

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.

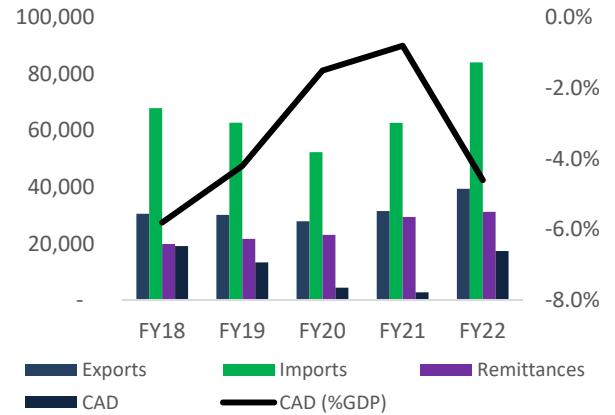
The Government's continued efforts to attract investments from Non-Resident Pakistanis also paid off, with an impressive inflow of USD 5.68 billion through Roshan Digital Accounts (RDA) with more than 520,000 accounts till January 2023.

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.

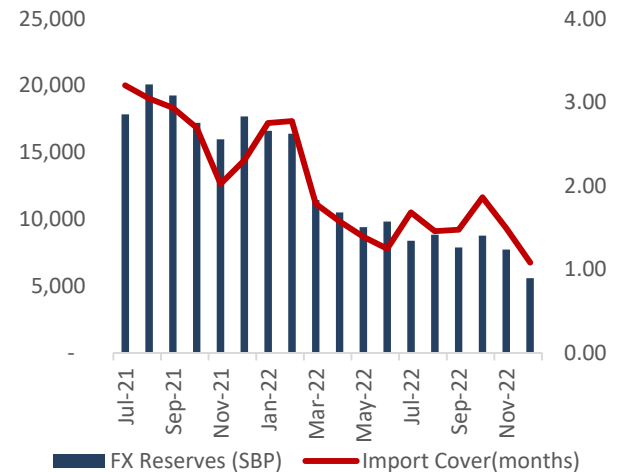
During the quarter under review, Pakistan's liquid foreign exchange reserves decreased by USD 4.57 billion. As of February 17, 2023, the Country's liquid foreign exchange reserves stood at USD 8.73 billion (SBP reserves USD 3.26 billion). We expect that aids and grants from bilateral partners like UAE, 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.

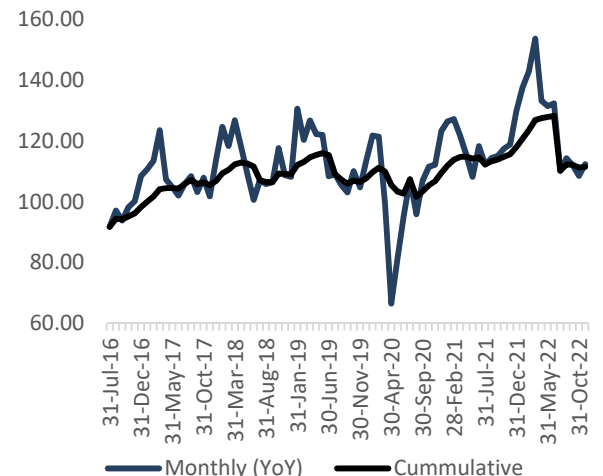
BALANCE OF PAYMENT



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%.

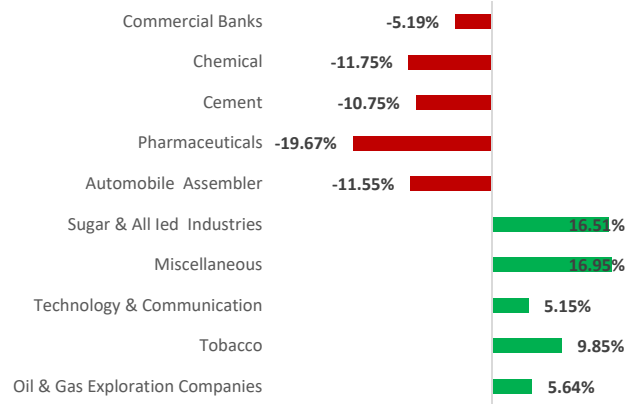
During 2QFY23, the sectors that took a toll on the KSE-100 index included Commercial Banks (-5.19%), Chemical (-11.75%), Cement (-10.75%), Pharmaceuticals (-19.67%), and Automobile Assembler (-11.55%). However, some breather was provided by Oil & Gas Exploration Companies (5.64%), Tobacco (9.85%), Technology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

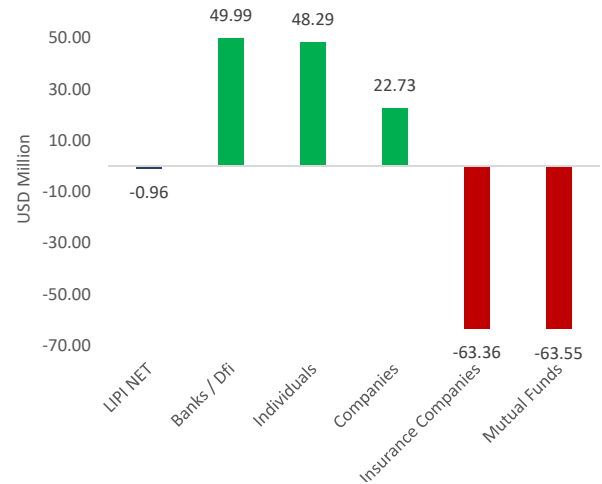
During 1HFY23 investor participation declined as volumes contracted by 36% YoY to PKR 218.54 million from PKR 340.88 million recorded during the same period last year. Furthermore, foreigners remained net buyers with inflows of USD 0.96 million. Major purchasing was witnessed in Technology and Communication (*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.

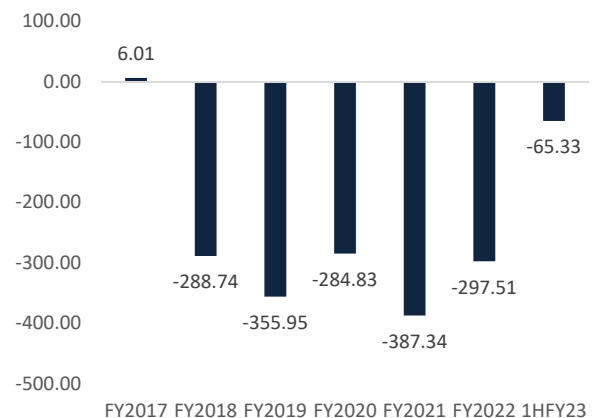
MARKET MOVERS



PORTFOLIO INVESTMENT



FIPI (USD Million)



FY2017 FY2018 FY2019 FY2020 FY2021 FY2022 1HFY23

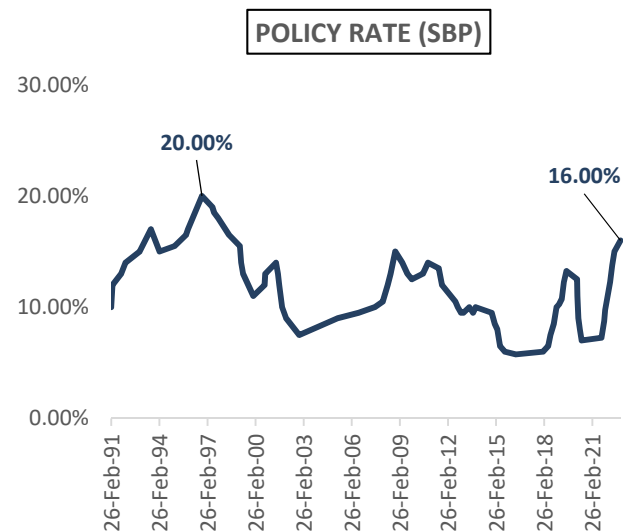
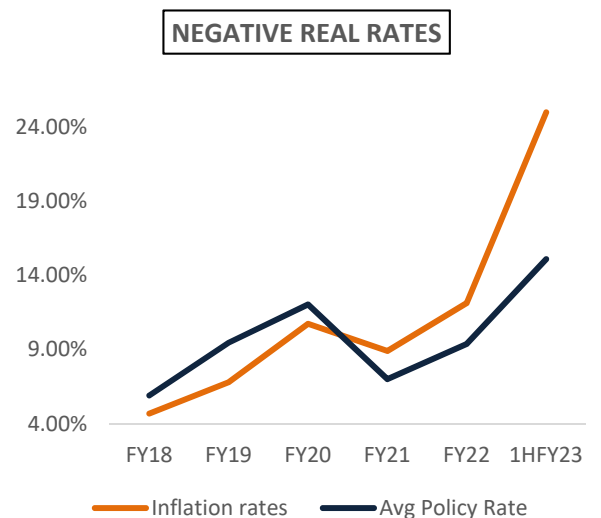
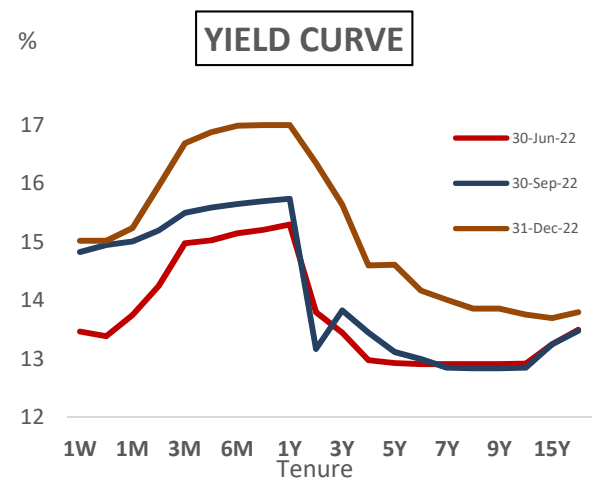
FIXED INCOME REVIEW

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.

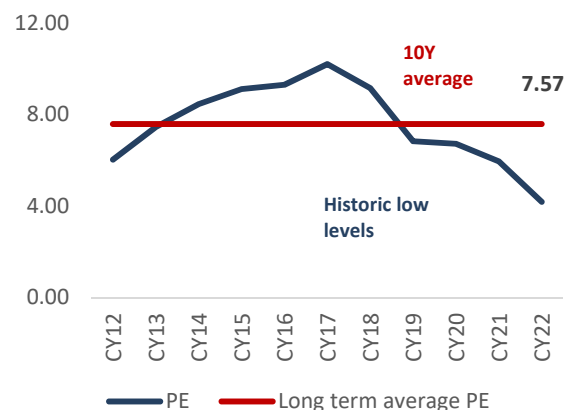
The government presented their Finance Supplementary Bill 2023 on February 15, 2023 to introduce additional taxation measures worth PKR 170 billion. The government took some hard but necessary steps, even jeopardizing their political capital in order to achieve the IMF financing. The main highlights 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.

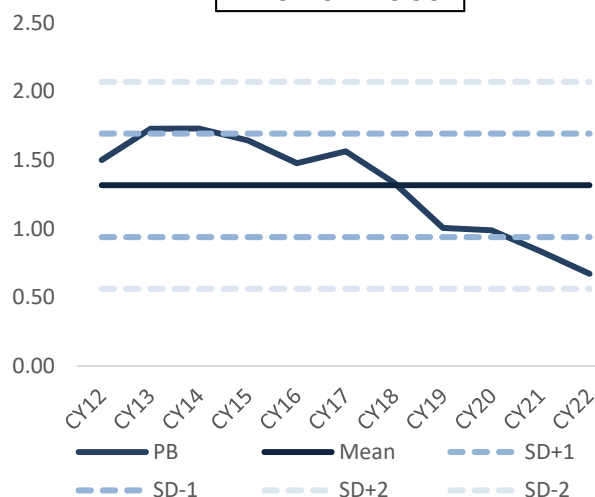
The next monetary policy is expected to be held on March 16, 2023, however, we are anticipating an increase in policy rate of 100-200bps ahead of its regular timeline as signaled by the latest MTBs auction where 1Y yields touched 19.79%. The reason for a surprise rate hike is expected inflation to reach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

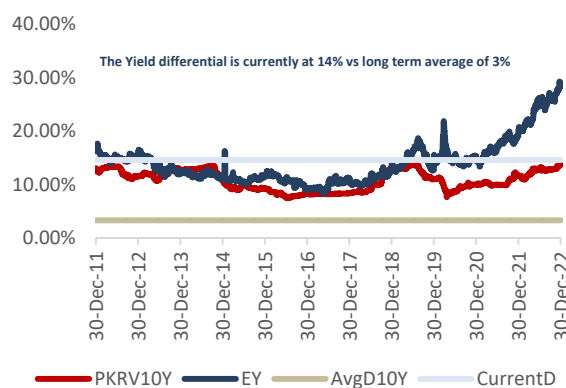
KSE - 100 PE AT ALL TIME LOW LEVELS



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 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.

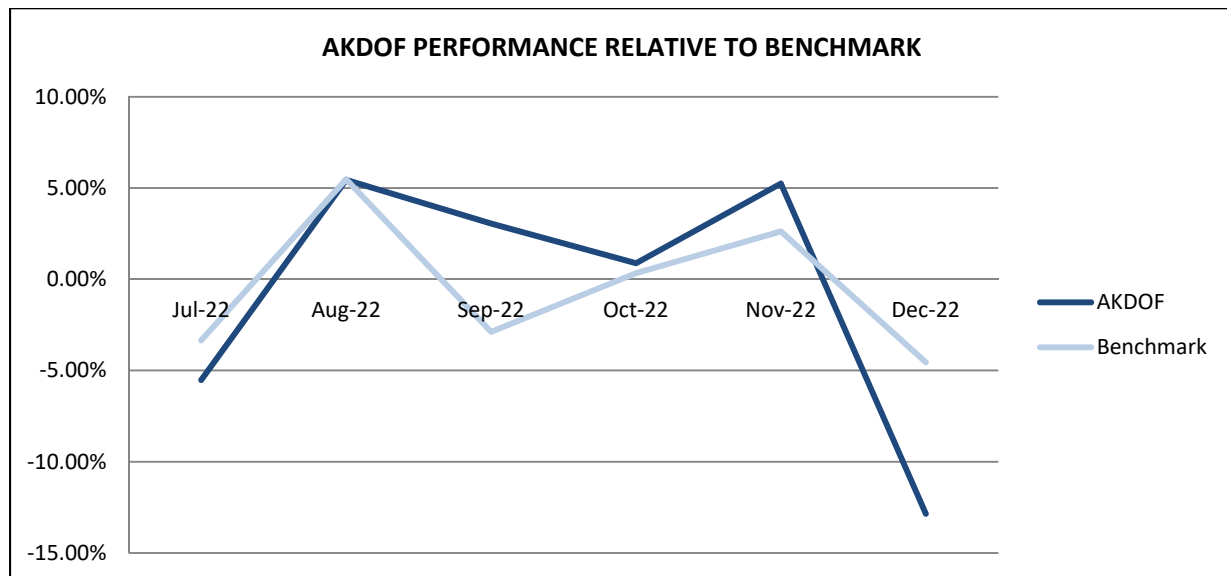
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1HFY23, the return of AKD Opportunity Fund stood at -5.01% 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 its said benchmark:



Monthly return	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
AKDOF	-5.52%	5.45%	3.05%	0.88%	5.25%	-12.86%
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 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)	31-Dec-22	30-Sep-22
Equities	98.64%	98.59%
Cash	0.64%	1.09%
Other Assets including Receivables	0.72%	0.32%

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-----						
LALPIR POWER LIMITED	Equity	114,315	Nil	114,315	10.76%	10.57%
AL SHAHEER CORPORATION LIMITED	Equity	107,610	Nil	107,610	10.13%	9.95%
CIRCULAR 28 OF 2021	Equity	207,896	Nil	207,896	17.69%	

Non-Compliance of Circular 28 of 2021

Company	Average Monthly Quantity	Average Monthly Investment	Monthly Average % of Portfolio	Reason for Non-Compliance
-----Rupees in '000-----				
AL SHAHEER CORPORATION LIMITED-RIGHT	1,084	64	0.01%	Trading Day
CRESENT FIBRES LIMITED	36	1,940	0.17%	Trading Day
CHASHMA SUGAR MILLS LIMITED	7	454	0.04%	Trading Day
COLONY TEXTILE MILLS LIMITED	400	1,272	0.11%	Free Float
EFU GENERAL INSURANCE LIMITED	300	28,338	2.41%	Trading Day
ELLCOT SPINNING MILLS LTD.	673	106,068	9.02%	Trading Day
FAZAL CLOTH MILLS LIMITED	1	128	0.01%	Free Float
JS INVESTMENTS LTD	3,349	43,717	3.72%	Trading Day
K-ELECTRIC LIMITED	5,500	13,762	1.17%	Free Float
THE PREMIER SUGAR MILLS LIMITED	6	3,588	0.31%	Free Float Trading Day
PAKISTAN PAPER PRODUCTS LIMITED	114	6,653	0.57%	Trading Day
PAKISTAN SERVICES LIMITED	0	126	0.01%	Trading Day
SAMBA BANK LIMITED	275	1,772	0.15%	Free Float
TARIQ CORPORATION LIMITED- PREFERENCE SHARES	4	14	0.00%	Trading Day
Total	11,748	207,896	17.69%	

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

1HFY23 Return	-5.01%
Benchmark Return	-2.70%

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

Net Asset Value			NAV Per Unit	
31-Dec-22	30-Sep-22	Change in Net Assets	31-Dec-22	30-Sep-22
(Rupees In "000")			Rs.	Rs.
1,062,543	1,309,645	-18.87%	95.9274	103.6793

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

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.

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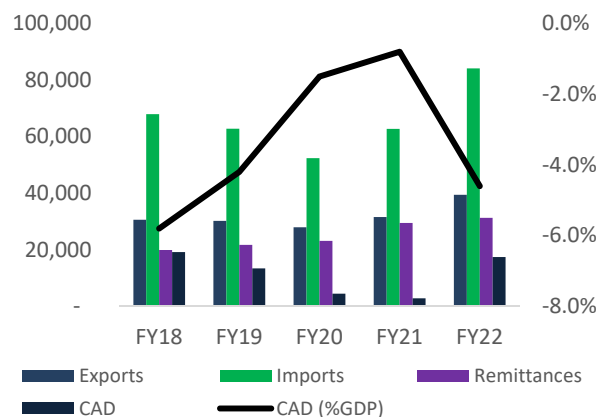
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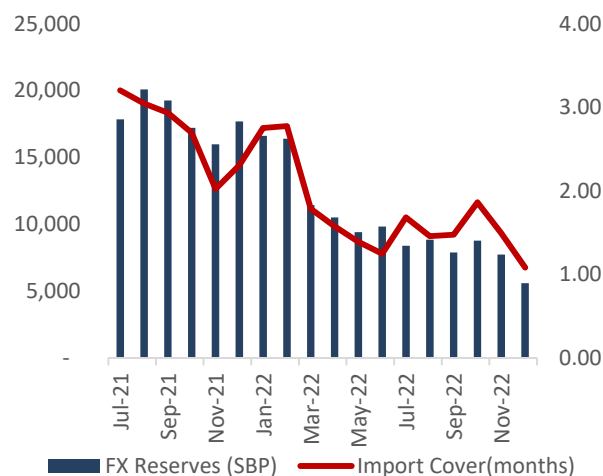
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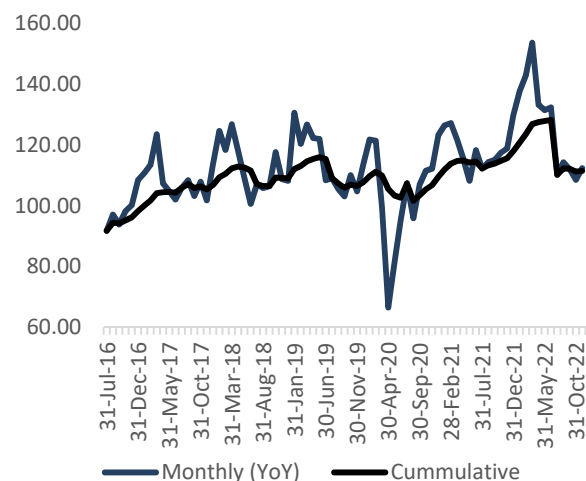
BALANCE OF PAYMENT



FX Reserves & Import Cover (mos)



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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%.

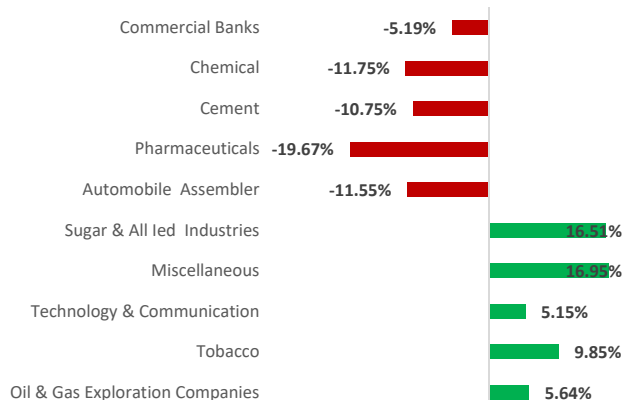
During 2QFY23, the sectors that took a toll on the KSE-100 index included Commercial Banks (-5.19%), Chemical (-11.75%), Cement (-10.75%), Pharmaceuticals (-19.67%), and Automobile Assembler (-11.55%). However, some breather was provided by Oil & Gas Exploration Companies (5.64%), Tobacco (9.85%), Technology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

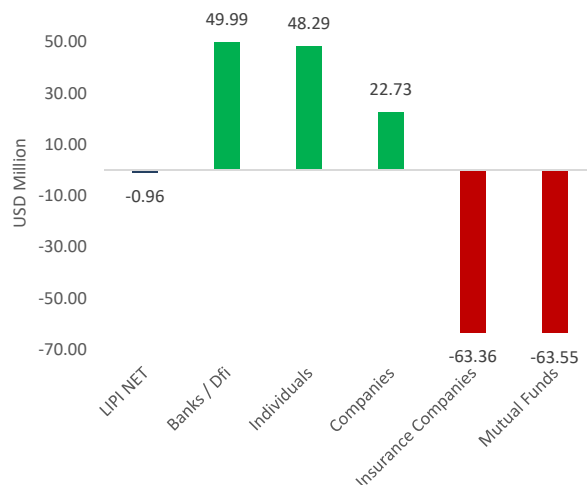
During 1HFY23 investor participation declined as volumes contracted by 36% YoY to PKR 218.54 million from PKR 340.88 million recorded during the same period last year. Furthermore, foreigners remained net buyers with inflows of USD 0.96 million. Major purchasing was witnessed in Technology and Communication (*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.

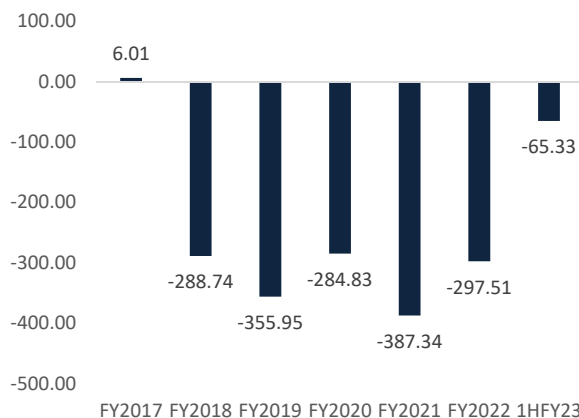
MARKET MOVERS



PORTFOLIO INVESTMENT



FIPI (USD Million)



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.

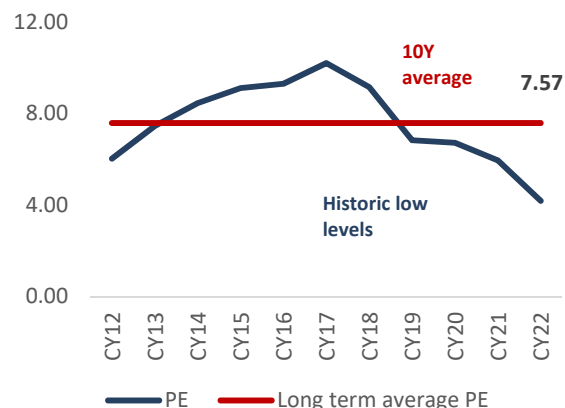
The government presented their Finance Supplementary Bill 2023 on February 15, 2023 to introduce additional taxation measures worth PKR 170 billion. The government took some hard but necessary steps, even jeopardizing their political capital in order to achieve the IMF financing. The main highlights 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.

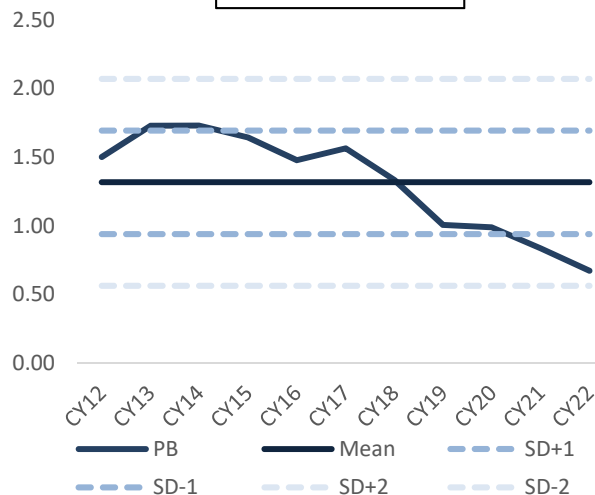
The next monetary policy is expected to be held on March 16, 2023, however, we are anticipating an increase in policy rate of 100-200bps ahead of its regular timeline as signaled by the latest MTBs auction where 1Y yields touched 19.79%. The reason for a surprise rate hike is expected inflation to reach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

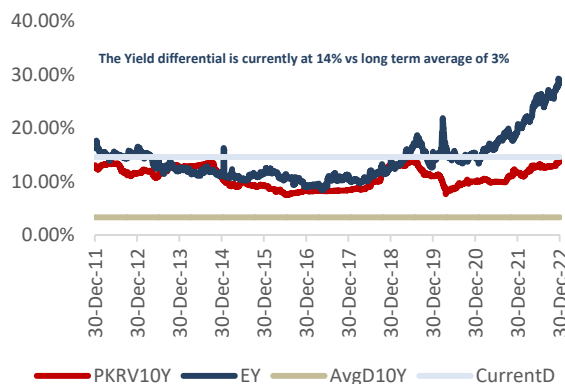
KSE - 100 PE AT ALL TIME LOW LEVELS



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 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	1,096
10,000 to 49,999	86
50,000 - 99,999	17
100,000 - 499,999	12
500,000 and above	4
Total	1,215

- 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.

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Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

AKD OPPORTUNITY 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 Opportunity 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.

We would like to draw unit holder's attention towards the fact that exposure of the Fund, during the month of December 2022, in equity securities as mentioned in Circular 28 of 2021 reached 17.68% of its equity portfolio; thus the Fund is in non-compliance of the aforesaid circular which requires the Management Company to ensure that such exposure shall not exceed 10% of its equity portfolio on monthly average basis.

The aforesaid non-compliance has been prevailing since the start of the period and was aligned in the month of November 2022 when the exposure was reduced to 5.22%. The said non-compliance has already been reported to the Commission.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 28, 2023

AKD Opportunity 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 Opportunity 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

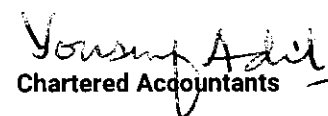
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible 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: RR202210186bdGqERuF0

**AKD OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2022**

		(Un-audited) December 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2022
ASSETS			
Bank balances	5	6,881	13,135
Investments	6	1,066,806	1,363,915
Deposits, prepayments and other receivables	7	2,954	2,930
Profit receivable on bank deposits		35	73
Receivable against sale of investment		2,000	-
Receivable against conversion of units		2,809	-
Total assets		1,081,485	1,380,053
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	8	12,916	13,038
Payable to Central Depository Company of Pakistan Limited - Trustee	9	212	217
Payable to Securities and Exchange Commission of Pakistan	10	130	450
Accrued expenses and other liabilities	11	5,684	5,321
Dividend payable		-	255
Payable against purchase of securities		-	2,580
Total liabilities		18,942	21,861
NET ASSETS		1,062,543	1,358,192
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,062,543	1,358,192
CONTINGENCIES AND COMMITMENTS	12	-----Number of units -----	
NUMBER OF UNITS IN ISSUE		11,076,533	13,449,509
		----- Rupees -----	
NET ASSETS VALUE PER UNIT		95.9274	100.9845

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

M

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


Chief Executive Officer


Chief Financial Officer


Director


AKD OPPORTUNITY FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022

	Note	Six month Period ended December 31,		Three months period ended December 31,	
		2022	2021	2022	2021
—— (Rupees in '000) ——					
INCOME					
Capital gain / (loss) on sale of investments classified as 'at fair value through profit or loss'		59,838	(27,744)	44,439	(57,030)
Net unrealised diminution on remeasurement of investments classified as 'at fair value through profit or loss'	6.2	(150,415)	(558,160)	(155,716)	(223,980)
Dividend income		64,675	65,633	40,667	47,067
Reversal of provision of Sindh Worker's Welfare Fund		-	61,066	-	-
Profit on bank deposits		787	944	400	505
Total loss		(25,115)	(458,261)	(70,210)	(233,438)
EXPENSES					
Remuneration of the AKD Investment Management Limited	8.1	13,021	29,936	6,314	12,520
Sales tax on the remuneration of the Management Company	8.2	1,693	3,892	821	1,628
Remuneration of the Central Depository Company of Pakistan Limited-Trustee	9.1	1,155	2,001	568	878
Sales tax on remuneration of Trustee	9.2	153	260	77	114
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	130	299	63	125
Expenses allocated by the Management Company	8.4	3,571	6,736	1,894	2,817
Securities transaction costs		1,131	4,666	338	1,600
Auditor's remuneration		175	162	87	81
Settlement and bank charges		22	223	2	128
Fee and subscription		319	394	149	191
Printing and stationery		-	76	-	38
Legal and professional charges		108	325	-	46
Financial charges		-	33	-	33
Total expenses		21,478	49,003	10,313	20,199
Net loss for the period before taxation		(46,593)	(507,264)	(80,523)	(253,637)
Taxation	14	-	-	-	-
Net loss for the period after taxation		(46,593)	(507,264)	(80,523)	(253,637)
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 gain		-	-	-	-
Excluding capital gain		-	-	-	-

The annexed notes 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 OPPORTUNITY FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 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 after taxation	(46,593)	(507,264)	(80,523)	(253,637)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(46,593)	(507,264)	(80,523)	(253,637)


The annexed notes 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

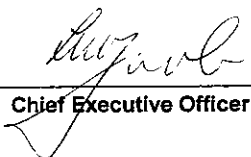
AKD OPPORTUNITY FUND
 CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022

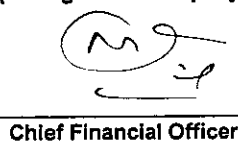
	Note	Six months period ended December 31,		Three months period ended December 31,	
		2022	2021	2022	2021
(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss for the period before taxation		(46,593)	(507,264)	(80,523)	(253,637)
Adjustments for non cash and other items :					
Dividend income		(64,675)	(65,633)	(40,667)	(47,067)
Net unrealised diminution on remeasurement of investments 'classified as 'at fair value through profit or loss'		150,415	558,160	155,716	223,980
Other income		-	(61,066)	-	-
		<u>39,147</u>	<u>(75,803)</u>	<u>34,526</u>	<u>(76,724)</u>
Decrease / (increase) in assets					
Deposits, prepayments and other receivables		(24)	(99)	13	460
Profit receivable on bank deposits		38	330	1,266	(82)
		<u>14</u>	<u>231</u>	<u>1,279</u>	<u>378</u>
(Decrease) / increase in liabilities					
Payable to AKD Investment Management Limited - Management Company		(122)	(2,603)	(170)	(1,876)
Payable to Central Depository Company of Pakistan Limited - Trustee		(5)	(119)	(15)	(91)
Payable to Securities and Exchange Commission of Pakistan		(320)	(223)	63	125
Accrued expenses and other liabilities		363	(5,717)	(1,126)	(13,518)
		<u>(84)</u>	<u>(8,662)</u>	<u>(1,248)</u>	<u>(15,360)</u>
Dividend received		64,675	66,053	40,667	58,850
Investments - net		142,114	854,256	94,628	521,162
Net cash generated from operating activities		<u>245,866</u>	<u>836,075</u>	<u>169,852</u>	<u>488,306</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		185,973	918,928	105,684	450,431
Payment against redemption of units		(437,838)	(1,544,322)	(283,041)	(759,273)
Dividend		(255)	-	(255)	-
Net cash used in financing activities		<u>(252,120)</u>	<u>(625,394)</u>	<u>(177,612)</u>	<u>(308,842)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(6,254)</u>	<u>210,681</u>	<u>(7,760)</u>	<u>179,464</u>
Cash and cash equivalents at beginning of the period		13,135	33,639	14,641	64,856
Cash and cash equivalents at end of the period	5	<u>6,881</u>	<u>244,320</u>	<u>6,881</u>	<u>244,320</u>

The annexed notes 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

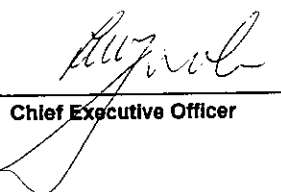
AKD OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022


	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)					
Net assets at beginning of the period	623,079	735,113	1,358,192	2,099,709	1,427,523	3,527,232
Issuance of 1,811,689 units (2021: 7,344,041 units)						
- Capital value (at net asset value per unit at the beginning of period)	182,953	-	182,953	1,004,049	-	1,004,049
- Element of income / (loss)	5,829	-	5,829	(85,121)	-	(85,121)
Total proceeds on issuance of units	188,782	-	188,782	918,928	-	918,928
Redemption of 4,184,665 units (2021: 16,650,129 units)						
- Capital value (at Ex-net asset value per unit at the beginning of period)	(422,586)	-	(422,586)	(2,276,342)	-	(2,276,342)
- Element of income / (loss)	(15,252)	-	(15,252)	214,129	-	214,129
Total payments on redemption of units	(437,838)	-	(437,838)	(2,062,213)	-	(2,062,213)
Total comprehensive income for the period	-	(46,593)	(46,593)		(507,264)	(507,264)
Net assets at end of the period	374,023	688,520	1,062,543	956,424	920,259	1,876,683
Distribution for the period						
Undistributed income brought forward						
- Realised income		1,378,318			477,485	
- Unrealised (loss) / income		(643,205)			950,038	
		735,113			1,427,523	
Net loss for the period after taxation		(46,593)			(507,264)	
Undistributed income carried forward		688,520			920,259	
Undistributed income carried forward						
- Realised income		838,935			1,478,419	
- Unrealised loss		(150,415)			(558,160)	
		688,520			920,259	
			-- (Rupees) --			-- (Rupees) --
Net assets value per unit at beginning of the period			<u>100.9845</u>			<u>136.7162</u>
Net assets value per unit at end of the period			<u>95.9274</u>			<u>113.7827</u>

The annexed notes 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 OPPORTUNITY FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 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 Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

The Fund is an open ended Collective Investment Scheme and offers units for public subscription on a continuous basis. The units are 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 Pakistan Credit Rating Agency Limited (PACRA) on June 30, 2022. The Fund has been given performance ranking of '5-Star / 2-Star' by PACRA on August 10, 2022.

The Fund is registered on September 03, 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12A of the Sindh Trusts Act, 2020

2. BASIS OF PREPARATION

2.1 Statement of compliance

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:

- 2.1.1
- International Accounting Standards (IAS) 34, Interim Financial Reporting, 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, part VIIIA of the repealed Companies Ordinance 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.

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

- 2.1.2
- The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard (IAS) 34: 'Interim Financial Reporting'. 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 audited financial statements of the Fund for the year ended June 30, 2022.

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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 are measured at fair value.

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING 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 same as those applied in preparation of audited financial statements of the Fund as at and for the year ended June 30, 2022, except otherwise disclosed below.

3.2 The preparation of this condensed interim financial information 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 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

4. FINANCIAL RISK MANAGEMENT

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

	Note	(Unaudited) December 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2022
5. BANK BALANCES			
Savings accounts	5.1	6,649	12,897
Current accounts		232	238
		<u>6,881</u>	<u>13,135</u>

5.1 Mark-up rates on these accounts range between 14.5% to 15% (June 30, 2022: 12.25% to 13%) per annum.

	Note	(Unaudited) December 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2022
6. INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	6.1	<u>1,066,806</u>	<u>1,363,915</u>

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6.1 Listed equity securities

Name of the Investee Company	Face value per share (Rupees)	Number of shares					Balance as at December 31, 2022 (Rupees in 000)		Market value as percentage of total investments	Market value as a percentage of net assets (%)	Percentage of paid up capital of the investee company held
		As at July 1, 2022	Purchases during the period	Bonus / Right issue	Sales during the period	As at December 31, 2022	Carrying cost	Market value			
Fully paid up 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	9,083	0.85	0.85	0.06
Cable & Electrical Goods											
Pakistan Cables Limited	10	34,000	-	5,100	-	39,100	4,743	4,211	0.39	0.40	0.10
Commercial Banks											
Bank Islami Pakistan Limited	10	250,000	38,000	-	287,000	1,000	12	13	0.00	0.00	0.00
Samba Bank Limited	10	275,000	-	-	-	275,000	2,706	1,787	0.17	0.17	0.03
							2,718	1,800			
Engineering											
Pakistan Engineering Company Limited	10	2,100	-	-	2,100	-	-	-	-	-	-
Food & Personal Care-Products											
Al Shaheer Corporation Limited (note 6.1.5)	10	13,500,123	-	-	2,950,123	10,550,000	95,372	107,610	10.09	10.13	3.52
Al Shaheer Corporation Limited - LOR	10	-	-	2,800,000	-	2,800,000	-	560	0.05	0.05	3.73
Quice Food Industries Limited	10	5,000,000	-	-	1,500,000	3,500,000	14,035	13,650	1.28	1.28	3.55
							109,407	121,820			
Insurance											
EFU General Insurance Limited	10	300,000	-	-	-	300,000	33,453	27,750	2.60	2.61	0.15
TPL Insurance Limited	10	2,661,897	-	931,663	-	3,593,560	89,812	60,192	5.84	5.66	1.81
Askan General Insurance Company Limited	10	779,533	-	-	-	779,533	13,252	12,473	1.17	1.17	1.08
Pakistan Reinsurance Company Limited	10	717,000	-	-	-	717,000	6,274	4,919	0.46	0.46	0.08
							142,791	105,334			
Investment Banks / Investment Companies / Securities Companies											
Jahangir Siddiqui Company Limited class A preference shares	10	978,200	-	-	-	978,200	7,767	6,172	0.58	0.58	0.53
Jahangir Siddiqui Company Limited (note 6.1.1)	10	4,891,000	504,500	-	-	5,395,500	71,470	55,196	5.17	5.19	0.59
Imperial Limited	10	486,500	-	-	-	486,500	5,395	5,995	0.52	0.53	0.49
Pakistan Stock Exchange Limited	10	10,764,621	-	-	-	10,764,621	110,122	86,978	8.15	8.19	1.34
JS Investments Limited	10	3,349,000	-	-	-	3,349,000	37,676	43,537	4.08	4.10	5.42
							232,430	197,478			

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Name of the Investee Company	Face value per share (Rupees)	As at July 1, 2022	Purchases during the period	Bonus / Right Issue	Sales during the period	As at December 31, 2022	Balance as at December 31, 2022 (Rupees in 000)		Market value as percentage of total Investments	Market value as a percentage of net assets (%)	Percentage of capital paid up of the investee company held
							Carrying cost	Market value / Appreciation / (Diminution)			
Oil & Gas Exploration Companies											
Pakistan State Oil Company Limited	10	15,000	63,000	-	78,000	114,000	7,866	6,449	0.60	0.61	1.43
Paper and Board											
Pakistan Paper Products Limited	10	114,000	-	-	-	60,400	39,540	27,984	2.62	2.63	0.06
Abbot Laboratories Limited (note 6.1.2)	10	61,400	25,000	6,250	1,000	31,250	2,700	1,840	0.17	0.17	0.01
Searls Pakistan	10	-	-	-	-	-	42,240	29,824	-	-	-
Power Generation & Distribution											
Hub Power Company Limited (note 6.1.3)	10	500,000	520,279	-	445,279	575,000	38,550	36,271	3.40	3.41	0.04
K-Electric Limited	3.5	19,000,000	-	-	13,500,000	5,500,000	16,720	14,850	1.39	1.40	0.02
Japan Power Generation Limited (note 6.1.7)	10	4,261,500	-	-	-	4,261,500	-	-	0.00	0.00	2.73
Nishat Churnian Power Limited	10	992,000	-	-	-	982,000	14,791	14,116	1.32	1.33	0.27
Engro Powergen Qadirpur Limited	10	155,500	-	-	-	155,500	3,510	3,853	0.36	0.36	0.05
Kot Addu Power Company limited	10	-	100,000	-	-	100,000	3,050	2,665	0.25	0.25	0.01
Lalpur Power Limited (note 6.1.6)	10	7,555,500	-	-	-	7,555,500	96,333	114,315	10.72	10.76	1.99
Nishat Power Limited	10	3,031,000	-	-	-	3,031,000	59,105	55,195	5.17	5.19	0.86
							232,059	241,265			
Refinery											
Energycor PK Limited	10	20,200,000	-	-	1,700,000	18,500,000	98,790	68,265	6.40	6.42	0.35
Pakistan Refinery Limited	10	100,000	-	-	-	100,000	1,789	1,297	0.12	0.12	0.02
Attock Refinery Limited	10	40,000	-	-	40,000	-	-	-	-	-	-
							100,579	69,562			
Sugar & Allied Industries											
Chasma Sugar Mills Limited	10	7,000	-	-	-	7,000	467	462	0.04	0.04	0.02
Tariq Corporation Limited	10	14,437	-	-	-	14,437	188	173	0.02	0.02	0.03
Tariq Corporation Limited- Preference Shares	10	3,937	-	-	-	3,937	22	10	0.00	0.00	0.03
The Premier Sugar Mills Limited	10	6,200	-	-	-	6,200	3,410	3,596	0.34	0.34	0.17
							4,087	4,241			
Synthetics and Rayon											
Pakistan Synthetics Limited	10	770,900	-	-	-	770,900	40,858	33,149	3.11	3.12	0.83
Technology & Communication											
Hum Network Limited	1	466,500	-	83,300	-	559,800	3,321	3,269	0.31	0.31	0.05
Pakistan Telecommunication Company Limited	10	-	35,000	-	-	35,000	251	213	0.02	0.02	0.00
TRG Pakistan Limited (note 6.1.4)	10	1,000,000	278,527	-	1,053,527	225,000	18,338	24,394	2.29	2.30	0.04
TPL Trakker Limited	10	1,667,000	-	-	-	1,667,000	14,420	17,637	1.65	1.66	0.89
Systems Limited	10	-	7,549	-	7,549	-	-	-	-	-	-
							36,330	45,513			

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Name of the Investee Company	Face value per share (Rupees)	Number of shares					Balance as at December 31, 2022			Market value as percentage of total investments	Market value as a percentage of net assets	Percentage of paid up capital of the investee company held
		As at July 1, 2022	Purchases during the period	Bonus / Right Issue	Sales during the period	As at December 31, 2022	Carrying cost	Market value	Appreciation / (Diminution)			
Textile Composite												
Fazal Cloth Mills Limited	10	600	-	-	-	600	145	120	(25)	0.01	0.01	0.00
Masood Textile Mills Limited	10	1,000	-	-	-	1,000	50	39	(11)	0.00	0.00	0.00
Nishat Mills Limited	10	50,000	-	-	50,000	-	195	159	(36)	0.00	0.00	0.00
Textile Spinning												
Elicot Spinning Mills Limited	10	666,838	6,200	-	-	673,038	109,629	84,116	(25,513)	7.88	7.92	6.15
Tata Textile Mills Limited	10	1,241,538	29,000	-	-	1,270,538	88,594	74,263	(14,331)	6.96	6.99	2.27
Colony Textile Mills Limited	10	400,000	-	-	-	400,000	1,480	1,200	(280)	0.11	0.11	0.08
Crescent Fibres Limited	10	37,000	-	-	1,500	35,500	1,976	1,917	(59)	0.18	0.18	0.29
Premium Textile Mills Limited	10	10,000	-	-	-	10,000	6,900	5,160	(1,740)	0.48	0.49	0.16
Saif Textile Mills Limited	10	141,000	-	-	-	141,000	2,982	1,516	(1,466)	0.14	0.14	0.53
							211,541	168,172	(43,369)			
Vanaspati & Allied Industries												
Punjab Oil Mills Limited	10	200,000	-	40,000	-	240,000	35,600	27,360	(8,240)	2.56	2.57	3.71
S.S. Oil Mills Limited	10	45,400	-	-	32,000	13,400	951	1,219	268	0.11	0.11	0.24
							36,551	28,579	(7,972)			
Miscellaneous												
Pakistan Services Limited	10	100	-	-	-	100	154	167	13	0.02	0.02	0.00
Total as at December 31, 2022							1,217,221	1,066,806	(150,415)			
Total as at June 30, 2022							2,007,120	1,363,915	(643,205)			

6.1.1 This includes 4,000,000 shares pledged with Bank against running finance facility as on December 31, 2022.

6.1.2 These shares are pledged with Bank against running finance facility as on December 31, 2022.

6.1.3 This includes 450,000 shares pledged with Bank against running finance facility as on December 31, 2022.

6.1.4 This includes 225,000 shares pledged with NCCPL.

6.1.5 The exposure limit of an investment in a single company as a percentage of net assets exceeded by 0.13% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.

6.1.6 The exposure limit of an investment in a single company as a percentage of net assets exceeded by 0.76% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.

6.1.7 Japan Power Generation Limited has been delisted on January 02, 2023.

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		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
6.2	Net unrealised diminution on re-measurement of investments at 'fair value through profit or loss'		
	6.1	1,066,806	1,363,915
	6.1	<u>(1,217,221)</u>	<u>(2,007,120)</u>
		<u>(150,415)</u>	<u>(643,205)</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 - Pakistan Stock Exchange		14	-
Advance tax withhold on - dividend and bank profit	7.1	<u>341</u>	<u>330</u>
		<u>2,954</u>	<u>2,930</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, 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
	Note	----- (Rupees in '000) -----	
8.	PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	8.1	1,963	2,170
	8.2	255	282
	8.3	10,092	10,092
	8.4	589	488
		<u>17</u>	<u>6</u>
		<u>12,916</u>	<u>13,038</u>

8.1 As per the offering document, 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 has been charged 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 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 audited annual financial statements of the Fund for the year ended June 30, 2022. Had the said provision for FED not been recorded in this condensed interim financial information of the Fund, the net assets value of the Fund as at December 31, 2022 would have been higher by Re. 0.911 per unit (June 30, 2022: Re. 0.7504 per unit).

8.4 The Management Company has charged expenses at the rate of 0.5% in 1st quarter and 0.6% in 2nd quarter (June 30, 2022: 0.45%) per annum of the average annual net assets of the Fund.

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		(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	183	191
CDC charges payable		5	1
Sindh Sales Tax on trustee fee and CDC charges	9.2	24	25
		<u>212</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 Rs. 1 billion

0.2% per annum of the 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 trustee fee 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 THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to SECP	10.1	<u>130</u>	<u>450</u>

10.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, all Collective Investment Schemes are required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02 percent of the average annual net assets of the scheme.

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Brokerage payable		735	589
Auditor's remuneration		175	283
Printing charges payable		150	150
Withholding tax payable		519	104
Others		4,105	4,195
		<u>5,684</u>	<u>5,321</u>

12. CONTINGENCIES AND COMMITMENTS

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

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13. **TOTAL EXPENSE RATIO**

The total expense ratio of the Fund from July 1, 2022 to December 31, 2022 is 3.3% annualised (June 30, 2022: 3.27%) which includes 0.32% (June 30, 2022: 0.33%) representing government levies on the Fund such as sales taxes, annual fees to SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a Collective Scheme categorised as an "Equity 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 at least 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders in cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute at least 90% of the net accounting income other than capital gain to the unit holders in cash. However, there is no income of the fund if reduced by capital gains. Accordingly, no provision for current tax has been made in these condensed interim financial information. 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 include the Management Company, other collective investment schemes managed by the Management Company, the Trustee, AKD Securities Limited, directors, officers, key management personnel, other associated underkaings and unit holders holding more than 10% units of the fund.

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 provision of the NBFC Regulations, 2008 and Constitutive document 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 these Financial statements, are as follows:

		(Unaudited)	
		For the half year ended	
		December 31,	
		2022	2021
		----- (Rupees in '000) -----	
15.1	Transactions during the period		
	AKD Investment Management Limited - Management Company		
	Remuneration to Management Company	13,021	29,936
	Expenses allocated by the Management Company	3,571	6,736
	Sindh Sales Tax on remuneration of Management Company	1,693	3,892
	Sales load	23	359
	Units issued : Nil (2021: 149,087)	-	19,641
	Units redeemed : 58,893 (2021: Nil)	6,478	-
	Central Depository Company of Pakistan Limited -		
	Trustee of the Fund		
	Trustee remuneration	1,155	2,001
	Sindh Sales Tax on trustee remuneration	150	260
	CDS charges for the period	19	93
	AKD Securities Limited - Brokerage House		
	Units issued : Nil (2021: 733,059)	-	100,000
	Units redeemed : Nil (2021: 733,059)	-	84,200
	Commission on purchase and sale of marketable securities	1	1,170
	Shares sold by AKD Opportunity Fund to AKD Securities Limited	-	209,113

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(Unaudited)
For the half year ended
December 31,
2022 2021
----- (Rupees in '000) -----

AKD Islamic Stock Fund - Common Management Company		
Shares sold by AKD Opportunity Fund to AKD Islamic Stock Fund	-	46,368
Golden Arrow Stock Fund - Common Management Company		
Shares sold by AKD Opportunity Fund to Golden Arrow Stock Fund	21,200	41,401
Mr. Imran Motiwala		
The Chief Executive Officer of the Management Company		
Units issued : Nil (2021: 10,079)	-	1,089
Units redeemed : 36,602 (2021: 57,683)	3,710	6,899
Spouse of the Chief Executive Officer of the Management Company		
Units issued: Nil (2021: 66,087)	-	7,140
Units redeemed : Nil (2021 :66,087)	-	7,632
Mr. Muhammad Yaqoob (with his spouse and minor children)		
The Chief Operating Officer and Company Secretary		
Units redeemed: Nil (2021: 77,493)	-	9,247
Mr. Ubaid ur Rehman		
Head of Retail Sales		
Units issued: Nil (2021: 72)	-	10
Ellicot Spinning Mills Limited - Common Directorship		
Number of shares sold: Nil (2021: 3,300)	-	500
Number of shares purchased: 6,200 (2021: Nil)	941	-
Receipt of dividend on 673,038 shares @ 100% (2021: 665,838 shares @ 25%)	6,730	1,665

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

15.2 Balances outstanding at the period / year end

AKD Investment Management Limited - Management Company		
Remuneration payable	1,963	2,170
Sindh Sales tax provincial on Management Remuneration	255	282
Federal excise duty payable on Management	10,092	10,092
Allocated expenses by the Management Company	589	488
Sales load payable	17	6
Units outstanding : 21,548 (June 30, 2022: 80,441)	2,067	8,123
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	183	191
Sindh Sales tax on trustee remuneration payable	24	25
CDS charges payable	5	1
Security deposit	100	100
Receivable / payable against conversion of units - Funds managed under management company		
Payable against Conversion of units - AKD Islamic Income Fund	2,809	-

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	(Un-Audited) December 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2022
AKD Group Holdings (Private) Limited - Staff Provident Fund Units outstanding: 90,428 (June 30, 2022: 90,428)	8,675	9,132
Ellcot Spinning Mills Limited - Common Directorship Shares held 673,038 (June 30 2022: 666,838)	84,116	108,688
KAPCO Employees Pension Fund Trust (holding more than 10% units of the Fund) Units outstanding: 2,478,380 (June 30, 2022: 2,478,380)	237,745	250,278
AKD Securities Limited - Brokerage House Brokerage payable on purchase and sale of marketable securities	565	565
Mr. Murtaza Wahab Siddiqui Spouse of the Director of the Management Company Units outstanding: 36,068 (June 30, 2022: 36,068)	3,460	3,642
Mr. Ali Wahab Siddiqui Director of the Management Company Units outstanding: 1,829 (June 30, 2022: 1,829)	175	185
Mr. Muhammad Farid Alam Chief Executive of AKD Securities Limited Units outstanding: 5,787 (June 30, 2022: 5,787)	555	584
Mr. Carrow Michael Head of HR and Admin Units outstanding: 102 (June 30, 2022: 102)	10	10
Mr. Imran Motiwala The Chief Executive Officer of the Management Company Units outstanding: Nil (June 30, 2022: 36,602)	-	3,696
Mr. Toqir Hussain Head of Information Technology Units outstanding: 65 (June 30, 2022: 65)	6	7
Mr. Ubaid ur Rehman Key Management personal Units outstanding: 72 (June 30, 2022: 72)	7	7

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.

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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).

ASSETS	(Unaudited)			
	As at December 31, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Listed equity securities	1,066,806	-	-	1,066,806

ASSETS	(Audited)			
	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Listed equity securities	1,363,915	-	-	1,363,915

There were no transfers between various 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 period ended December 31, 2022 and December 31, 2021 in this condensed interim financial information, has not been subject to limited scope review 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 were authorised for issue on 12.4 FEB 2023 by the Board of Directors of the Management Company.

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For AKD Investment Management Limited
(Management Company)

[Signature]
Chief Executive Officer

[Signature]
Chief Financial Officer

[Signature]
Director



**AKD Investment
Management Ltd.**

Head Office:

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N : 92-21-111 AKDIML (111-253-465) | Fax : 92-21-35303125

Gulshan-e-Iqbal Branch:

Bungalow No. FL-3/12,
Ground Floor Block No. 5, KDA,
Scheme No. 24, Gulshan-e-Iqbal, Karachi.
Contact # 92-21-34823003-7

Abbottabad Branch:

Office No. 1 & 2, 2nd Floor, Zaman Plaza,
Near Complex Hospital,
Main Mansehra Road, Abbottabad.
Contact # 099-2381431-2

Lahore Branch:

Plaza # 250, 2nd Floor, Phase IV,
Block-FF, D.H.A., Lahore Cantt.
Contact # 0333-0342762-4

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