

Half Yearly Report

December 31, 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

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*

* Resigned on February 21, 2023

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 INTERNAT AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali, ACA (ICAP & ICAEW)

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)

Mr. Hasan Ahmed (Member)

Ms. Tayyaba Masoom Ali, ACA (ICAP & ICAEW) (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) AND NOMINATION COMMITTEE

Ms. Aysha Ahmed (Chairperson)

Mr. Abdul Karim (Member)

Mr. Imran Motiwala (Member)

Ms. Anum Dhedhi (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 half yearly report along with the Funds' reviewed Financial Statements for the first half ended December 31, 2022.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 1HFY23, the return of AKD Opportunity Fund stood at -5.01% compared to the benchmark KSE-100 Index return of -2.70%.

Golden Arrow Stock Fund (GASF)

For the 1HFY23, the return of Golden Arrow Stock Fund stood at -5.63% compared to the benchmark KSE-100 Index return of -2.70%.

AKD Islamic Stock Fund (AKDISSF)

For the 1HFY23, the return of AKD Islamic Stock Fund stood at -11.15% compared to the benchmark KMI-30 Index return of -0.71%.

AKD Index Tracker Fund (AKDITF)

For the 1HFY23, the return of AKD Index Tracker Fund stood at -3.15% compared to the benchmark KSE-100 Index return of -2.70%.

AKD Cash Fund (AKDCF)

For the 1HFY23, the annualized return of AKD Cash Fund stood at 14.98% compared to the benchmark return of 14.91%.

AKD Islamic Income Fund (AKDISIF)

For the 1HFY23, the annualized return of AKD Islamic Income Fund stood at 15.12% compared to the benchmark return of 5.37%.

AKD Aggressive Income Fund (AKDAIF)

For the 1HFY23, the annualized return of AKD Aggressive Income Fund stood at 7.21% as compared to the benchmark return of 16.42%.

MACRO PERSPECTIVE

The global economy witnessed a challenging year with growing international tensions among the most powerful nations after the invasion of Russia in Ukraine leading to soaring fuel related commodity prices and unprecedented inflationary pressures caused by supply shortages. On the flipside, the central banks across the world resorted to monetary tightening which resulted in the meltdown of commodity cycle from their recent highs.

Global spillovers did not spare the domestic market as Pakistan largely dependent on imported energy which eventually resulted in headline inflation peaking to 27% levels. The State Bank of Pakistan (SBP) in their last Monetary Policy Committee (MPC) also increased the interest rates to 17% (highest since 1996) to decelerate economic activity and resorted to measures such as import quotas and selective imports to control the external account. In addition, with the decreasing global demand, Pakistan's exports has also started to slow down with textile sector witnessing 20% reduction in exports.

During the course of the year, the country was plagued by intense political turmoil from the ouster of PM Imran Khan with a no confidence vote and Pakistan Democratic Movement (PDM) forming a coalition government of its own with Shahbaz as the new PM. Since then, issues like massive protests all over the country, appointment of the new COAS, and dissolution of assemblies further exacerbated the already feeble situation.

The Current Account Deficit (CAD) for the month of January 2023 clocked in at USD 242 million, down 17% MoM from USD 290 million in December 2022 taking the 7MFY23 CAD to USD 3.80 billion against USD 11.56 billion, down 67% YoY during the same period last year primarily due to decline in imports. The total Imports witnessed a decline of -23% YoY from USD 48.98 billion to USD 37.95 billion during 7MFY23 whereas the total exports also declined by -5% YoY from USD 21.69 billion to USD 20.63 billion. Furthermore, foreign workers continued to support the external account which also declined 11% YoY from USD 17.99 billion to USD 16.01 billion. On month on month basis, the imports and exports decreased by -8% while remittances decreased by -10% mainly due to fixation of exchange rate.

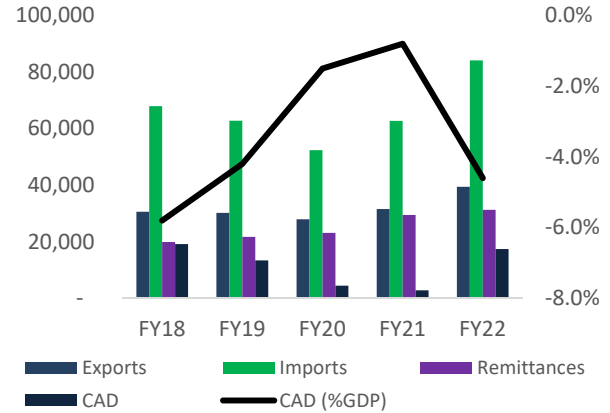
The Government's continued efforts to attract investments from Non-Resident Pakistanis also paid off, with an impressive inflow of USD 5.68 billion through Roshan Digital Accounts (RDA) with more than 520,000 accounts till January 2023.

Moreover, the FBR collected revenues worth PKR 3.96 trillion during 7MFY23 against 3,367 billion in SPLY as the Government's policy of shifting tax burden to wealthy and affluent segments of society. The FBR has managed to accomplish its targets despite the import compression and no imposition of sales tax on petroleum products is commendable.

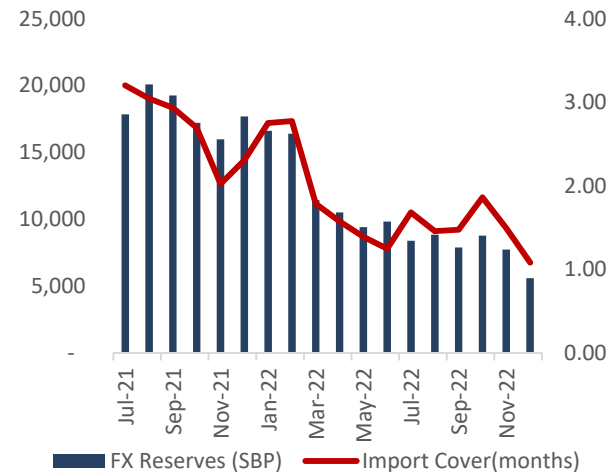
During the quarter under review, Pakistan's liquid foreign exchange reserves decreased by USD 4.57 billion. As of February 17, 2023, the Country's liquid foreign exchange reserves stood at USD 8.73 billion (SBP reserves USD 3.26 billion). We expect that aids and grants from bilateral partners like UAE, KSA and completion of the IMF 9th EEF review will provide the much needed respite to the dwindling reserves and enervating exchange rate.

The NCPI during the month of January 2023 clocked in at 27.55% YoY as compared to 24.47% YoY in December 2022. This took the 7MFY23 average NCPI to 25.40% compared to 10.26% during the SPLY. The main contributors to the increase in inflation are Housing, Water, Electricity, Gas, and Fuel (weight in CPI 23.63%) with an impact of 0.36% MoM / 7.83% YoY because of the high energy prices. Inflation is expected to remain elevated during FY23 in the range of +30% owing to a likely increase in electricity/gas tariffs, GST, subsidies removal and announcement of the new mini-budget along with PKR depreciation in line with IMF program conditions.

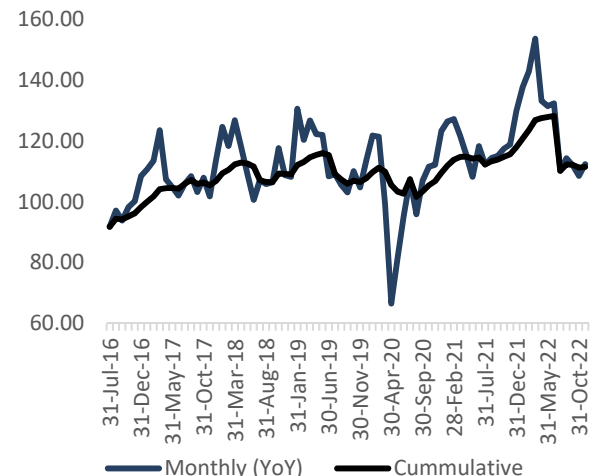
BALANCE OF PAYMENT



FX Reserves & Import Cover (mos)



LARGE SCALE MANUFACTURING INDEX



The Large scale manufacturing Index (LSMI) output declined by -3.51% in 1HFY23 compared to the SPLY as a result of expensive raw material costs in the light of currency devaluation, high interest rates, and global recession. Also, the restrictive measures adopted by the government and SBP led to slowdown in aggregate demand levels. The manufacturing sector roughly contributes to 9.2% to country's GDP and has been showing contraction since the beginning of FY23 (small scale manufacturing only contributes approximately 2% of GDP). On monthly basis, LSMI reading actually represented a staggering increase of 12.38% MoM.

EQUITY MARKET REVIEW

The Equity market (*KSE-100 index*) witnessed a grueling year closing at 40,420.45 level losing 1,928 MoM / 4,176 YoY points (*down 4.55% MoM / 9.36% YoY*). The market faced major setbacks in the form of extensive monetary tightening by 625 bps, cataclysmic floods that caused losses estimated at more than USD 40 billion, inflation peaked at 27%, diminishing FX reserves, and an ever-expanding current account deficit (*CAD*). On the flipside, investors gained some comfort from Pakistan's removal from the gray list of the FATF, as this was indeed a significant achievement for the country, along with the completion of the IMF's 8th review, and an impressive GDP growth of 5.97%.

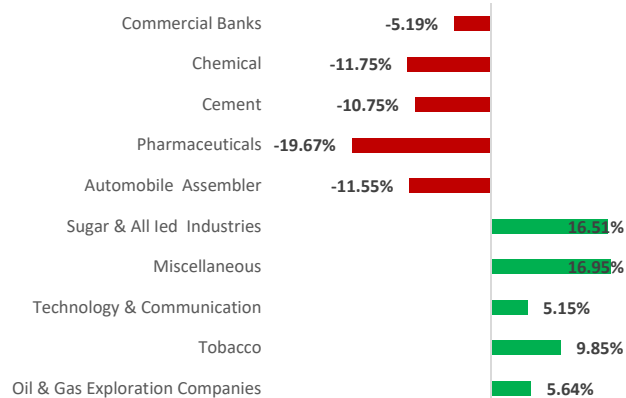
During 2QFY23, the sectors that took a toll on the KSE-100 index included Commercial Banks (-5.19%), Chemical (-11.75%), Cement (-10.75%), Pharmaceuticals (-19.67%), and Automobile Assembler (-11.55%). However, some breather was provided by Oil & Gas Exploration Companies (5.64%), Tobacco (9.85%), Technology & Communication (5.15%), Miscellaneous (16.95%), and Sugar & Allied Industries (16.51%).

On a 10Y period, the KSE -100 index yielded an annualized return of 9.11% (*-0.01% annualized in USD terms*), however, foreign investors were unable to capitalize on these gains due to the -8.36% annualized devaluation of the PKR. This is also reflected in the foreign investor sentiments as they have withdrawn USD 48.13 million in CY22 alone; however, foreigners have been on the sell side for several years, although the number is at its lowest in the past seven years.

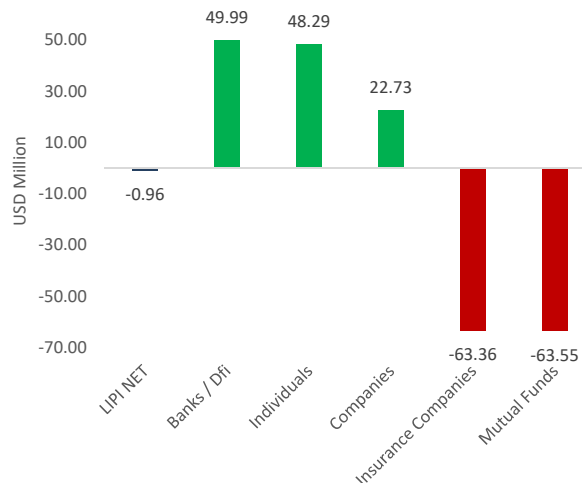
During 1HFY23 investor participation declined as volumes contracted by 36% YoY to PKR 218.54 million from PKR 340.88 million recorded during the same period last year. Furthermore, foreigners remained net buyers with inflows of USD 0.96 million. Major purchasing was witnessed in Technology and Communication (*USD 49.94 million*) and Oil and Gas Exploration Companies (*USD 11.13 million*) as foreigners went in to bag in dirt cheap valuations. On the local front, major selling was witnessed in Insurance Companies (*USD 63.36 million*) and Mutual Funds (*63.55 million*) as panic swayed away local investors.

The market continues to trade at exceedingly attractive multiples with Forward PE and PB of 3.08x and 0.57x with a discount of more than 40% as compared to their long-term averages. The market is also offering a healthy dividend yield of 11% which is the highest compared to its regional counterparts.

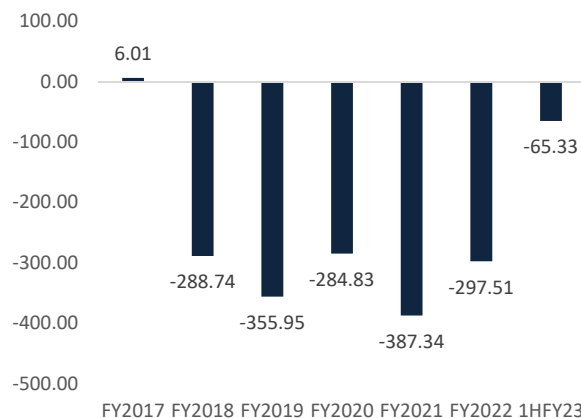
MARKET MOVERS



PORTFOLIO INVESTMENT



FIPI (USD Million)



FY2017 FY2018 FY2019 FY2020 FY2021 FY2022 1HFY23

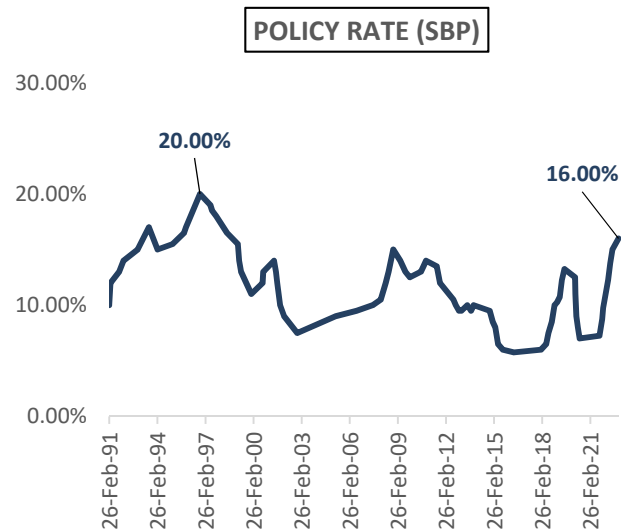
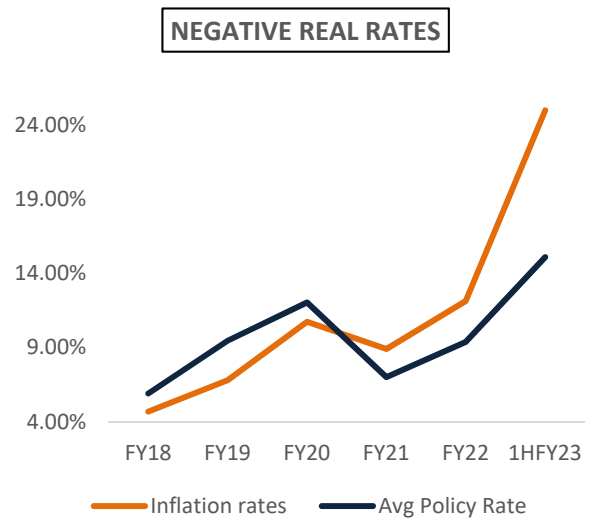
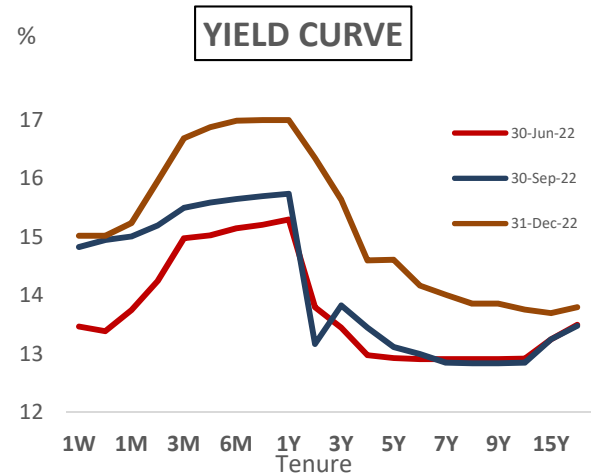
FIXED INCOME REVIEW

During 1HFY23, thirteen (13) Market Treasury Bill (MTB) auctions were carried out by the State Bank of Pakistan, where the government managed to raise PKR 9.78 trillion against the auction target of PKR 10.75 trillion. Weighted average yield of 3, 6 and 12 months MTB were 15.87%, 15.85% and 15.92% respectively, up by 778 bps, 748 bps and 768 bps as compared to 8.09%, 8.37% and 8.25% same period last year.

To further address the need of liquidity, SBP also conducted six (6) auctions of fixed rate Pakistan Investment Bond (PIB) and was successful in raising PKR 942.58 billion. The weighted average yield for 3, 5 and 10 year PIBs increased by 460 bps, 366 bps and 280 bps to 13.85%, 13.24% and 12.97% respectively, as compared to 9.25%, 9.58% and 10.17% same period last year.

The Monetary Policy Committee (MPC) announced four (4) Monetary Policy Statements during 1HFY23, increasing the policy rate by 225 bps to 16.00% to address inflationary pressure (6MFY23 average NCPI: 25.02%) and contain risk to external stability. Furthermore, SBP conducted 68 Open Market Operations (OMO) of different maturities and injected PKR 22.36 trillion in the market at an average cut off yield of 15.37% and mopped-up PKR 3.49 trillion at an average cut off yield of 15.03%.

As per the auction target calendar for January – March 2023, the SBP targets to raise PKR 4.80 trillion by issuing 3 to 12 months tenor MTB against maturing amount of PKR 4.45 trillion. In addition, SBP also targets to raise PKR 300 billion through 3 to 30 years tenor fixed rate PIB and PKR 720 billion through 2 to 10 years floating rate PIB.



FUTURE OUTLOOK

As we step into CY23, underlying key themes expected to remain center stage include the IMF's staff level agreement of the 9th EEF review, geo-strategic investment from bilateral partners, exchange rate volatility amid restricted imports and reversal in commodity super cycle prices specially energy/power related. On the political front, uncertainties are likely to subside as the current government draws closer to the end of its tenure and clarity on the timing of the next general elections are expected, following which political narratives should improve.

As per the figures provided by IMF and SBP, Pakistan requires approximately USD 34 billion in FY23 to prevent default and meet its debt obligations and external deficit. However, we believe that a sovereign default is not likely to happen as rescue from bilateral and multilateral partners have already started to come in along with the government willfully working towards meeting all IMF requirements. However, the tensions surrounding the shrinking FX reserves may continue with an import cover of just a few weeks which may keep the bulls in check.

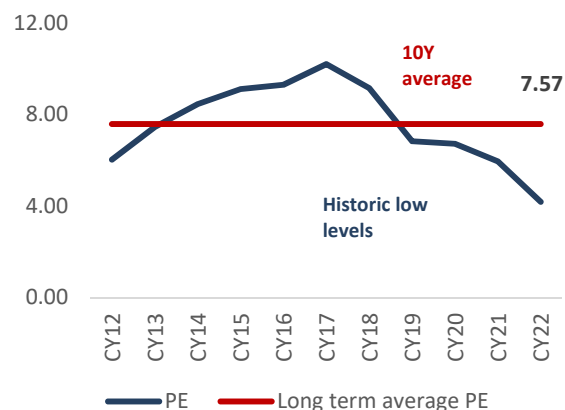
The government presented their Finance Supplementary Bill 2023 on February 15, 2023 to introduce additional taxation measures worth PKR 170 billion. The government took some hard but necessary steps, even jeopardizing their political capital in order to achieve the IMF financing. The main highlights of the mini-budget were a gas tariff hike of 112%, increase of GST from 17% to 18%. Moreover, the sales tax on luxury items has been increased by 8%. FED has also been increased on cements, cigarettes, business class air travel and selected beverages. The approval of the mini-budget is supposedly last nail in the coffin to secure IMF round of financing.

Reportedly GDP growth is still expected at around 2% for the current fiscal year despite major economic slowdown. Moreover, the Current Account and Fiscal deficits are expected to be around 3% and 5% of GDP limits in line with SBP estimates. Conversely, analysts believe inflation will ease around to 11-14% levels in 3QCY23 potentially much lower than SBP's forecasts of 21-23%, as the high base effect plays out. However, high frequency indicators such as auto, cement and OMC sales may remain in pressure during 2HFY23.

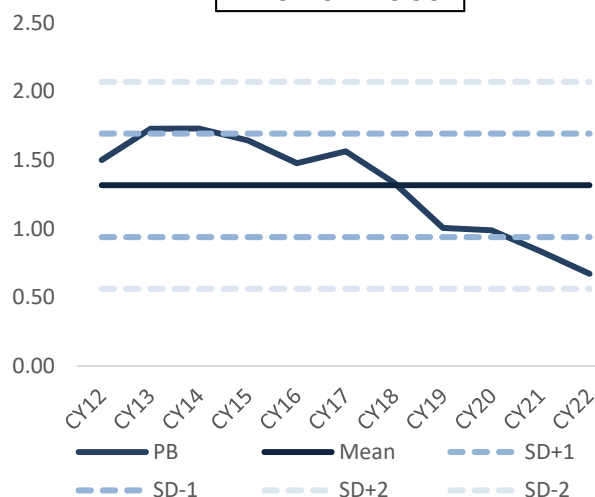
The next monetary policy is expected to be held on March 16, 2023, however, we are anticipating an increase in policy rate of 100-200bps ahead of its regular timeline as signaled by the latest MTBs auction where 1Y yields touched 19.79%. The reason for a surprise rate hike is expected inflation to reach +30% levels because of soaring fuel and energy prices as per the IMF pre-conditions.

With all that being said, despite major challenges we still remain optimistic on Equities. Our bullish view stems from exceptional fundamentals where most stocks are trading at dirt cheap valuations. The index is trading at a PE multiple of 3.08x below the 2008 global financial crisis level. The dividend yield is attractive at 11% which is the highest in the region enough to probably attract foreign investment as also witnessed by the recent month's inflows. The profit rate offered on 10Y PIBs is 15% against the Earnings Yield of 32%. The yield differential is currently at 17% against its long term average of 3% which again suggests that major trend reversal is due on the upside. We believe that the market currently serves as a striking entry point for long term investors.

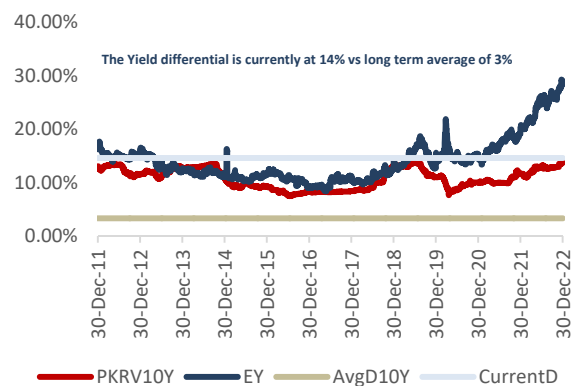
KSE - 100 PE AT ALL TIME LOW LEVELS



PB BOTTOMING OUT



10Y PIBs vs EY



For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim
Chairman

Karachi: February 24, 2023

FUND INFORMATION

AKD Index Tracker 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
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: Asset Management Company

PACRA: AM3++

FUND MANAGER'S REPORT

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

Open - end Scheme investing in Equity Securities of KSE-100 Index.

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

The objective of the AKD Index Tracker Fund (AKDITF) is to trail the return of KSE-100 Index with up to 85% accuracy and provide investors with a high quality, in-depth diversification instrument.

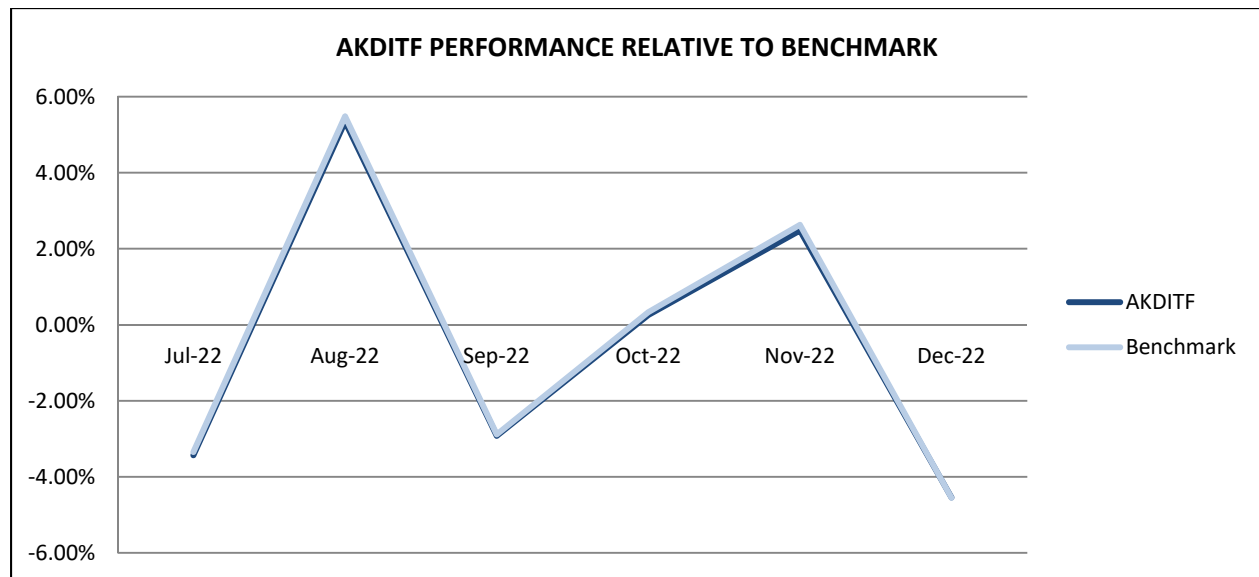
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1HFY23, the return of AKD Index Tracker Fund stood at -3.15% compared to the benchmark KSE-100 Index return of -2.70%.

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 the said benchmark:



Monthly return	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
AKDITF	-3.43%	5.34%	-2.92%	0.26%	2.48%	-4.55%
Benchmark	-3.35%	5.48%	-2.89%	0.33%	2.63%	-4.55%

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

AKD Index Tracker Fund is a passively managed open - end equity portfolio; its performance is directly linked to the performance of KSE-100 Index with up to 85% accuracy. The Fund Manager attempts to track the movement of the Index by using the weights of the respective stocks in the KSE-100 Index.

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

Asset Allocation (% of Total Asset)	31-Dec-22	30-Sep-22
Equities	96.01%	96.48%
Cash	2.65%	2.21%
Other Assets including Receivables	1.34%	1.31%

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

1HFY23 Return	-3.15%
Benchmark Return	-2.70%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
31-Dec-22	30-Sep-22		31-Dec-22	30-Sep-22
(Rupees In "000")			Rs.	Rs.
418,557	423,113	-1.08%	12.18	12.42

x) **Statement on the characteristics and general composition of the index:**

AKD Index Tracker Fund tracks the returns of the KSE-100 Index with up to 85% accuracy, providing investors with high quality, in depth diversification instrument.

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:**

MACRO PERSPECTIVE

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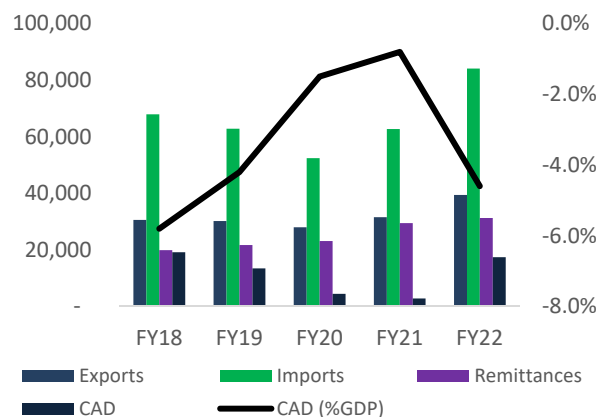
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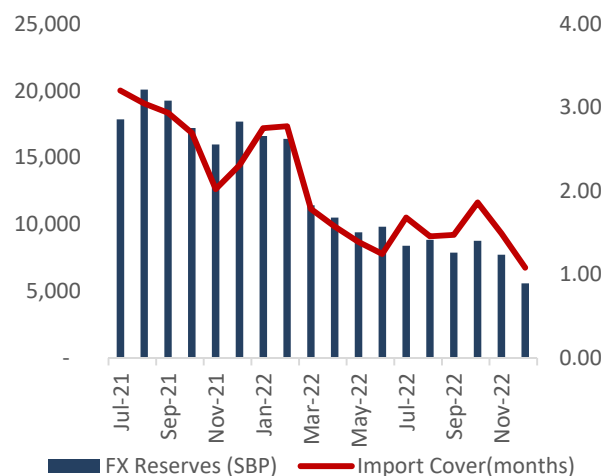
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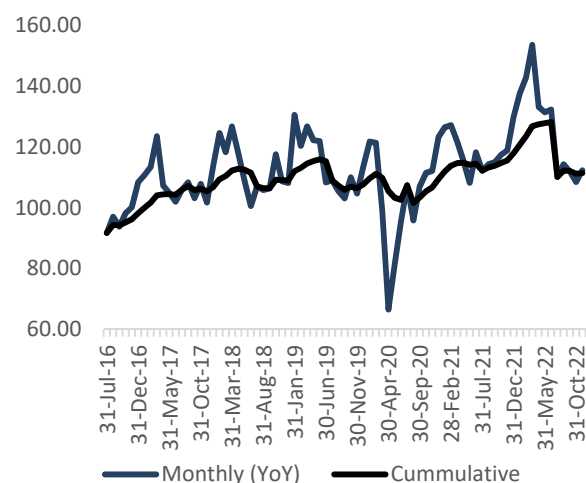
BALANCE OF PAYMENT



FX Reserves & Import Cover (mos)



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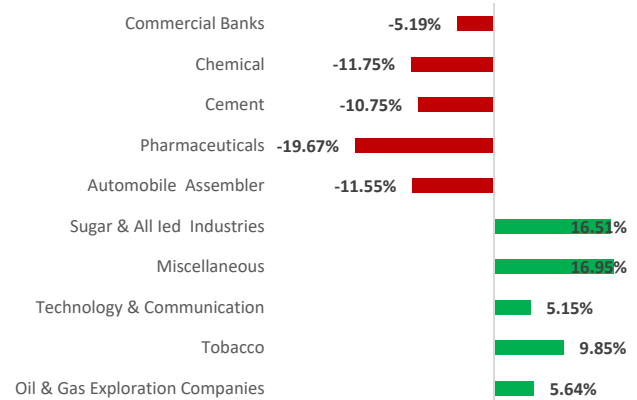
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On a 10Y period, the KSE -100 index yielded an annualized return of 9.11% (*-0.01% annualized in USD terms*), however, foreign investors were unable to capitalize on these gains due to the -8.36% annualized devaluation of the PKR. This is also reflected in the foreign investor sentiments as they have withdrawn USD 48.13 million in CY22 alone; however, foreigners have been on the sell side for several years, although the number is at its lowest in the past seven years.

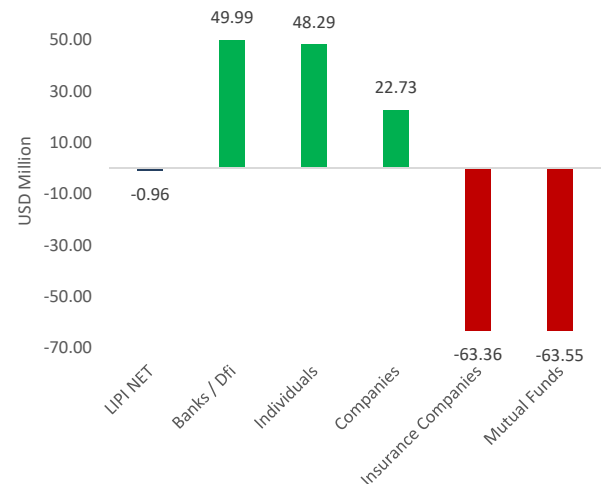
During 1HFY23 investor participation declined as volumes contracted by 36% YoY to PKR 218.54 million from PKR 340.88 million recorded during the same period last year. Furthermore, foreigners remained net buyers with inflows of USD 0.96 million. Major purchasing was witnessed in Technology and Communication (*USD 49.94 million*) and Oil and Gas Exploration Companies (*USD 11.13 million*) as foreigners went in to bag in dirt cheap valuations. On the local front, major selling was witnessed in Insurance Companies (*USD 63.36 million*) and Mutual Funds (*63.55 million*) as panic swayed away local investors.

The market continues to trade at exceedingly attractive multiples with Forward PE and PB of 3.08x and 0.57x with a discount of more than 40% as compared to their long-term averages. The market is also offering a healthy dividend yield of 11% which is the highest compared to its regional counterparts.

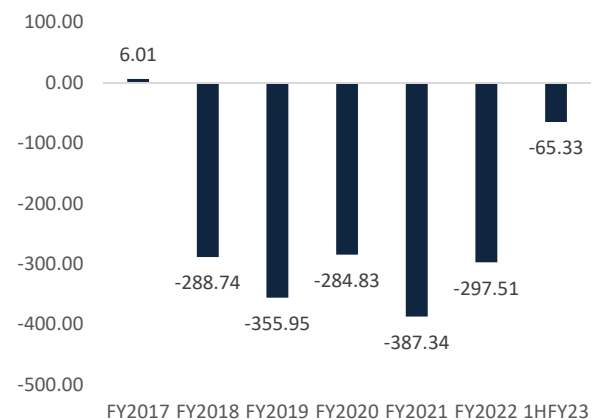
MARKET MOVERS



PORTFOLIO INVESTMENT



FIPI (USD Million)



FUTURE OUTLOOK

As we step into CY23, underlying key themes expected to remain center stage include the IMF's staff level agreement of the 9th EEF review, geo-strategic investment from bilateral partners, exchange rate volatility amid restricted imports and reversal in commodity super cycle prices specially energy/power related. On the political front, uncertainties are likely to subside as the current government draws closer to the end of its tenure and clarity on the timing of the next general elections are expected, following which political narratives should improve.

As per the figures provided by IMF and SBP, Pakistan requires approximately USD 34 billion in FY23 to prevent default and meet its debt obligations and external deficit. However, we believe that a sovereign default is not likely to happen as rescue from bilateral and multilateral partners have already started to come in along with the government willfully working towards meeting all IMF requirements. However, the tensions surrounding the shrinking FX reserves may continue with an import cover of just a few weeks which may keep the bulls in check.

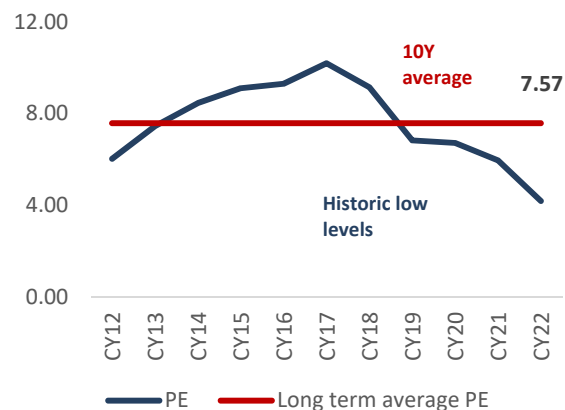
The government presented their Finance Supplementary Bill 2023 on February 15, 2023 to introduce additional taxation measures worth PKR 170 billion. The government took some hard but necessary steps, even jeopardizing their political capital in order to achieve the IMF financing. The main highlights of the mini-budget were a gas tariff hike of 112%, increase of GST from 17% to 18%. Moreover, the sales tax on luxury items has been increased by 8%. FED has also been increased on cements, cigarettes, business class air travel and selected beverages. The approval of the mini-budget is supposedly last nail in the coffin to secure IMF round of financing.

Reportedly GDP growth is still expected at around 2% for the current fiscal year despite major economic slowdown. Moreover, the Current Account and Fiscal deficits are expected to be around 3% and 5% of GDP limits in line with SBP estimates. Conversely, analysts believe inflation will ease around to 11-14% levels in 3QCY23 potentially much lower than SBP's forecasts of 21-23%, as the high base effect plays out. However, high frequency indicators such as auto, cement and OMC sales may remain in pressure during 2HFY23.

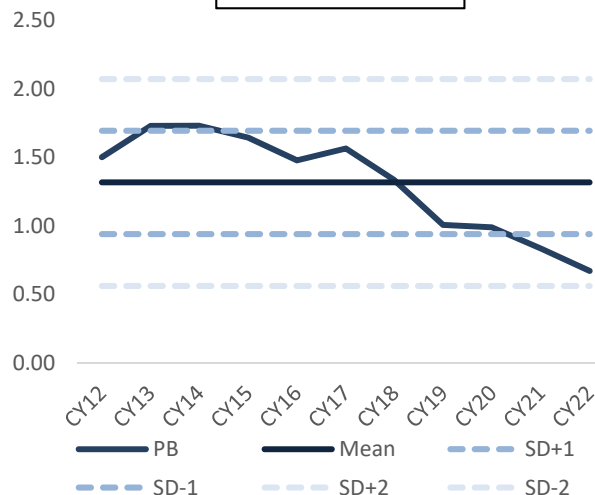
The next monetary policy is expected to be held on March 16, 2023, however, we are anticipating an increase in policy rate of 100-200bps ahead of its regular timeline as signaled by the latest MTBs auction where 1Y yields touched 19.79%. The reason for a surprise rate hike is expected inflation to reach +30% levels because of soaring fuel and energy prices as per the IMF pre-conditions.

With all that being said, despite major challenges we still remain optimistic on Equities. Our bullish view stems from exceptional fundamentals where most stocks are trading at dirt cheap valuations. The index is trading at a PE multiple of 3.08x below the 2008 global financial crisis level. The dividend yield is attractive at 11% which is the highest in the region enough to probably attract foreign investment as also witnessed by the recent month's inflows. The profit rate offered on 10Y PIBs is 15% against the Earnings Yield of 32%. The yield differential is currently at 17% against its long term average of 3% which again suggests that major trend reversal is due on the upside. We believe that the market currently serves as a striking entry point for long term investors.

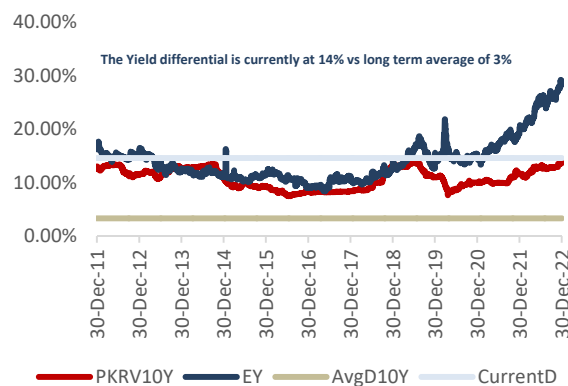
KSE - 100 PE AT ALL TIME LOW LEVELS



PB BOTTOMING OUT



10Y PIBs vs EY



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 the Fund manager’s report, not otherwise disclosed in the financial statements.

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

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

There were no unit splits during the period.

xiv) Break down of unit holdings by size:

Range(Units)	No of Investors
0.0001 to 9,999	615
10,000 to 49,999	23
50,000 - 99,999	6
100,000 - 499,999	2
500,000 and above	2
Total	648

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 brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

AKD INDEX TRACKER FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Index Tracker Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 28, 2023

AKD Index Tracker Fund

Condensed Interim Financial
Information for the Period Ended
December 31, 2022

AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AKD Index Tracker Fund** (the "Fund") as at December 31, 2022, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund and notes to the condensed interim financial information for the six months period ended December 31, 2022 (here-in-after referred to as the 'condensed interim financial information'). The Management Company (**AKD Asset Management Limited**) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

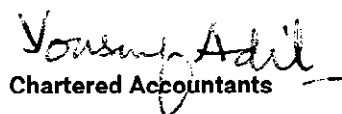
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim financial information for the three months period ended December 31, 2022, have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.


Chartered Accountants

Engagement Partner
Shafqat Ali

Date: February 24, 2023
Place: Karachi

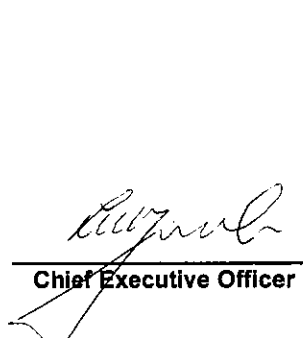
UDIN: RR2022101863D9SmjvPL

AKD INDEX TRACKER FUND
 CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
 AS AT DECEMBER 31, 2022

	Note	(Unaudited) December 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2022
ASSETS			
Bank balances	4	11,354	10,272
Investments	5	410,760	423,649
Dividend and profit receivable on bank deposits	6	210	266
Deposits, prepayments and other receivables	7	2,694	2,666
Receivable against sale / conversion of units		2,809	-
Total assets		427,827	436,853
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	8	1,711	1,691
Payable to Central Depository Company of Pakistan Limited - Trustee	9	81	80
Payable to Securities and Exchange Commission of Pakistan	10	43	92
Accrued expenses and other liabilities	11	3,507	3,667
Payable against conversion of units		200	-
Unclaimed dividend		3,728	3,728
Total liabilities		9,270	9,258
NET ASSETS		418,557	427,595
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		418,557	427,595
CONTINGENCIES AND COMMITMENTS			
	12	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		34,373,965	34,009,203
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		12.18	12.57

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

For AKD Investment Management Limited
 (Management Company)


 Chief Executive Officer


 Chief Financial Officer


 Director

AKD INDEX TRACKER FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022

	Note	Six months period ended		Three months period ended	
		December 31,		December 31,	
		2022	2021	2022	2021
(Rupees in '000)					
INCOME					
Capital gain / (loss) on sale of investments classified at 'fair value through profit or loss'		636	(723)	176	5
Net unrealised diminution on remeasurement of investments classified at 'fair value through profit or loss'	5.1	(32,116)	(43,341)	(19,382)	(11,721)
Dividend income		20,628	16,458	12,350	8,594
Profit on bank deposits		468	231	240	131
Reversal of provision for Sindh Worker's Welfare Fund		-	4,814	-	-
Total loss		(10,384)	(22,561)	(6,616)	(2,991)
EXPENSES					
Remuneration of AKD Investment Management Limited - Management Company	8.1	1,625	1,768	812	864
Sindh Sales tax on the remuneration of Management Company	8.2	211	230	105	112
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	433	471	216	230
Sindh Sales tax on the Trustee remuneration	9.2	57	62	29	30
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	43	47	21	23
Expenses allocated by the Management Company		217	236	109	115
Brokerage and settlement charges		62	80	39	46
Bank charges		2	2	2	-
Auditor's remuneration		175	162	87	81
Printing and stationery		-	76	-	38
Legal and professional charges		108	325	-	46
Fee and subscription		188	175	88	91
Total expenses		3,121	3,634	1,508	1,676
Net loss for the period before taxation		(13,505)	(26,195)	(8,124)	(4,667)
Taxation	14	-	-	-	-
Net loss for the period		(13,505)	(26,195)	(8,124)	(4,667)
Allocation of net income for the period:					
Net income for the period after taxation		-	-	-	-
Income already paid on units redeemed		-	-	-	-
Accounting income available for distribution:					
Relating to capital gains		-	-	-	-
Excluding capital gains		-	-	-	-

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

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

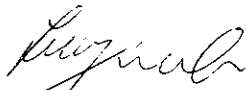
AKD INDEX TRACKER FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022

	Six months period ended December 31,		Three months period ended December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net loss for the period	(13,505)	(26,195)	(8,124)	(4,667)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>(13,505)</u>	<u>(26,195)</u>	<u>(8,124)</u>	<u>(4,667)</u>

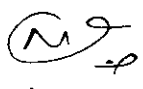
The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

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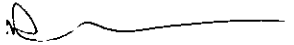
For AKD Investment Management Limited
 (Management Company)



 Chief Executive Officer



 Chief Financial Officer



 Director

AKD INDEX TRACKER FUND
 CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022

	Six months period ended December 31,		Three months period ended December 31,	
	2022	2021	2022	2021
(Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period before taxation	(13,505)	(26,195)	(8,124)	(4,667)
Adjustments for:				
Dividend income	(20,628)	(16,458)	(12,350)	(8,594)
Capital gain on sale of investments	(636)	723	(176)	(5)
Net unrealised diminution on remeasurement of investments classified at 'fair value through profit or loss'	32,116	43,341	19,382	11,721
Other income	-	(4,814)	-	-
	(2,653)	(3,403)	(1,268)	(1,545)
(Increase) / decrease in assets				
Deposits, prepayments and other receivables	(28)	(20)	6	6
Profit receivable on bank deposits	8	(29)	2,214	2,020
	(20)	(49)	2,220	2,026
Increase / (decrease) in liabilities				
Payable to AKD Investment Management Limited - Management Company	20	(99)	12	(8)
Payable to Central Depository Company of Pakistan Limited - Trustee	1	(6)	1	(3)
Payable to Securities and Exchange Commission of Pakistan	(49)	(44)	21	23
Accrued expenses and other liabilities	(160)	(423)	(189)	2,533
	(188)	(572)	(155)	2,545
Dividend received	20,675	18,621	12,397	18,621
Investments - net	(18,590)	(18,028)	(12,381)	(17,874)
Net cash (used in) / generated from operating activities	(776)	(3,431)	813	3,773
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issuance of units	22,013	18,807	8,874	9,271
Payment made against redemption of units	(20,155)	(11,860)	(7,915)	(2,779)
Net cash generated from financing activities	1,858	6,947	959	6,492
Net increase in cash and cash equivalents	1,082	3,516	1,772	10,265
Cash and cash equivalents at beginning of the period	10,272	7,500	9,582	751
Cash and cash equivalents at end of the period	11,354	11,016	11,354	11,016

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

MA

For AKD Investment Management Limited
 (Management Company)


 Chief Executive Officer


 Chief Financial Officer


 Director

**AKD INDEX TRACKER FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Six months period ended December 31, 2022			Six months period ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	372,497	55,098	427,595	365,165	113,810	478,975
Issuance of 1,966,193 units (2021: 1,353,919 units)						
- Capital value (at net asset value per unit at the beginning of the period)	24,721	-	24,721	19,383	-	19,383
- Element of income / (loss)	101	-	101	(576)	-	(576)
Total proceeds on issuance of units	24,822	-	24,822	18,807	-	18,807
Redemption of 1,601,431 units (2021: 842,575 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(20,135)	-	(20,135)	(12,063)	-	(12,063)
- Element of (loss) / income	(220)	-	(220)	102	-	102
Total payments on redemption of units	(20,355)	-	(20,355)	(11,961)	-	(11,961)
Total comprehensive income for the period	-	(13,505)	(13,505)	-	(26,195)	(26,195)
Net assets at end of the period	376,964	41,593	418,557	372,011	87,615	459,626

Distribution for the year

Undistributed income brought forward

- Realised income	143,474	11,208
- Unrealised (loss) / income	(88,376)	102,602
	55,098	113,810

Net loss for the period after taxation

(13,505) (26,195)

Undistributed income carried forward

41,593 87,615

Undistributed income carried forward

- Realised income	73,709	130,956
- Unrealised loss	(32,116)	(43,341)
	41,593	87,615

(Rupees)

(Rupees)

Net assets value per unit at beginning of the period

12.57

14.32

Net assets value per unit at end of the period

12.18

13.53

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

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

**AKD INDEX TRACKER FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Index Tracker Fund ("The Fund") was established under a Trust Deed, dated May 2, 2007 executed between AKD Investment Management Limited (AKDIML) as Asset Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 02, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 12, 2007 in accordance with 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 October 11, 2005.

The Management Company of the Fund has been registered as a Non - Banking Finance Company (NBFC) under the 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 has obtained a requisite license from SECP to undertake Asset Management services. The registered office of the Management Company is situated at

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

The Fund is categorised as Index Tracker Scheme as per circular 7 of 2009 by SECP. As per the circular, the Fund shall strive to remain fully invested in accordance with the stated index (i.e. KSE-100 index), however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subsets during the year based on monthly average investment calculated on daily basis. The units invested amount shall be kept in cash and / or near cash instrument where near cash instrument include deposits with bank (excluding TDRs), and treasury bills not exceeding 90 days maturity.

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

The Pakistan Credit Rating Agency Limited (PACRA) has maintained Asset Manager Rating of 'AM3++' to the Management Company dated June 30, 2022. Due to specialised nature of the Fund, performance ranking has not been taken, as the comparable benchmark is not available.

The Fund registered on August 23, 2021 with assistant director of industries and commerce (Trust Wing) Government of Sindh under Section 12 of the Sindh Trusts Act, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS-34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulation and requirements of the Trust Deed have been followed.

Mx

- 2.1.2 The disclosures made in this condensed interim financial information has, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.
- 2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022.
- 2.1.4 The SECP through its letter no. SC/NBFC-191/IFRS-9/2022 dated September 29, 2022 has deferred the applicability of International Financial Reporting Standard 9 for Non-Banking Finance Companies and Modarabas, as "Reporting period/year ending on or after June 30, 2024".

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that investments have been measured at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency and has been rounded off to the nearest rupees, unless otherwise specified.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

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

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended June 30, 2022.

3.3 There are certain amended standards and interpretations on accounting and reporting standards that are effective during the period but are considered not to be relevant to the Fund's operations and do not have any significant impact on the Fund's operations and are therefore not disclosed in this condensed interim financial information.

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
4. BANK BALANCES	Note		
Saving accounts	4.1	11,354	9,883
Current accounts		-	389
		<u>11,354</u>	<u>10,272</u>

4.1 Mark-up rates on these accounts is 14.5% to 15% (June 30, 2022: 5% to 13%) per annum.

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
5. INVESTMENTS	Note		
At fair value through profit or loss			
Listed equity securities	5.1	<u>410,760</u>	<u>423,649</u>

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5.1 Listed equity Securities

Name of investee company	Face value per share	(Rupees)					(Number of shares)			(Rupees in '000)			Market value as percentage of net assets	Market value as percentage of investments	Percentage paid up capital of the investee Company held	
		As at July 1, 2022	Purchases during the period	Bonus / right issued during the period	Sales during the period	As at December 31, 2022	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of net assets	Market value as percentage of investments	Percentage paid up capital of the investee Company held				
Fully paid ordinary shares / certificates (unless otherwise stated)																
Automobile Assembler																
Atlas Honda Limited	10	2,920	200	-	-	3,120	1,171	936	(235)	0.23	0.22	0.00				
Honda Atlas Cars (Pakistan) Limited	10	6,770	500	-	-	7,270	1,406	1,209	(197)	0.29	0.29	0.01				
Indus Motor Company Limited	10	3,549	150	-	-	3,699	4,199	3,717	(482)	0.90	0.89	0.00				
Milak Tractors Limited	10	12,623	500	2,301	1,314	14,110	10,249	6,845	(3,404)	1.67	1.64	0.01				
Pak Suzuki Motor Company Limited	10	5,132	500	-	-	5,632	1,172	962	(210)	0.23	0.23	0.01				
						<u>19,197</u>	<u>13,669</u>		<u>(4,528)</u>							
Automobile Parts & Accessories																
Thal Limited	5	10,371	400	-	-	10,771	2,904	2,082	(822)	0.51	0.50	0.01				
						<u>2,904</u>	<u>2,082</u>		<u>(822)</u>							
Cable & Electrical Goods																
Pak Elektron Limited	10	108,393	8,000	-	-	116,393	1,853	1,507	(346)	0.37	0.36	0.01				
Cement																
Cherat Cement Company Limited	10	30,405	1,000	-	220	31,185	2,937	3,178	241	0.77	0.76	0.02				
D. G. Khan Cement Company Limited	10	57,087	3,000	-	360	59,727	3,714	3,084	(630)	0.75	0.74	0.01				
Fauji Cement Company Limited	10	188,300	20,500	24,725	-	233,525	2,951	2,807	(144)	0.68	0.67	0.01				
Kohat Cement Company Limited	10	15,300	500	-	-	16,000	2,071	2,334	263	0.57	0.56	0.01				
Lucky Cement Limited	10	29,264	1,600	-	-	30,864	14,227	13,783	(444)	3.36	3.29	0.01				
Maple Leaf Cement Factory Limited	10	129,247	-	-	1,260	127,987	3,500	2,889	(611)	0.70	0.69	0.01				
Pioneer Cement Limited	10	29,400	-	-	-	29,400	1,774	1,512	(262)	0.37	0.36	0.01				
						<u>31,174</u>	<u>29,587</u>		<u>(1,587)</u>							
Chemical																
Archroma Pakistan Limited	10	2,000	150	-	-	2,150	1,176	937	(239)	0.23	0.22	0.01				
Colgate Palmolive (Pakistan) Limited	10	1,877	100	281	-	2,258	4,427	4,177	(250)	1.02	1.00	0.00				
Engro Polymer & Chemicals Limited	10	82,187	4,000	-	-	86,187	6,763	3,648	(3,115)	0.89	0.87	0.01				
ICI Pakistan Limited	10	3,438	300	-	-	3,738	2,709	2,402	(307)	0.58	0.57	0.00				
Lotte Chemical Pakistan Limited	10	97,500	5,500	-	-	103,000	2,462	2,668	206	0.65	0.64	0.01				
						<u>17,537</u>	<u>13,832</u>		<u>(3,705)</u>							
Close - End Mutual Fund																
Hbl Growth Fund - Class A	10	62,512	-	-	-	62,512	322	300	(22)	0.07	0.07	0.02				
Commercial Banks																
Allied Bank Limited	10	28,639	2,000	-	-	30,839	2,119	1,973	(146)	0.48	0.47	0.00				
Askari Bank Limited	10	98,813	-	-	600	99,213	1,712	1,974	262	0.48	0.47	0.01				
Bank Al Habib Limited	10	186,932	11,500	-	1,200	197,232	11,427	10,903	(524)	2.65	2.60	0.02				
Bank Alfalah Limited	10	160,534	9,000	-	-	169,534	5,438	5,110	(328)	1.24	1.22	0.01				
Faysal Bank Limited	10	97,680	5,000	-	-	102,680	2,409	2,652	243	0.65	0.63	0.01				
Habib Bank Limited	10	189,733	10,000	-	-	199,733	18,131	12,729	(5,402)	3.10	3.04	0.01				
Habib Metropolitan Bank Limited	10	121,748	7,000	-	-	128,748	4,999	4,371	(628)	1.06	1.04	0.01				
MCB Bank Limited	10	108,068	5,500	10,532	660	112,908	13,877	13,115	(762)	3.19	3.13	0.01				
Meezan Bank Limited	10	106,000	6,000	-	-	121,852	12,585	12,129	(456)	2.95	2.90	0.01				
National Bank of Pakistan	10	131,438	6,500	-	-	137,938	3,838	3,254	(584)	0.79	0.78	0.01				
Standard Chartered Bank (Pakistan) Limited	10	45,848	5,500	-	-	51,348	965	1,017	32	0.25	0.24	0.00				
The Bank of Punjab	10	322,741	-	-	-	322,741	1,749	1,475	(274)	0.36	0.35	0.01				
United Bank Limited	10	126,679	7,000	-	-	133,679	15,132	13,468	(1,664)	3.28	3.22	0.01				
						<u>94,401</u>	<u>84,170</u>		<u>(10,231)</u>							
Engineering																
Aisha Steel Mills Limited	10	82,700	-	-	82,700	-	-	-	-	0.35	0.34	0.01				
International Industries Limited	10	18,750	-	-	-	18,750	1,945	1,419	(526)	0.43	0.42	0.01				
Mughal Iron & Steel Industries Limited	10	39,100	1,500	-	-	40,600	2,321	1,773	(548)	0.26	0.25	0.01				
						<u>22,205</u>	<u>1,294</u>	<u>1,073</u>	<u>(221)</u>							
						<u>5,660</u>	<u>4,265</u>		<u>(1,395)</u>							
Fertilizer																
Engro Corporation Limited	10	81,981	4,800	-	320	86,461	22,170	22,654	484	5.52	5.41	0.02				
Engro Fertilizer Limited	10	155,425	8,500	-	-	163,925	14,459	12,604	(1,855)	3.01	3.01	0.00				
Fatima Fertilizer Company Limited	10	78,634	7,000	-	-	85,634	3,229	2,877	(352)	0.70	0.69	0.00				
Fauji Fertilizer Bin Qasim Limited	10	114,802	8,000	-	-	122,802	2,472	1,883	(589)	0.46	0.45	0.01				
Fauji Fertilizer Company Limited	10	181,000	10,400	-	760	190,640	20,928	18,818	(2,110)	4.58	4.50	0.01				
						<u>63,258</u>	<u>58,836</u>		<u>(4,422)</u>							

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Name of investee company	Face value per share (Rupees)	As at July 1, 2022				As at December 31, 2022		Balance as at December 31, 2022			Market value as percentage of investments	Market value as percentage of net assets	Percentage paid up capital of the investee Company held
		As at July 1, 2022	Purchases during the period	Bonus / right issued during the period	Sales during the period	As at December 31, 2022	Carrying cost	Market value	Appreciation / (diminution)				
Food & Personal Care Products													
Frieslandcampina Engro Pakistan Limited	10	18,224	1,500	-	-	19,724	1,351	1,296	(55)	0.32	0.31	0.00	
Murree Brewery Company Limited	10	2,930	300	-	-	3,230	1,311	1,175	(136)	0.29	0.28	0.01	
National Foods Limited	5	17,602	500	-	-	18,102	2,619	1,799	(820)	0.44	0.43	0.01	
Nestle Pakistan Limited	10	574	40	-	-	614	3,551	3,604	43	0.88	0.86	0.00	
Rafhan Meize Products Company Limited	10	-	200	-	-	200	2,059	1,820	(239)	0.44	0.43	0.00	
Unilever Pakistan Foods Limited (note 5.1.1)	10	-	75	-	-	75	1,913	1,875	(38)	0.46	0.45	0.00	
Unity Foods Limited	10	119,471	6,000	-	-	125,471	2,539	1,772	(767)	0.43	0.42	0.01	
							<u>15,353</u>	<u>13,341</u>	<u>(2,012)</u>				
Glass & Ceramics													
Ghani Glass Mills Limited	10	63,793	2,500	-	-	66,293	2,704	2,506	(198)	0.61	0.60	0.01	
Tariq Glass Industries Limited	10	13,000	1,000	3,500	-	17,500	1,450	1,140	(310)	0.28	0.27	0.01	
							<u>4,154</u>	<u>3,646</u>	<u>(508)</u>				
Insurance													
Adamiye Insurance Company Limited	10	62,240	-	-	3,000	59,240	1,870	1,669	(201)	0.41	0.40	0.02	
EFU General Insurance Limited	10	15,637	-	-	100	15,537	1,733	1,437	(296)	0.35	0.34	0.01	
IGI Holdings Limited	10	8,416	-	-	8,415	-	<u>3,503</u>	<u>3,106</u>	<u>(497)</u>				
Inv. Banks / Inv. Cos. / Securities Cos.													
Dawood Hercules Corporation Limited	10	87,846	3,000	-	250	90,596	8,392	8,561	169	2.08	2.05	0.02	
Pakistan Stock Exchange Limited	10	114,000	12,000	-	-	126,000	1,286	1,018	(268)	0.25	0.24	0.02	
							<u>9,678</u>	<u>9,579</u>	<u>(99)</u>				
Jute													
Crescent Jute Products Limited	10	500	-	-	-	500	-	-	-	-	-	0.00	
Leather & Tanneries													
Service Industries Limited	10	4,830	-	-	-	4,830	1,704	1,641	(63)	0.40	0.39	0.01	
Miscellaneous													
Pakistan Services Limited	10	5,440	100	-	200	5,340	8,206	8,898	592	2.17	2.13	0.02	
Shifa International Hospitals Limited	10	6,866	-	-	-	6,866	1,230	735	(495)	0.18	0.18	0.01	
							<u>9,436</u>	<u>9,633</u>	<u>197</u>				
Moderabas													
First Habib Moderaba	5	40,500	-	-	-	40,500	379	304	(75)	0.07	0.07	0.02	
Oil & Gas Exploration Companies													
Mari Petroleum Company Limited	10	6,898	380	-	-	7,278	12,641	11,259	(1,382)	2.74	2.69	0.01	
Oil & Gas Development Company Limited (note 5.1.2)	10	166,937	9,000	-	-	175,937	13,808	14,015	207	3.41	3.35	0.00	
Pakistan Oilfields Limited	10	33,584	1,850	-	-	35,434	14,359	13,920	(439)	3.39	3.33	0.01	
Pakistan Petroleum Limited	10	172,530	11,000	-	1,330	182,200	12,212	12,415	203	3.02	2.97	0.01	
							<u>53,020</u>	<u>51,609</u>	<u>(1,411)</u>				
Oil & Gas Marketing Companies													
Attock Petroleum Limited	10	6,390	500	1,597	-	8,487	2,212	2,459	247	0.60	0.59	0.01	
Pakistan State Oil Company Limited	10	54,395	3,300	-	-	57,695	9,877	8,308	(1,569)	2.02	1.98	0.00	
Shell Pakistan Limited	10	12,702	1,000	-	-	13,702	1,621	1,472	(149)	0.36	0.35	0.01	
Sui Northern Gas Pipelines Limited	10	73,570	4,000	-	-	77,570	2,669	2,913	244	0.71	0.70	0.00	
							<u>16,379</u>	<u>15,152</u>	<u>(1,227)</u>				
Paper & Board													
Century Paper and Board Mills Limited	10	16,790	1,500	1,829	-	20,119	1,149	995	(154)	0.24	0.24	0.01	
Packages Limited	10	8,089	400	-	-	8,489	3,393	3,142	(241)	0.76	0.75	0.01	
							<u>4,532</u>	<u>4,137</u>	<u>(395)</u>				
Pharmaceuticals													
Abbott Laboratories (Pakistan) Limited	10	5,464	200	-	-	5,664	3,689	2,624	(1,065)	0.64	0.63	0.01	
AGP Limited	10	21,376	-	-	-	21,376	1,873	1,389	(484)	0.34	0.33	0.01	
Ghazo Smithkline Pakistan Limited	10	13,273	-	-	-	13,273	1,658	1,165	(493)	0.28	0.28	0.00	
Highnoon Laboratories Limited	10	4,640	500	-	-	5,140	2,732	2,776	44	0.68	0.68	0.00	
The Searle Company Limited	10	35,508	3,000	9,127	-	47,635	4,132	2,804	(1,328)	0.68	0.67	0.01	
							<u>14,084</u>	<u>10,758</u>	<u>(3,326)</u>				
Power Generation & Distribution													
HUB Power Company Limited	10	251,595	15,100	-	1,230	265,465	18,075	16,746	(1,329)	4.00	4.00	0.02	
K-Electric Limited	3.5	712,648	-	-	-	712,648	2,166	1,924	(242)	0.47	0.46	0.00	
Kot Addu Power Company Limited	10	118,779	6,000	-	675	124,104	3,419	3,307	(112)	0.81	0.79	0.01	
Nishat Chumiani Power Limited	10	-	20,023	-	20,023	-	<u>23,660</u>	<u>21,977</u>	<u>(1,683)</u>				

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Name of investee company	Face value per share (Rupees)	Number of shares						Balance as at December 31, 2022 (Rupees in '000)			Market value as percentage of investments	Market value as percentage of net assets	Percentage paid up capital of the investee Company held
		As at July 1, 2022	Purchases during the period	Bonus / right issued during the period	Sales during the period	As at December 31, 2022	Carrying cost	Market value	Appreciation / (diminution)				
Property													
Javedan Corporation Limited	10	29,500	-	-	-	29,500	1,239	1,446	207	0.35	0.35	0.01	
Real Estate Investment Trust													
Dolmen City REIT	10	143,000	-	-	-	143,000	1,933	1,951	18	0.47	0.47	0.01	
Refinery													
Attock Refinery Limited	10	11,123	-	80	-	11,043	1,941	1,585	(356)	0.39	0.38	0.01	
Chenghoo Pk Limited	10	413,300	-	-	-	413,300	2,207	1,525	(682)	0.37	0.36	0.01	
National Refinery Limited	10	6,700	-	-	-	6,700	1,180	1,180	(512)	0.29	0.28	0.01	
							<u>5,840</u>	<u>4,290</u>	<u>(1,550)</u>				
Sugar & Allied Industries													
Shakarganj Limited	10	12,500	2,000	-	-	14,500	580	580	(10)	0.14	0.14	0.01	
Synthetics And Rayon													
Ibrahimi Fibres Limited	10	3,680	-	-	-	3,680	627	793	166	0.19	0.19	0.00	
Technology & Communication													
Air Link Communication Limited	10	-	31,300	-	-	31,300	1,047	926	(121)	0.23	0.22	0.01	
Avacocon Limited	10	24,250	1,500	-	-	25,750	2,002	1,700	(302)	0.41	0.41	0.01	
Pakistan Telecommunication Company Limited	10	140,517	16,500	-	-	157,017	1,092	958	(134)	0.23	0.23	0.00	
Systems Limited	10	42,760	2,700	-	-	45,460	15,167	21,989	6,832	5.36	5.26	0.02	
TRG Pakistan Limited	10	120,955	4,600	-	21,460	104,095	8,226	11,286	3,060	2.75	2.70	0.02	
							<u>27,534</u>	<u>36,859</u>	<u>9,325</u>				
Textile Composite													
Azgard Nine Limited	10	86,300	-	-	86,300	40,120	1,351	989	(362)	0.24	0.24	0.01	
Gul Ahmed Textile Mills Limited	10	36,620	3,500	-	-	36,847	2,165	2,087	(78)	0.51	0.50	0.00	
Inerloop Limited	10	33,930	1,500	1,417	-	22,895	1,156	1,062	(74)	0.26	0.26	0.01	
Kohinoor Textile Mills Limited	10	20,895	2,000	-	-	25,630	1,148	534	(614)	0.13	0.13	0.01	
Nishat (Chuniani) Limited	10	25,630	-	-	-	25,630	2,656	2,006	(650)	0.49	0.48	0.01	
Nishat Mills Limited	10	41,047	83	-	4,575	36,472	8,516	6,638	(1,878)				
Textile Spinning													
Gadon Textile Mills Limited	10	2,000	-	-	-	2,000	540	516	(25)	0.13	0.12	0.01	
Textile Weaving													
Yousaf Weaving Mills Limited	10	9,500	-	-	-	9,500	47	33	(14)	0.01	0.01	0.01	
Tobacco													
Pakistan Tobacco Company Limited	10	3,120	250	-	-	3,370	3,284	3,248	(46)	0.79	0.78	0.00	
Transport													
Pakistan International Bulk Terminal Limited	10	212,435	23,000	-	-	235,435	1,408	1,116	(292)	0.27	0.27	0.01	
Vanaspatti & Allied Industries													
Punjab Oil Mills Limited	10	500	-	100	-	600	89	68	(21)	0.02	0.02	0.01	
Woolen													
Bannu Woolen Mills Limited	10	1,000	-	-	-	1,000	30	22	(8)	0.01	0.01	0.01	
Total as at December 31, 2022							<u>442,876</u>	<u>410,760</u>	<u>(32,116)</u>				
Total as at June 30, 2022							<u>512,025</u>	<u>423,649</u>	<u>(88,376)</u>				

5.1.1 These investments held by the Fund exceeded the limit prescribed by the regulation 55(6) of NBFC regulations. The said regulation states that the weight of the security invested into shall not exceed the weight of the security in the index or its subset. Arrangements have been made to adjust these investments with the weight prescribed in the NBFC regulations.

5.1.2 These includes 100,000 shares of Oil & Gas Development limited as pledged with National Clearing Company of Pakistan Limited as on December 31, 2022.

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	(Unaudited) December 31, 2022	(Audited) June 30, 2022
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Note ----- (Rupees in '000) -----

5.2 Net unrealised diminution on re-measurement of investments classified at "fair value through profit or loss"

Market value of investments	5.1 410,760	423,649
Carrying amount of investments	5.1 <u>(442,876)</u>	<u>(512,025)</u>
	<u>(32,116)</u>	<u>(88,376)</u>

6. DIVIDEND AND PROFIT RECEIVABLE ON BANK DEPOSITS

Dividend receivable	126	174
Profit receivable on bank balances	<u>84</u>	<u>92</u>
	<u>210</u>	<u>266</u>

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposits with		
- National Clearing Company of Pakistan Limited	2,500	2,500
- Central Depository Company of Pakistan Limited	100	100
Prepaid annual listing fee of Pakistan Stock Exchange	14	-
Advance Tax	7.1 80	66
	<u>2,694</u>	<u>2,666</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance), payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150 of the Ordinance. However, uptill period ended December 31, 2022, withholding tax on profit on debt and dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) /2008-VOL.II - 66417- R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

	(Unaudited) December 31, 2022	(Audited) June 30, 2022
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Note ----- (Rupees in '000) -----

8. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee	8.1 269	265
Sindh sales tax on management fees	8.2 35	34
Expenses allocated by the Management Company	8.3 36	35
Federal excise duty on management company	8.4 1,357	1,357
Sales load payable	14	-
	<u>1,711</u>	<u>1,691</u>

8.1 As per the offering document the Management Company has charged remuneration at the rate of 0.75% per annum (June 30, 2022: 0.75%) of the average daily net assets. The remuneration is paid to the Management Company on a monthly

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

8.3 The Management Company has charged expenses at the rate of 0.1% (June 30, 2022: 0.1%) per annum of the average annual net assets of the Fund.

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- 8.4 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the note 9.4 to audited annual financial statements of the Fund for the year ended June 30, 2022. Had the provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at December 31, 2022 would have been higher by Re 0.0395 per unit (June 30, 2022: Re 0.040 per unit).

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	9.1	72	71
Sindh Sales Tax on trustee fee	9.2	9	9
		81	80
		81	80

- 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 Rs. 1 billion

0.2% per annum of the daily average net assets of the Fund.

Net assets exceeding Rs. 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 management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to SECP	10.1	43	92
		43	92
		43	92

- 10.1 Under the provisions of Non - Banking Finance Companies and Notified Entities Regulations 2008. All Collective Investment Schemes are required to pay annual fee at an amount equal to 0.02% of the daily average annual net assets of the scheme. The fee is payable annually in arrears.

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
11. ACCRUED EXPENSE AND OTHER LIABILITIES			
Auditor's remuneration		175	283
Printing charges payable		149	150
Brokerage payable		-	18
Withholding tax payable		3	21
NCC fee payable		29	-
Others		3,152	3,195
		3,507	3,667
		3,507	3,667

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12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2022 and June 30, 2022.

13. TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2022 to December 31, 2022 is 1.44% (annualised) (June 30, 2022: 1.50%) which includes 0.15% (June 30, 2022: 0.17%) representing government levies on the fund such as Sales tax, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC regulations for a Collective scheme Categorised as "Index Scheme".

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 accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. Since the management intends to distribute the income earned by the Fund during the period to the unit holders in cash in the manner as explained above, accordingly, no provision for taxation has been made in this condensed interim financial information. Further, the Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund includes the Management Company, other Collective Investment Schemes managed by the Management Company, the Trustee, 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.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and constitutive documents of the Fund.

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

	(Unaudited) December 31, 2022	(Unaudited) December 31, 2021
	----- (Rupees in '000) -----	
Transactions during the period		
AKD Investment Management Limited - Management Company of the Fund		
Remuneration for the period	1,625	1,768
Sindh Sales tax on Management Company's Remuneration	211	230
Allocated expenses by the Management Company	217	236
Sales load	11	1
Central Depository Company of Pakistan Limited - Trustee		
Trustee Fee	433	471
Central Depository Service charges	5	5
Sindh Sales Tax on Trustee Fee and CDS Charges	57	62

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Balances outstanding at the period / year end	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
AKD Investment Management Limited - Management Company of the Fund		
Remuneration payable	269	265
Allocated expenses by management company payable	36	35
Sindh sales tax payable on Management Company's remuneration	35	34
Federal Excise Duty payable on Management Company's remuneration	1,357	1,357
Sales load payable	14	3
Payable to Central Depository Company of Pakistan - Trustee		
Remuneration payable	72	71
Security deposit	100	100
CDS charges payable	1	1
Sales tax on Trustee Fee payable	9	9
Receivable / payable against conversion of units - Funds managed under management company		
Receivable against conversion of units - AKD Cash Fund	280	-
Receivable against conversion of units - AKD Islamic Income Fund	2,529	-
Payable against conversion of units - AKD Cash Fund	200	-
Mr. Aqeel Karim Dhedhi - Chairman of the Group		
Units outstanding 390 (June 30, 2022: 390)	5	5
Unit holders having more than 10% units		
National Bank of Pakistan Employees Pension Fund		
Number of units outstanding : 31,210,812 (June 30, 2022 : 31,210,812)	380,041	392,410

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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(Unaudited)
As at December 31, 2022

	Fair Value			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Listed equity securities	410,760	-	-	410,760

(Audited)

As at June 30, 2022

	Fair Value			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Listed equity securities	423,649	-	-	423,649

16.1 There were no transfers between levels of fair value hierarchy during the period.

17. GENERAL

17.1 This condensed interim financial information is unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months ended December 31, 2022 and December 31, 2021 in this condensed interim financial information, has not been subject to limited scope reviewed by the auditors.

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

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 24 FEB 2023 by the Board of Directors of the Management Company.



For AKD Investment Management Limited
(Management Company)


Chief Executive Officer
Chief Financial Officer
Director



**AKD Investment
Management Ltd.**

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