420	(854)	0.41	0.41	0.41	0.41	0.08
TPL Insurance Limited	10	2,661,897	-	-	-	2,661,897	89,812	68,198	(21,614)	5.17	5.17	5.17	5.21	1.87
							<u>142,791</u>	<u>115,970</u>	<u>(26,821)</u>					
Investment Banks														
Imperial Limited	10	486,500	-	-	-	486,500	5,395	6,811	1,416	0.52	0.52	0.52	0.52	0.49
Jahangir Siddiqui & Co. Limited- Class A Pref. Sh	10	978,200	-	-	-	978,200	7,767	8,559	792	0.65	0.65	0.65	0.65	0.53
Jahangir Siddiqui & Co. Limited	10	4,891,000	-	-	-	4,891,000	64,659	64,463	(196)	4.89	4.89	4.89	4.92	5.42
JS Investments Limited	10	3,349,000	-	-	-	3,349,000	37,676	32,987	(4,689)	2.50	2.50	2.50	2.52	1.34
Pakistan Stock Exchange Limited	10	10,764,621	-	-	-	10,764,621	110,122	106,032	(4,090)	8.04	8.04	8.04	8.10	1.34
							<u>225,619</u>	<u>218,852</u>	<u>(6,767)</u>					
Miscellaneous														
Pakistan Services Limited	10	100	-	-	-	100	154	102	(52)	0.01	0.01	0.01	0.01	-
Oil & Gas Exploitation Companies														
Pakistan State Oil Company Limited	10	15,000	45,000	-	30,000	30,000	5,039	4,873	(166)	0.37	0.37	0.37	0.37	0.01
Paper & Board														
Pakistan Paper Products Limited	10	114,000	-	-	-	114,000	7,866	7,980	114	0.60	0.60	0.60	0.61	1.43

Rupees in '000

Name of the investee company	Face value per share (Rupees)	Number of shares					Balance as at Sept. 30, 2022				Market value as percentage of investments of net assets	Market value as percentage of net assets	Percentage of paid up capital of the investee company held			
		As at July 01, 2022	Purchases during the period	Bonus / Right issue	Sales during the period	As at Sept. 30, 2022	Carrying cost	Market value	Appreciation/ (diminution)							
Rupees in '000																
Pharmaceuticals																
Abbot Laboratories Pakistan Limited	10	61,400	-	-	1,000	60,400	39,540	35,208	(4,332)	2.67	2.69	0.06				
The Searle Company Limited	10	-	25,000	-	-	25,000	2,700	2,542	(158)	0.19	0.19	0.01				
							42,240	37,750	(4,490)							
Power Generation & Distribution																
Engro Powergen Qadirpur Limited	10	155,500	-	-	-	155,500	3,510	3,343	(167)	0.25	0.26	0.05				
Hub Power Company Limited	10	500,000	520,279	-	295,279	725,000	48,607	50,684	2,077	3.84	3.87	0.06				
Japan Power Generation (Suspended Company)	10	4,261,500	-	-	-	4,261,500	-	-	-	-	-	2.73				
K-Electric Limited	3.50	19,000,000	-	-	11,927,500	7,072,500	21,500	21,076	(424)	1.60	1.61	0.03				
Kot Addu Power Company Ltd	10	-	100,000	-	-	100,000	3,050	2,954	(96)	0.22	0.23	0.01				
Nishat Chunian Power Limited	10	992,000	-	-	-	992,000	14,791	13,194	(1,597)	1.00	1.01	0.27				
Nishat Power Limited	10	3,031,000	-	-	-	3,031,000	59,105	65,955	6,850	5.00	5.04	0.86				
Islair Power Limited	10	7,555,500	-	-	-	7,555,500	96,333	94,293	(2,040)	7.15	7.20	1.99				
							246,896	251,499	4,603							
Refinery																
Attock Refinery Limited	10	40,000	-	-	-	40,000	7,031	5,889	(1,142)	0.45	0.45	0.04				
Cnergyco PK Limited	10	20,200,000	-	-	1,700,000	18,500,000	98,790	90,650	(8,140)	6.87	6.92	0.35				
Pakistan Refinery Limited	10	100,000	-	-	-	100,000	1,789	1,722	(67)	0.13	0.13	0.02				
							107,610	98,261	(9,349)							
Sugar and Allied Industries																
Chasma Sugar Mills Limited	10	7,000	-	-	-	7,000	467	455	(12)	0.03	0.03	0.02				
Tariq Corporation Limited	10	14,437	-	-	-	14,437	188	187	(1)	0.01	0.01	0.03				
Tariq Corporation Limited- Preference Shares	10	3,937	-	-	-	3,937	22	14	(8)	-	-	0.03				
The Premier Sugar Mills Limited	10	6,200	-	-	-	6,200	3,410	3,410	-	0.26	0.26	0.17				
							4,087	4,066	(21)							
Synthetic and Rayon																
Pakistan Synthetics Limited	10	770,900	-	-	-	770,900	40,858	36,464	(4,394)	2.76	2.78	0.83				
Technology and Communication																
Hum Network Limited	1	466,500	-	-	-	466,500	3,321	2,944	(377)	0.22	0.22	0.05				
Pakistan Telecommunication Company Limited	10	-	35,000	-	-	35,000	251	238	(13)	0.02	0.02	-				
Systems Limited	10	-	7,549	-	7,549	-	-	-	-	-	-	-				
TPL Trakker Limited	10	1,667,000	-	-	-	1,667,000	14,420	14,770	350	1.12	1.13	0.89				
TRG Pakistan Limited [note 6.1.1 & 6.1.2]	10	1,000,000	278,527	-	253,527	1,025,000	83,540	132,082	48,542	10.01	10.09	0.19				
							101,532	150,034	48,502							
Textile Composite																
Fazal Cloth Mills Limited	10	600	-	-	-	600	145	134	(11)	0.01	0.01	-				
Masood Textile Mills Limited	10	1,000	-	-	-	1,000	50	50	-	-	-	-				
Nishat Mills Limited	10	50,000	-	-	50,000	-	-	-	-	-	-	-				
							195	184	(11)							

6.1 Listed Equity Securities

Name of the investee company	Face value per share (Rupees)	Number of shares					Balance as at Sept. 30, 2022				Market value as percentage of investments	Market value as percentage of net assets	Percentage of paid up capital of the investee company held		
		As at July 01, 2022	Purchases during the period	Bonus / Right issue	Sales during the period	As at Sept. 30, 2022	Carrying cost	Market value	Appreciation/ (diminution)						
Rupees in '000															
Textile Spinning															
Colony Textile Mills Limited	10	400,000	-	-	-	400,000	1,480	1,356	(124)	0.10	0.10	0.08			
Crescent Fibres Limited	10	37,000	-	-	1,500	35,500	1,976	2,989	1,013	0.23	0.23	0.29			
Eilcot Spinning Mills Limited	10	686,838	6,200	-	-	673,038	109,629	96,419	(13,210)	7.31	7.36	6.15			
Premium Textile Mills Ltd	10	10,000	-	-	-	10,000	6,900	7,648	748	0.58	0.58	0.16			
Saif Textile Mills Limited	10	141,000	-	-	-	141,000	2,961	2,620	(341)	0.20	0.20	0.53			
Tata Textile Mills Limited	10	1,241,538	29,000	-	-	1,270,538	88,594	83,919	(4,675)	6.36	6.41	2.27			
							211,540	194,951	(16,589)						
Vanaspati & Allied Industries															
Punjab Oil Mills Limited	10	200,000	-	-	-	200,000	35,600	31,146	(4,454)	2.36	2.38	3.71			
S.S Oil Mills Limited	10	45,400	-	-	32,000	13,400	951	1,166	215	0.09	0.09	0.24			
							36,551	32,312	(4,239)						
Total as at September 30, 2022							1,314,003	1,319,304	5,301						
Total as at June 30, 2022							2,007,120	1,363,915	(643,205)						

6.1.1 This includes 1,000,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

6.1.2 The exposure limit of investment in a single as a percentage of net assets exceeded by 0.09% against prescribed limit of 10% of total net assets as required under NBFC regulation 2008.

7	DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES	Note	(Un-audited) September 30 2022	(Audited) June 30 2022
			(Rupees in '000)	
	Security deposits with			
	- National Clearing Company of Pakistan Limited		2,500	2,500
	- Central Depository Company of Pakistan Limited		100	100
	Advance tax - Dividend		141	141
	Advance tax - Bank profit		200	189
	Prepaid PSX Listing fee		21	-
	Receivable against conversion of units - AKD Funds		5	-
			<u>2,967</u>	<u>2,930</u>
8	PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
	Management fee	8.1	2,159	2,170
	Sindh Sales Tax on management fee	8.2	281	282
	Federal Excise Duty on management fee	8.3	10,092	10,092
	Expenses allocated by the management company	8.4	540	488
	Sales Load Payable		14	6
			<u>13,086</u>	<u>13,038</u>

8.1 The Management Company charged remuneration at the rate of 2 % per annum of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.

8.3 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% (2021: 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 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 Sindh High Court 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. 10.092 million (2021: Rs. 10.092 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 0.799 per unit (2022: Re. 0.7504 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.

8.4 The Management Company has charged expenses at the rate of 0.5% (June 30, 2022: 0.45%) per annum of the average annual net assets of the Fund.

		(Un-audited) September 30 2022	(Audited) June 30 2022
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Trustee fee	9.1 190	191
	CDS Charges payable	11	1
	Sindh Sales Tax	9.2 26	25
		<u>227</u>	<u>217</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

The tariff structure applicable to the fund is as follows:

Net assets upto 1 billion

Rs.0.20% per annum of the average net assets of the Fund.

Net assets exceeding 1 billion

Rs. 2 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs. 1 billion

9.2 Sindh sales tax at the rate of 13% (June 30, 2022: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

**10 ANNUAL FEE TO THE SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN (SECP)**

Annual Fee SECP

10.1 67 450

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% (2022: 0.02%) of the average annual net assets of the scheme.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Brokerage payable	1,264	589
Auditors remuneration	338	283
Printing charges payable	150	150
Withholding tax payable	1,055	104
Others	4,258	4,450
	<u>7,065</u>	<u>5,576</u>

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2022 is 0.84% (Sept 30, 2021: 0.83%) which includes 0.08% (Sept. 30, 2021: 0.09%) 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 4.5% prescribed under the NBFC Regulations.

13 CONTINGENCIES AND COMMITMENTS

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

14 TAXATION

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

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, the Trustee, AKD Group Holding Private Limited (Formerly: Aqeel Karim Dhedhi Securities Limited), AKD Securities Limited, directors, officers, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

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

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

	(un-Audited) September 30 2022	(Audited) June 30 2022
15.1 Details of balances with connected persons / related parties as at period / year end		
	(Rupees in '000)	
AKD Investment Management Limited - Management Company		
Remuneration payable	2,159	2,170
Sindh Sales Tax on Management remuneration	281	282
Federal Excise Duty payable on Management	10,092	10,092
Allocated expenses by the Management Company	540	488
Sales load payable	14	6
Units outstanding : 80,441 (June 30, 2022: 80,441)	8,340	8,123
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	190	191
Sales tax on trustee remuneration payable & CDS	26	25
Security deposit	100	100
CDS charges payable	11	1
Receivable / Payable against Conversion of units - AKD Funds		
Receivable against Conversion of units - AKD Islamic Income Fund	5	-
Payable against Conversion of units - AKD Islamic Income Fund	4,963	-
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Units outstanding : 90,428 (June 30, 2022: 90,428)	9,376	9,132
KAPCO Employees Pension Fund Trust (having invested more than 10% in the units of the Fund)		
Units outstanding : 2,478,380 (June 30, 2022: 2,478,380)	256,957	250,278

	(un-Audited) September 30 2022	(Audited) June 30 2022
	(Rupees in '000)	
Ms. Afsheen Aqeel Dhedhi Close relative of Mr. Aqeel Karim Dhedhi Units outstanding : 61 (June 30, 2022: 61)	6	-
Mr. Imran Motiwala The Chief Executive Officer of the Management Company Units outstanding : Nil (June 30, 2022: 36,602)	-	3,696
Mr. Muhammad Farid Alam Chief Executive of AKD Securities Limited Units outstanding : 5,787 (June 30, 2022: 5,787)	600	584
Mr. Carrow Michael Key Management Personal Units outstanding : 102 (June 30, 2022: 102)	11	10
Mr. Toqir Hussain Key Management Personal Units outstanding : 65 (June 30, 2022: 65)	7	7
Mr. Ubaid ur Rehman Key Management Personal Units outstanding : 72 (June 30, 2022: 72)	7	7
Mr. Murtaza Wahab Siddiqui Spouse of the Director of the Management Company Units outstanding : 36,068 (June 30, 2022: 36,068)	3,740	3,642
Mr. Ali Wahab Siddiqui Director of the Management Company Units outstanding : 1,829 (June 30, 2022: 1,829)	190	185
AKD Securities Limited - Brokerage House Brokerage payable on purchase and sale of marketable securities	566	565
Ellicot Spinning Mills Limited - Common Directorship Shares held 673,038 (June 30 2022: 666,838)	96,419	108,688

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

**(Unaudited)
Period ended September 30,**

	2022	2021
	(Rupees in '000)	
AKD Investment Management Limited		
- Management Company of the Fund		
Remuneration for the period	6,707	17,416
Sindh Sales tax on Management Company's remuneration	872	2,264
Allocated expense by the Management Company	1,677	3,919
Sales load	8	235
Units issued : Nil (2021: 104,205)	-	14,041
Central Depository Company of Pakistan Limited -		
Trustee of the Fund		
Remuneration for the period	587	1,123
CDS charges for the period	16	73
Sales tax on Trustee remuneration and CDS Charges	78	155
Mr. Imran Motiwala		
The Chief Executive Officer of the Management Company		
Units Redeemed : 36,602 (2021: Nil)	3,710	-
Mr. Ubaid ur Rehman		
Key Management Personal		
Units Issued : Nil (2021: 72)	-	10
AKD Securities Limited - Brokerage House		
Units Issued : Nil (2021: 733,059)	-	100,000
Commission on purchase and sale of marketable securities	1	1,170
Shares Sold by AKD Opportunity Fund to AKD Securities Limited	-	209,113
Golden Arrow Stock Fund - Common Management		
Shares Sold by AKD Opportunity Fund to Golden Arrow Stock Fund	21,200	13,404
AKD Islamic Stock Fund - Common Management		
Shares Sold by AKD Opportunity Fund to AKD Islamic Stock Fund	-	27,468
Ellcot Spinning Mills Limited - Common Directorship		
Shares Sold Qty: Nil (2021: Qty: 3,300)	-	500
Shares purchased Qty: 6,200 (2021: Qty: Nil)	941	-

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The following table shows financial instruments recognised at fair value based on:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

	September 30, 2022			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Investments in listed equity securities - at fair value through profit and loss	1,319,304	-	-	1,319,304

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
ASSETS	----- (Rupees in '000) -----			
Investments in listed equity securities - at fair value through profit and loss	1,363,915	-	-	1,363,915

There were no transfers between various levels of fair value hierarchy during the period and carrying values of all other financial instruments are approximate to their fair values.

17 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.

18 GENERAL

18.1 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.

18.2 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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