

Quarterly Report

March 31, 2023

(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 Islamic Stock Fund (AKDISSF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF) and AKD Islamic Daily Dividend Fund (AKDIDDF) is pleased to present its nine months report along with the Funds' unaudited Financial Statements for the period ended March 31, 2023

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 9MFY23, the return of AKD Opportunity Fund stood at -3.88% compared to the benchmark KSE-100 Index return of -3.71%.

Golden Arrow Stock Fund (GASF)

For the 9MFY23, the return of Golden Arrow Stock Fund stood at -7.81% compared to the benchmark KSE-100 Index return of -3.71%.

AKD Islamic Stock Fund (AKDISSF)

For the 9MFY23, the return of AKD Islamic Stock Fund stood at -17.14% compared to the benchmark KMI-30 Index return of 0.83%.

AKD Index Tracker Fund (AKDITF)

For the 9MFY23, the return of AKD Index Tracker Fund stood at -4.31% compared to the benchmark KSE-100 Index return of -3.71%.

AKD Cash Fund (AKDCF)

For the 9MFY23, the annualized return of AKD Cash Fund stood at 15.55% compared to the benchmark return of 15.81%.

AKD Islamic Income Fund (AKDISIF)

For the 9MFY23, the annualized return of AKD Islamic Income Fund stood at 16.14% compared to the benchmark return of 5.83%.

AKD Aggressive Income Fund (AKDAIF)

For the 9MFY23, the annualized return of AKD Aggressive Income Fund stood at 7.63% as compared to the benchmark return of 17.42%.

AKD Islamic Daily Dividend Fund (AKDIDDF)

For the 9MFY23, the annualized return of AKD Islamic Daily Dividend Fund stood at 15.26% as compared to the benchmark return of 6.38%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (Cash Dividend) of Re. 0.89354 per unit to the unit holders during the period from February 17, 2023 to March 31, 2023.

MACRO PERSPECTIVE

The global economy witnessed another challenging year with growing international tensions among the most powerful nations following the invasion of Ukraine by Russia, triggering sanctions from the West in retaliation and setting off soaring commodity prices further exasperating inflationary pressures. Most economies around the globe with a handful of exceptions were already in a fragile state, struggling to recover from the aftermath of the pandemic are now in dire straits with unsustainable debt levels amid a global recession. With the unprecedented printing of money through Quantitative Easing in response to the financial crisis of 2008 and then the COVID Pandemic, central banks have had no choice it seems but to resort to monetary tightening to counter inflation and avert capital flight. Without say, bankruptcies and sovereign defaults by under developed and smaller economies remains a serious threat, while the impasse between the US, China and Russia has unfolded perhaps the actual bone of contention - dollarization. Likewise the IMF has also cautioned the World, that a significant global recovery given the unprecedented uncertainties faced today seems unlikely at least in the near term.

Global spillovers did not spare the domestic market; since, Pakistan is largely dependent on imported energy eventually resulting in headline inflation peaking at 35% levels. The State Bank of Pakistan (*SBP*) in their last Monetary Policy Committee (*MPC*) also increased the interest rates to 21% (*all time high levels*) to decelerate economic activity and resorted to measures such as import quotas and selective imports to control the external account. In addition, with the global slowdown, Pakistan's exports are no exception with the textile sector witnessing a 23% YoY / 12% FYTD reduction in exports to USD 12.48 billion during 9MFY23.

During the course of the year, the country was plagued by intense political turmoil from the ouster of PM Imran Khan through a no confidence vote by the Pakistan Democratic Movement (*PDM*) - a coalition government of most opposition parties - with Shahbaz Sharif as the new PM. Since the onset, massive protests all over the country as former PM Khan called for snap elections, coupled with the appointment of the new COAS, and the dissolution of assemblies further antagonized an already difficult situation.

The Current Account Surplus for the month of March 2023 clocked in at USD 654 million, from a Current Account Deficit (CAD) of USD 36 million in February 2023 taking the 9MFY23 CAD to USD 3.37 billion against USD 13.01 billion, down -74% YoY during the same period last year primarily on the back of import controls. The total Imports witnessed a hefty decline of -24% YoY from USD 62.29 billion to USD 47.25 billion during 9MFY23 whereas the total exports also declined by -8% YoY from USD 28.98 billion to USD 26.62 billion. Furthermore, foreign workers continued to support the external account which also declined -11% YoY from USD 23.02 billion to USD 20.53 billion. On a monthly basis, the imports, exports and remittances all increased by 2%, 9% and 27%, respectively. Reportedly, the current account

surplus figure was mainly attributed to the 27% MoM increase in remittances during the holy month of Ramadan and with the spread between the interbank and kerb dollar rates notably encouraged flows from the official channel.

The Government's resilient efforts to attract investments from Non-Resident Pakistanis continues to bear fruit, with an impressive inflow of USD 5.97 billion through Roshan Digital Accounts (RDA) with more than 540,000 accounts till March 2023.

Moreover, the FBR collected revenues worth PKR 4.49 trillion during 8MFY23 against 3.82 trillion (*up 18% YoY*) in SPLY despite a major slowdown in economic activity. As per the FBR figures, direct tax collection witnessed robust growth of 47% during 8MFY23 as the Government's policy of shifting the tax burden to wealthy and affluent segments of society are yielding results.

During the quarter under review the external account remained a major cause of concern as Pakistan's liquid foreign exchange reserves decreased by USD 1.09 billion. As of March 31, 2023, the Country's liquid foreign exchange reserves stood at USD 9.76 billion (*SBP reserves USD 4.21 billion*). Although it is widely expected that aid and grants from bilateral partners like UAE, KSA with the completion of the IMF 9th EEF review will provide the much needed respite to the dwindling reserves and enervating exchange rate, political uncertainties and undue delays in finalizing financial arrangements have kept investor optimism in check.

In spite of international commodity prices coming off from their post pandemic highs, the sharp depreciation of the Pakistani rupee overshadowed prospects of countering inflation. The NCPI during the month of March 2023 clocked in at 35.37% YoY as compared to 31.55% YoY in February 2023 higher than the market consensus. This took the 9MFY23 average NCPI to 27.26% compared to 10.77% 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 17.49% YoY because of the increasing utility prices and exchange devaluation. Furthermore, a heavy increase was observed in the Food and Non-alcoholic Beverages Index (*weight in CPI 34.58%*) with an impact of 47.15% YoY due to an increase in prices of tomatoes, pulses, vegetables, and cooking oil during the month as the holy month of Ramadhan approached. We expect Inflation 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.

The Large scale manufacturing Index (*LSMI*) output declined by -11.59% YoY in February 2023 compared to the same period last year which was the sixth consecutive decline as a result of expensive raw material costs in the light of currency devaluation, availability of foreign exchange, high interest rates, and a global recession. Also, the induced measures adopted by the government and SBP to slowdown aggregate demand levels is notably playing out.

EQUITY MARKET REVIEW

The Equity market (*KSE-100 index*) witnessed a roller coaster ride during 9MFY23 to close at 40,000.83 level losing 1,540 points (-1.04% QoQ / -10.97% YoY). The market faced major setbacks in the form of extensive monetary tightening by 725 bps, cataclysmic floods that caused losses estimated at more than USD 40 billion, inflation soaring to 35%, diminishing FX reserves, and an unsustainable current account deficit (*CAD*). On the flip side, 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, impressive GDP growth of 5.97% and Pakistan securing financial support from its bilateral partners like China's USD 500 million ICBC loan tranche and USD 2 billion SAFE rollovers along with the commitments of USD 10 billion in Geneva conference. Needless to say, the political impasse between the ruling government and Khan's PTI remained a key concern for investors as it seems liquidity continued to flow to safer havens including gold and US Dollars.

During 3QFY23, the sectors that took a toll on the KSE-100 index included Food & Personal Care Products (-14.86%), Tobacco (-29.49%), Commercial Banks (-3.61%), Miscellaneous (-29.15%), and Pharmaceuticals (-11.62%). However, some breather was provided by Fertilizers (1.59%), Investment Banks (3.24%), Glass & Ceramics (3.20%), Oil & Gas Exploration Companies (0.21%), and Chemicals (0.33%).

On a 10Y period, the KSE - 100 index yielded an annualized return of 8.29% (-2.60% *annualized in USD terms*), however, foreign investors could not benefit from these gains on the back of -10.05% annualized devaluation of the PKR. The persistent decline in the local currency against the US Dollar has kept foreign investors at bay despite extremely compelling valuations. While foreigners have been on the sell side for several years now withdrawing USD 48.13 million in CY22 alone; frontier market investors are likely to turn net buyers given the unprecedented currency adjustment and cheap valuations provided that Pakistan successfully restarts the stalled IMF program.

We believe that implementing key reforms required for rejuvenating the stalled IMF program, will be positive for the economy and capital markets as a whole; especially, the resolution of circular debt which will inevitably unlock much needed liquidity and stock values.

During 9MFY23 investor participation declined as volumes contracted by 34% YoY to 202.48 million shares from 304.58 million shares recorded during the same period last year. Furthermore, foreigners remained net buyers with inflows of USD 7.17 million. Major purchasing was witnessed in Technology and Communication (*USD 44.87 million*) and Oil and Gas Exploration Companies (*USD 22.77 million*) as foreigners went in to bag bargain valuations. On the local front, major selling was witnessed in Mutual Funds (*110.99 million*) and Insurance Companies (*USD 105.40 million*) as panic swayed away local investors to safer havens and fixed income given that interest rates are almost at record highs.

The market continues to trade at exceedingly attractive multiples with Forward PE and PB of 3.33x and 0.69x with a discount of more than 40% as compared to their long-term averages. The market is also offering a healthy dividend yield of 10% which is the highest compared to its regional counterparts. However, political uncertainty and fixed income yields remain major impediments to liquidity flowing into the capital market keeping significant upside in check.

FIXED INCOME REVIEW

During 9MFY23, twenty (20) Market Treasury Bill (MTB) auctions were carried out by the State Bank of Pakistan, where the government managed to raise PKR 14.79 trillion against the auction target of PKR 16.15 trillion. The Weighted average yield of 3, 6 and 12 months MTB were 16.78%, 16.73% and 16.78% respectively, up by 788 bps, 742 bps and 751 bps as compared to 8.90%, 9.30% and 9.27% same period last year.

To further address the need for liquidity, SBP also conducted nine (9) auctions of fixed rate Pakistan Investment Bond (PIB) and was successful in raising PKR 968.93 billion. The weighted average yield for 3, 5 and 10 year PIBs increased by 421 bps, 319 bps and 243 bps to 14.07%, 13.28% and 12.95% respectively, as compared to 9.86%, 10.08% and 10.52% same period last year.

The Monetary Policy Committee (MPC) announced six (6) Monetary Policy Statements during 9MFY23, increasing the policy rate by 625 bps to 20.00% to counter inflationary pressures (9MFY23 average NCPI: 27.26%) and contain risks to external stability. The State Bank of Pakistan in its last Monetary Policy Statement dated April 4, 2023 decided to take a forward looking approach on inflation and increased the policy rate by an additional 100bps to 21%. On the flip side, the Central Bank also cited that they anticipate to achieve the medium term inflation target over the next 8 quarters; hence, suggesting that perhaps the long term interest rate cycle of monetary tightening is nearing an end. Furthermore, SBP conducted 99 Open Market Operations (OMO) of different maturities and injected PKR 36.42 trillion in the market at an average cut off yield of 16.24% and mopped-up PKR 5.50 trillion at an average cut off yield of 15.82%.

As per the auction target calendar for April– June 2023, the SBP targets to raise PKR 6.40 trillion by issuing 3 to 12 month tenor MTB against the maturing amount of PKR 5.57 trillion. In addition, SBP also targets to raise PKR 300 billion through 3 to 30 years tenor fixed rate PIB and PKR 840 billion through 2 to 10 years floating rate PIB.

FUTURE OUTLOOK

As we move closer to the end of FY23, the pending staff level agreement with IMF on the 9th EFF review remains a key trigger for the economy and the capital markets after guarantees of financial assistance have been received from bilateral partners which is likely to curtail exchange rate volatility amid restricted imports and dwindling FX reserves. On the political front, the postponement of elections in Punjab by the Election Commission of Pakistan which in retrospect has led to a stand-off between judiciary and government has further made worse an already fluid situation as an amicable solution to this political impasse still seems far.

We believe that the commitments received from the friendly countries and unpopulous fiscal steps undertaken through the Finance Supplementary Bill, monetary contraction/high interest rates, free float currency and rising energy prices reportedly should satisfy IMF conditions related to the 9TH EFF review, which will eventually unlock stalled funding and help the Country in averting a sovereign default.

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 “politically difficult” but necessary fiscal steps sacrificing political capital to rejuvenate the IMF program. 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 the last notable action required to secure IMF round of financing. While these fiscal measures undertaken by the government are widely unpopular, we believe that they are economic positive given unsustainable twin deficits successive governments have been recording over the years as fiscal discipline and reforms is well overdue.

As per the World Bank report dated April 4, 2023 titled “Pakistan Development Update”, Pakistan is currently facing external and fiscal sustainability challenges and the outlook remains largely dependent on the effective implementation of reforms. The headline inflation rose to a multi-decade high along with external account vulnerabilities as the country largely remains import dependent. Moreover, despite government’s continuous efforts towards consolidation, the fiscal deficit increased to PKR 1.68 trillion in 1HFY23. The Country faces numerous economic and fiscal challenges with rising public debt coupled with record high interest rates and depleting foreign exchange reserves, Pakistan’s sovereignty seems unsustainable without external support. However, the government’s seriousness and will towards fiscal consolidation and averting a sovereign default is indeed encouraging and will likely bring back much needed economic stability. Needless to say, the WB in its report due to the aforementioned factors cut its GDP growth forecast for Pakistan to 0.4%.

Furthermore, as per the SBP MPC calendar, the next MPC is expected to be held on June 12, 2023 in which it is likely the SBP to maintain the policy rate at 21% as inflation is expected to peak. Moreover, we expect the inflation levels to come down post 1QFY24 due to base rate effect kicking in and a further cooling off in global commodity prices amid a global slowdown, providing the Central Bank space to revert to a monetary easing stance. Moreover, high-frequency indicators such as Auto, Cement and OMC sales have already started to reflect volumetric declines and may remain under pressure during FY24.

While Pakistan faces one of the worst economic crisis’ in recent history, we believe that equities as an asset class has over discounted itself. The premise of our positive outlook and re-rating of the capital market stems from the likelihood of Pakistan successfully completing its IMF program which will notably entail a continuity in reforms and fiscal discipline. The index is trading at a PE multiple of 3.33x below the 2008 global financial crisis level. The dividend yield is attractive at 10% which is the highest in the

region and with the last REER recorded at 85.6203 in March 2023 suggesting the currency has room to appreciate will probably justify and attract foreign investment which can also be noted by the recent month's inflows. We believe that the market currently serves as a striking point for investors.

For and on behalf of the Board

IMRAN MOTIWALA
Chief Executive Officer

ABDUL KARIM
Chairman

Karachi: April 28, 2023

FUND INFORMATION

AKD Cash Fund



Management Company

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

Trustee

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

Bankers

Askari Bank Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
United Bank Limited

Auditors

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

Legal Advisor

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

Registrar

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

Distributor

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

Rating-AKDCF

BY PACRA: AA+(f)

FUND MANAGER'S REPORT

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

Open – end Money Market Scheme

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

The investment objective of the Fund is to provide optimum return consistent with minimal risk from a portfolio constituted of high quality short term securities / instruments, which will provide liquidity to investors. The fund exclusively invests in highly secure ('AA' and above) debt instruments such that the weighted average maturity of its assets stays below 90 days.

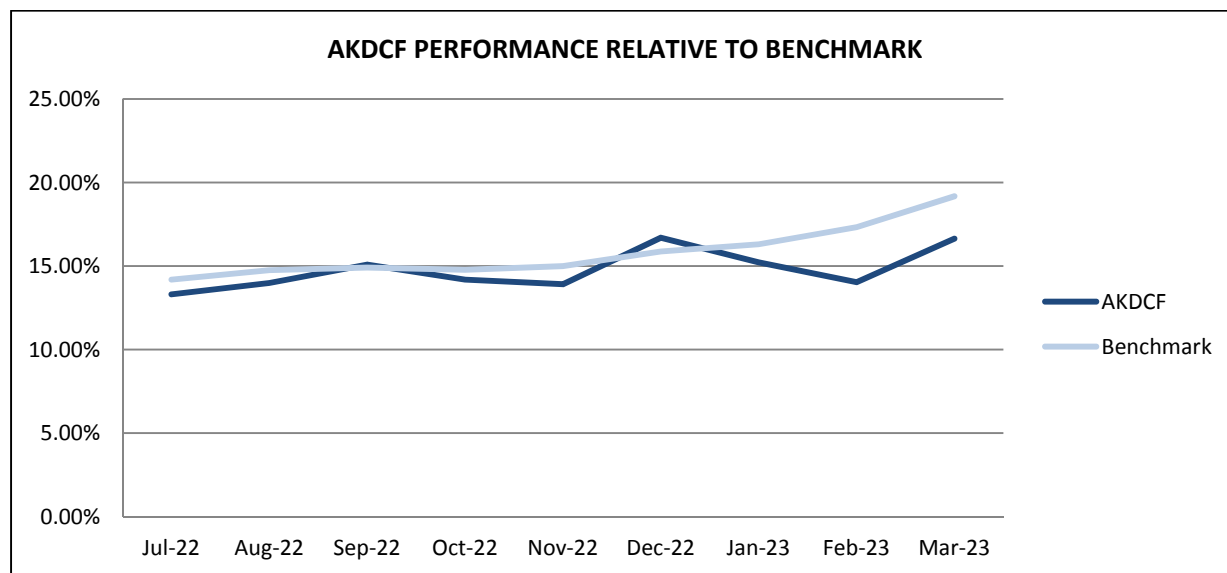
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 9MFY23, the annualized return of AKD Cash Fund stood at 15.55% compared to the benchmark return of 15.81%.

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

70% three (3) months PKRV rate + 30% three (3) months average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP.

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



Monthly yield (annualized)	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
AKDCF	13.31%	13.99%	15.09%	14.19%	13.91%	16.70%	15.22%	14.03%	16.64%
Benchmark	14.19%	14.75%	14.91%	14.77%	14.99%	15.87%	16.30%	17.33%	19.18%

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

AKD Cash Fund is an Open – end Money Market Scheme. The returns of the fund are generated primarily through investment in high quality short term government securities and short term corporate debt securities. AKDCF is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

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-Mar-23	31-Dec-22
Cash and Cash Equivalents	80.71%	79.16%
Commercial Papers / Short Term Sukuk	18.01%	20.19%
Other Assets including Receivables	1.27%	0.65%

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

9MFY23 Return (annualized)	15.55%
Benchmark Return (annualized)	15.81%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
31-Mar-23	31-Dec-22		31-Mar-23	31-Dec-22
(Rupees in 000)			(Rupees)	
1,666,965	1,639,006	1.71%	56.6685	54.5787

x) **Disclosure on the markets that the Collective Investment Scheme has invested in including review of the market (s) invested in and return during the period:**

MACRO PERSPECTIVE

The global economy witnessed another challenging year with growing international tensions among the most powerful nations following the invasion of Ukraine by Russia, triggering sanctions from the West in retaliation and setting off soaring commodity prices further exasperating inflationary pressures. Most economies around the globe with a handful of exceptions were already in a fragile state, struggling to recover from the aftermath of the pandemic are now in dire straits with unsustainable debt levels amid a global recession. With the unprecedented printing of money through Quantitative Easing in response to the financial crisis of 2008 and then the COVID Pandemic, central banks have had no choice it seems but to resort to monetary tightening to counter inflation and avert capital flight. Without say, bankruptcies and sovereign defaults by under developed and smaller economies remains a serious threat, while the impasse between the US, China and Russia has unfolded perhaps the actual bone of

contention - dollarization. Likewise the IMF has also cautioned the World, that a significant global recovery given the unprecedented uncertainties faced today seems unlikely at least in the near term.

Global spillovers did not spare the domestic market; since, Pakistan is largely dependent on imported energy eventually resulting in headline inflation peaking at 35% levels. The State Bank of Pakistan (*SBP*) in their last Monetary Policy Committee (*MPC*) also increased the interest rates to 21% (*all time high levels*) to decelerate economic activity and resorted to measures such as import quotas and selective imports to control the external account. In addition, with the global slowdown, Pakistan's exports are no exception with the textile sector witnessing a 23% YoY / 12% FYTD reduction in exports to USD 12.48 billion during 9MFY23.

During the course of the year, the country was plagued by intense political turmoil from the ouster of PM Imran Khan through a no confidence vote by the Pakistan Democratic Movement (*PDM*) - a coalition government of most opposition parties - with Shahbaz Sharif as the new PM. Since the onset, massive protests all over the country as former PM Khan called for snap elections, coupled with the appointment of the new COAS, and the dissolution of assemblies further antagonized an already difficult situation.

The Current Account Surplus for the month of March 2023 clocked in at USD 654 million, from a Current Account Deficit (CAD) of USD 36 million in February 2023 taking the 9MFY23 CAD to USD 3.37 billion against USD 13.01 billion, down -74% YoY during the same period last year primarily on the back of import controls. The total Imports witnessed a hefty decline of -24% YoY from USD 62.29 billion to USD 47.25 billion during 9MFY23 whereas the total exports also declined by -8% YoY from USD 28.98 billion to USD 26.62 billion. Furthermore, foreign workers continued to support the external account which also declined -11% YoY from USD 23.02 billion to USD 20.53 billion. On a monthly basis, the imports, exports and remittances all increased by 2%, 9% and 27%, respectively. Reportedly, the current account surplus figure was mainly attributed to the 27% MoM increase in remittances during the holy month of Ramadan and with the spread between the interbank and kerb dollar rates notably encouraged flows from the official channel.

The Government's resilient efforts to attract investments from Non-Resident Pakistanis continues to bear fruit, with an impressive inflow of USD 5.97 billion through Roshan Digital Accounts (RDA) with more than 540,000 accounts till March 2023.

Moreover, the FBR collected revenues worth PKR 4.49 trillion during 8MFY23 against 3.82 trillion (*up 18% YoY*) in SPLY despite a major slowdown in economic activity. As per the FBR figures, direct tax collection witnessed robust growth of 47% during 8MFY23 as the Government's policy of shifting the tax burden to wealthy and affluent segments of society are yielding results.

During the quarter under review the external account remained a major cause of concern as Pakistan's liquid foreign exchange reserves decreased by USD 1.09 billion. As of March 31, 2023, the Country's liquid foreign exchange reserves stood at USD 9.76 billion (*SBP reserves USD 4.21 billion*). Although it is widely expected that aid and grants from bilateral partners like UAE, KSA with the completion of the IMF 9th EEF review will provide the much needed respite to the dwindling reserves and enervating exchange

rate, political uncertainties and undue delays in finalizing financial arrangements have kept investor optimism in check.

In spite of international commodity prices coming off from their post pandemic highs, the sharp depreciation of the Pakistani rupee overshadowed prospects of countering inflation. The NCPI during the month of March 2023 clocked in at 35.37% YoY as compared to 31.55% YoY in February 2023 higher than the market consensus. This took the 9MFY23 average NCPI to 27.26% compared to 10.77% 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 17.49% YoY because of the increasing utility prices and exchange devaluation. Furthermore, a heavy increase was observed in the Food and Non-alcoholic Beverages Index (*weight in CPI 34.58%*) with an impact of 47.15% YoY due to an increase in prices of tomatoes, pulses, vegetables, and cooking oil during the month as the holy month of Ramadhan approached. We expect Inflation 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.

The Large scale manufacturing Index (*LSMI*) output declined by -11.59% YoY in February 2023 compared to the same period last year which was the sixth consecutive decline as a result of expensive raw material costs in the light of currency devaluation, availability of foreign exchange, high interest rates, and a global recession. Also, the induced measures adopted by the government and SBP to slowdown aggregate demand levels is notably playing out.

FIXED INCOME REVIEW

During 9MFY23, twenty (20) Market Treasury Bill (MTB) auctions were carried out by the State Bank of Pakistan, where the government managed to raise PKR 14.79 trillion against the auction target of PKR 16.15 trillion. The Weighted average yield of 3, 6 and 12 months MTB were 16.78%, 16.73% and 16.78% respectively, up by 788 bps, 742 bps and 751 bps as compared to 8.90%, 9.30% and 9.27% same period last year.

To further address the need for liquidity, SBP also conducted nine (9) auctions of fixed rate Pakistan Investment Bond (PIB) and was successful in raising PKR 968.93 billion. The weighted average yield for 3, 5 and 10 year PIBs increased by 421 bps, 319 bps and 243 bps to 14.07%, 13.28% and 12.95% respectively, as compared to 9.86%, 10.08% and 10.52% same period last year.

The Monetary Policy Committee (MPC) announced six (6) Monetary Policy Statements during 9MFY23, increasing the policy rate by 625 bps to 20.00% to counter inflationary pressures (9MFY23 average NCPI: 27.26%) and contain risks to external stability. The State Bank of Pakistan in its last Monetary Policy Statement dated April 4, 2023 decided to take a forward looking approach on inflation and increased the policy rate by an additional 100bps to 21%. On the flip side, the Central Bank also cited that they anticipate to achieve the medium term inflation target over the next 8 quarters; hence, suggesting that perhaps the long term interest rate cycle of monetary tightening is nearing an end. Furthermore, SBP conducted 99 Open Market Operations (OMO) of different maturities and injected PKR 36.42 trillion in the market at an average cut off yield of 16.24% and mopped-up PKR 5.50 trillion at an average cut off yield of 15.82%.

As per the auction target calendar for April– June 2023, the SBP targets to raise PKR 6.40 trillion by issuing 3 to 12 month tenor MTB against the maturing amount of PKR 5.57 trillion. In addition, SBP also targets to raise PKR 300 billion through 3 to 30 years tenor fixed rate PIB and PKR 840 billion through 2 to 10 years floating rate PIB.

FUTURE OUTLOOK

As we move closer to the end of FY23, the pending staff level agreement with IMF on the 9th EFF review remains a key trigger for the economy and the capital markets after guarantees of financial assistance have been received from bilateral partners which is likely to curtail exchange rate volatility amid restricted imports and dwindling FX reserves. On the political front, the postponement of elections in Punjab by the Election Commission of Pakistan which in retrospect has led to a stand-off between judiciary and government has further made worse an already fluid situation as an amicable solution to this political impasse still seems far.

We believe that the commitments received from the friendly countries and unpopulous fiscal steps undertaken through the Finance Supplementary Bill, monetary contraction/high interest rates, free float currency and rising energy prices reportedly should satisfy IMF conditions related to the 9th EFF review, which will eventually unlock stalled funding and help the Country in averting a sovereign default.

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 “politically difficult” but necessary fiscal steps sacrificing political capital to rejuvenate the IMF program. 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 the last notable action required to secure IMF round of financing. While these fiscal measures undertaken by the government are widely unpopular, we believe that they are economic positive given unsustainable twin deficits successive governments have been recording over the years as fiscal discipline and reforms is well overdue.

As per the World Bank report dated April 4, 2023 titled “Pakistan Development Update”, Pakistan is currently facing external and fiscal sustainability challenges and the outlook remains largely dependent on the effective implementation of reforms. The headline inflation rose to a multi-decade high along with external account vulnerabilities as the country largely remains import dependent. Moreover, despite government’s continuous efforts towards consolidation, the fiscal deficit increased to PKR 1.68 trillion in 1HFY23. The Country faces numerous economic and fiscal challenges with rising public debt coupled with record high interest rates and depleting foreign exchange reserves, Pakistan’s sovereignty seems unsustainable without external support. However, the government’s seriousness and will towards fiscal consolidation and averting a sovereign default is indeed encouraging and will likely bring back much needed economic stability. Needless to say, the WB in its report due to the aforementioned factors cut its GDP growth forecast for Pakistan to 0.4%.

Furthermore, as per the SBP MPC calendar, the next MPC is expected to be held on June 12, 2023 in which it is likely the SBP to maintain the policy rate at 21% as inflation is expected to peak. Moreover, we expect the inflation levels to come down post 1QFY24 due to base rate effect kicking in and a further cooling off in global commodity prices amid a global slowdown, providing the Central Bank space to revert to a monetary easing stance. Moreover, high-frequency indicators such as Auto, Cement and OMC sales have already started to reflect volumetric declines and may remain under pressure during FY24.

While Pakistan faces one of the worst economic crisis' in recent history, we believe that equities as an asset class has over discounted itself. The premise of our positive outlook and re-rating of the capital market stems from the likelihood of Pakistan successfully completing its IMF program which will notably entail a continuity in reforms and fiscal discipline. The index is trading at a PE multiple of 3.33x below the 2008 global financial crisis level. The dividend yield is attractive at 10% which is the highest in the region and with the last REER recorded at 85.6203 in March 2023 suggesting the currency has room to appreciate will probably justify and attract foreign investment which can also be noted by the recent month's inflows. We believe that the market currently serves as a striking point for investors.

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

There was no significant change in the state of affairs during the period under review.

xii) Break down of unit holding by size:

Range (Units)	No. of Investors
0.0001 to 9,999	408
10000 to 49999	30
50,000 - 99,999	10
100,000 - 499,999	15
500,000 and above	13
Total	476

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

There were no unit splits during the period.

xiv) Disclosure of circumstances that materially affect any interest of unit holders:

Investments are subject to credit and market risk.

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

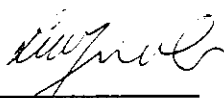
No soft commission has been received by the AMC from its broker or dealer by virtue of transactions conducted by the Collective Investment Scheme.

**AKD CASH FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2023**

		(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2022
Assets			
Bank balances	5	39,173	681,431
Investments	6	1,610,840	595,695
Profit receivable on bank deposits and commercial papers	7	20,389	8,451
Receivable from other funds against conversion of units		5	-
Deposit, prepayments and other receivables	8	912	706
Total assets		1,671,319	1,286,283
Liabilities			
Payable to the AKD Investment Management Limited - Management Company	9	1,715	1,442
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	81	68
Payable to Securities and Exchange Commission of Pakistan	11	225	178
Unclaimed Dividend		1,815	1,868
Payable against redemption /conversion of units		77	-
Accrued expenses and other liabilities	12	441	9,328
Total liabilities		4,354	12,884
Net assets		1,666,965	1,273,399
Unit holders' fund (as per statement attached)		1,666,965	1,273,399
Contingencies and commitments	13		
		Number of units	
Number of units in issue		29,416,071	25,093,544
		----- Rupees -----	
Net assets value per unit		56.6685	50.7461

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



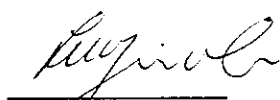
Director

AKD CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2023

	Note	For the Nine Months ended March 31,		For the quarter ended March 31,	
		2023	2022	2023	2022
-----('Rupees in '000) -----					
Income					
Net unrealised diminution on remeasurement investments 'at fair value through profit or loss'		(802)	(294)	(1,680)	(294)
Income from government securities		142,377	31,855	49,276	15,542
Income from Commercial Paper / STS		34,604	2,550	13,469	1,046
Capital loss on sale of investments - net		(3,619)	(461)	(2,567)	(7)
Profit on bank deposits		4,048	17,292	714	9,018
Other Income		-	3,036	-	-
Total income		176,608	53,978	59,212	25,305
Expenses					
Remuneration of AKD Investment Management Limited - Management Co	9.1	5,622	2,413	1,829	1,073
Sales tax on the remuneration of the Management Company	9.2	731	314	238	140
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1	618	336	201	135
Sales tax on the Trustee remuneration and CDS Fee	10.2	81	44	27	18
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	225	116	73	49
Expenses allocated by the Management Company	9.4	2,477	869	915	370
Brokerage and settlement charges		91	32	23	1
Auditors' remuneration		247	228	81	75
Bank charges		238	69	77	17
Fee and subscription		42	21	17	7
Printing and related cost		-	112	-	35
Legal and professional charges		238	448	83	76
Total expenses		10,610	5,002	3,564	1,996
Net income for the period before taxation		165,998	48,976	55,648	23,309
Taxation	15	-	-	-	-
Net income for the period after taxation		165,998	48,976	55,648	23,309
Allocation of net income for the period					
Net income for the period after taxation		165,998	48,976	55,646	23,309
Income already paid on units redeemed		(56,523)	(6,472)	(34,273)	(2,019)
		109,475	42,504	21,373	21,290
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		109,475	42,504	21,373	21,290
		109,475	42,504	21,373	21,290

The annexed notes 1 to 19 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 CASH FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2023

	For the Nine Months ended March 31,		For the quarter ended March 31,	
	2023	2022	2023	2022
	-----('Rupees in '000) -----			
Net income for the period after taxation	165,998	48,976	55,648	23,309
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	165,998	48,976	55,648	23,309

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

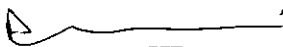
For AKD Investment Management Limited
 (Management Company)



 Chief Executive Officer



 Chief Financial Officer




 Director

AKD CASH FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2023

Note	For the Nine Months ended March 31,		For the quarter ended March 31,	
	2023	2022	2023	2022
	-----('Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	165,998	48,976	55,648	23,309
Adjustments				
Net unrealised diminution on remeasurement of investments 'at fair value through profit or loss'	802	294	1,680	294
Capital loss on sale of investment	-	461	-	7
Other income	-	(3,036)	-	-
	<u>166,800</u>	<u>46,695</u>	<u>57,328</u>	<u>23,610</u>
(Increase) / decrease in assets				
Profit receivable	(11,938)	(1,766)	(10,577)	1,735
Receivable from other funds against conversion of units	(5)	(19,998)	(5)	(8,402)
Deposit, prepayments and other receivables	(206)	(38)	(170)	(11)
	<u>(12,149)</u>	<u>(21,802)</u>	<u>(10,752)</u>	<u>(6,678)</u>
Increase / (decrease) in liabilities				
Payable to the AKD Investment Management Limited - Management Co	273	420	(169)	231
Payable to the Central Depository Company of Pakistan Limited - Trustee	13	32	(12)	15
Payable to Securities and Exchange Commission of Pakistan	47	28	74	49
Payable against redemption / conversion of units	77	767	77	517
Unclaimed dividend	(53)	1,595	-	2
Accrued expenses and other liabilities	(8,887)	(1,983)	(1,051)	68
	<u>(8,530)</u>	<u>859</u>	<u>(1,081)</u>	<u>882</u>
Investments - net	(91,474)	273,813	(24,534)	28,559
Net cash generated from / (used in) operating activities	<u>54,647</u>	<u>299,565</u>	<u>20,961</u>	<u>46,373</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	1,580,153	1,918,950	584,651	451,901
Payment against redemption of units	(1,352,585)	(1,228,748)	(612,421)	(229,116)
Net cash generated from / (used in) financing activities	<u>227,568</u>	<u>690,202</u>	<u>(27,770)</u>	<u>222,785</u>
Net increase in cash and cash equivalents	<u>282,215</u>	<u>989,767</u>	<u>(6,809)</u>	<u>269,158</u>
Cash and cash equivalents at beginning of the period	<u>1,012,902</u>	<u>116,372</u>	<u>1,301,926</u>	<u>836,981</u>
Cash and cash equivalents at end of the period	5.2 <u>1,295,117</u>	<u>1,106,139</u>	<u>1,295,117</u>	<u>1,106,139</u>

The annexed notes 1 to 19 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 CASH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE NINE ENDED PERIOD ENDED MARCH 31, 2023

	For the Nine Months ended March 31, 2023			For the Nine Months ended March 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period	1,268,034	5,365	1,273,399	416,123	2,436	418,559
Issue of 29,373,716 units (2022: 36,809,520 units)						
- Capital value (at net asset value per unit at beginning of the period)	1,490,601	-	1,490,601	1,863,617	-	1,863,617
- Element of income	89,552	-	89,552	55,333	-	55,333
Total proceeds on issuance of units	1,580,153	-	1,580,153	1,918,950	-	1,918,950
Redemption of 25,051,189 units (2022: 23,587,670 units)						
- Capital value (at net asset value per unit at beginning of the period)	1,271,250	-	1,271,250	1,194,212	-	1,194,212
- Amount paid out of element of income relating to net income for the year after taxation	-	56,523	56,523	-	6,472	6,472
- Element of income	24,812	-	24,812	28,064	-	28,064
Total payments on redemption of units	1,296,062	56,523	1,352,585	1,222,276	6,472	1,228,748
Total comprehensive income for the period	-	165,998	165,998	-	48,976	48,976
Distribution during the period	-	-	-	-	-	-
Refund of capital	-	-	-	-	-	-
Net income for the period less distribution	-	165,998	165,998	-	48,976	48,976
Net assets at end of the period	1,552,125	114,840	1,666,965	1,112,797	44,940	1,157,737
Distribution for the year						
Undistributed income brought forward						
- Realised income		5,020			2,389	
- Unrealised income		345			47	
		5,365			2,436	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		109,475			42,504	
		109,475			42,504	
Distribution during the period		-			-	
Undistributed income carried forward		114,840			44,940	
Undistributed income carried forward						
- Realised income		115,642			45,234	
- Unrealised income		(802)			(294)	
		114,840			44,940	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		50.7461			50.6287	
Net assets value per unit at end of the period		56.6685			53.8756	

The annexed notes 1 to 19 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 CASH FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Cash Fund Fund (the Fund) was established under a Trust Deed, dated August 15, 2011, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on January 11, 2012. The initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e January 19, 2012.

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

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

The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, bank deposits, certificate of deposits, certificate of musharakas, commercial papers, reverse repos. Title of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund. The Fund is classified as a "Money Market Fund".

The Pakistan Credit Rating Agency Limited (PACRA) has maintained Asset Manager Rating of 'AM3++' to the Management Company dated June 30, 2022. PACRA has also assigned fund stability rating of "AA+(f)" to the Fund dated March 8, 2023.

The Fund is registered on August 23, 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12 of the Sindh Trusts Act, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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;
- Provisions of and directives issued under the Companies Act, 2017 and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

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 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 March 31, 2023.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain investments are measured at fair value.

2.3 Functional and presentation currency

This condensed interim financial information are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES, RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS 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.

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.

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
5. BANK BALANCES			
In current accounts		5	10
In savings accounts	5.1	<u>39,168</u>	<u>681,421</u>
		<u>39,173</u>	<u>681,431</u>

5.1 Mark-up rates on these accounts range between 15.50% to 17.50% per annum (June 30, 2022: 12.25% to 15% per annum).

(Unaudited) (Audited)
 March 31, June 30,
 2023 2022
 ----- (Rupees in '000) -----

5.2 CASH AND CASH EQUIVALENTS

Bank Balances	39,173	681,431
Market treasury bills	1,255,944	331,471
	<u>1,295,117</u>	<u>1,012,902</u>

6. INVESTMENTS

At fair value through profit or loss		
- Government Securities - Market treasury bills	1,309,798	331,471
At amortised cost		
- Commercial Paper / Short Term Sukuk (STS)	301,042	264,224
	<u>1,610,840</u>	<u>595,695</u>

6.1. Government Securities - 'at fair value through profit or loss'

Instrument	Face value				Balance at March 31, 2023			Market Value as percentage of	
	At July 1, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023	Carrying value	Market Value	Unrealized (deficit) / surplus	Net assets	Investments
T-Bills (3 months)	340,000	14,404,000	13,474,000	1,270,000	1,256,744	1,255,944	(800)	75.34%	77.97%
T-Bills (6 months)	-	179,000	125,000	54,000	53,856	53,854	(2)	3.23%	3.34%
T-Bills (12 months)	-	130,705	130,705	-	-	-	-	-	-
Total March 31, 2023					<u>1,310,600</u>	<u>1,309,798</u>	<u>(802)</u>		
Total June 30, 2022					331,126	331,471	345		

6.2. Commercial Paper / Short Term Sukuk (STS)

Investee Company	Face value				Balance at March 31, 2023	Rate of return	Maturity	Face value as a percentage of	
	At July 1, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023				Carrying value	Net assets
Rupees in '000									
K-Electric Limited	110,000	-	110,000	-	-	-	-	-	-
Lucky Electric Power Company Limited	15,000	-	15,000	-	-	-	-	-	-
Lucky Electric Power Company Limited	27,000	-	27,000	-	-	-	-	-	-
China Power Hub Generation Company (Pvt.) Limited	112,224	-	112,224	-	-	-	-	-	-
Lucky Electric Power Company Limited	-	40,000	-	40,000	19.44%	13-Apr-23	2.40%	2.48%	-
K-Electric Limited	-	150,000	65,000	85,000	19.39%	26-Apr-23	5.10%	5.28%	-
Lucky Electric Power Company Limited	-	92,041	-	92,042	17.34%	2-May-23	5.52%	5.71%	-
China Power Hub Generation Company (Pvt.) Limited	-	30,000	-	30,000	22.44%	7-Jun-23	1.80%	1.86%	-
K-Electric Limited	-	20,000	-	20,000	22.42%	13-Jun-23	1.20%	1.24%	-
K-Electric Limited	-	34,000	-	34,000	22.57%	21-Sep-23	2.04%	2.11%	-
Total March 31, 2023				301,042					
Total June 30, 2022				264,224					

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
		Note	
6.3	Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'		
	Market value of investments	6.1	1,309,798
	Carrying amount of investments	6.1	(1,310,600)
			<u> (802)</u>
7	PROFIT RECEIVABLE ON BANK DEPOSITS AND COMMERCIAL PAPERS		
	Profit receivable on bank		306
	Commercial Paper		8,451
			<u> 20,083</u>
			<u> 20,389</u>
8	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	Security Deposit - Central Depository Company of Pakistan Limited		200
	Prepaid PSX annual listing fee		7
	Prepaid CDS Annual Fee		25
	Prepaid Rating Fee		52
	Advance tax	8.1	628
			<u> 912</u>
			<u> 706</u>

8.1 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, 2021, withholding tax on profit on debt 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) March 31, 2023	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
		Note	
9	PAYABLE TO THE AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Remuneration	9.1	642
	Sales tax on management fees	9.2	83
	Federal Exercise Duty Payable	9.3	669
	Expenses allocated by the Management Company	9.4	321
			<u> 1,715</u>
			<u> 1,442</u>

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

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

- 9.2 Sindh Sales Tax at the rate of 13% (June 30, 2022: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.
- 9.3 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 note 8.4 to annual audited 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 asset value of the Fund as at March 31, 2023 would have been higher by Re. 0.0227 per unit (June 30, 2022: Re. 0.0267 per unit).
- 9.4 The Management Company has charged expenses at the rate of 0.15% in the first quarter and 0.25% in the second quarter (June 30 2022: 0.15%) per annum of the average annual net assets of the Fund.

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----			
10	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Trustee fee	71	59
	Sindh Sales Tax payable on trustee & CDS fee	9	8
	CDS Charges Payable	1	1
		81	68

- 10.1 The Trustee is entitled to a remuneration to be paid monthly 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 remuneration is paid to the Trustee at 0.065% (June 30, 2022: 0.065%) of net assets on monthly basis in arrears.
- 10.2 Sindh sales tax on services 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.

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----			
11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)		
	Annual fee payable to SECP	225	178

- 11.1 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 0.020%(June 30, 2022:0.02%) of the average annual net assets of the scheme.

	(Unaudited) March 31, 2023	(Audited) June 30, 2022
Note	----- (Rupees in '000) -----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors remuneration	246	246
Printing Charges payable	-	150
Zakat payable	-	35
Brokerage Payable	2	1
Withholding tax payable	68	8,896
Others	125	-
	<u>441</u>	<u>9,328</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2023 and June 30, 2022.

14 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund from July 1, 2022 to March 31, 2023 is 0.94% (annualised) (June 30 2022:0.85%), which includes 0.08% (June 30, 2022 :0.09%) representing government levy and SECP fee.

15 TAXATION

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

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	(Unaudited)	
	For the nine month ended	
	March 31,	
	2023	2022
	----- (Rupees in '000) -----	
16.1 Transactions during the period		
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	5,622	2,413
Sindh sales tax on management remuneration	731	314
Expenses allocated by the Management Company	2,477	869
Issue of 39,310 units (2022: Nil units)	2,000	-
Redemption of 39,310 units (2022: Nil units)	2,004	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	618	336
Sindh Sales Tax on trustee remuneration & CDS Charges	81	44
AKD Securities Limited		
Brokerage on purchase / sale t-bills	1	-
AKD Islamic Income Fund		
Short Tern STS K-Elec Instrument sold by AKD Cash Fund to AKD Islamic Income Fund	68,084	-
Imran Motiwala - CEO and Director of the Management Company		
Issue of Nil Units (2022: 37,302 Units)	-	1,946
Redemption of Nil Units (2022: 37,302 Units)	-	1,955
Sehr Imran Motiwala - Spouse of the CEO and Director of the Management Company		
Issue of Nil Units (2022: 136,394 Units)	-	7,114
Redemption of Nil Units (2022: 136,394 Units)	-	7,143
Hasan Ahmed - Director of the Management Company		
Issue of Nil Units (2022: 41,620 Units)	-	2,229
Key Management Personnel		
Muhammad Yaqoob (with Spouse & minor children)		
- Chief operating Officer and Company Secretary		
Issue of Nil Units (2022: 54,187 Units)	-	2,910
Ali Abbas -Head of Research		
Issue of 14,812 Unitss (2022: Nil Units)	779	-
Redemption of 28,832 Units (2021: Nil Units)	1,517	-

(Unaudited)
For the nine month ended
March 31,
2023 2022
----- (Rupees in '000) -----

Unit holders holding 10% or more of the units in issue

Durain Cassim (Unit holders holding 10% or more of the units in issue)

Issue of 1,514,612 units (2022: 4,410,641 units)	80,000	230,000
Redemption of 7,704,656 units (2022: 676,053 units)	415,142	35,000

Lubna Najmul Hussain Dossa

Issue of 4,498,345 units (2022: Nil units)	235,534	-
Redemption of 363,888 units (2022: Nil units)	19,916	-

Dinaz Cassim

Issue of 1,951,406 units (2022: 4,598,180 units)	105,000	240,000
Redemption of 1,576,296 units (2022: 1,164,284 units)	84,567	60,000

	(Unaudited)	(Audited)
	March 31,	June 30,
	2023	2022
	----- (Rupees in '000) -----	

16.2 Balances outstanding at the period / year end

AKD Investment Management Limited - Management Company

Management remuneration payable	642	541
Federal excise duty payable on management remuneration	669	669
Sindh Sales tax payable on management remuneration	83	70
Payable against allocated expenses	321	162

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	71	59
Sindh Sales Tax on trustee remuneration payable	9	1
CDS Charges Payable	1	8
Security Deposit	200	100

Receivable / Payable from / to AKD Funds against conversion of units

Payable against conversion of units - AKD Islamic Income Fund	2	-
Receivable against conversion of units - AKD Islamic Income Fund	5	-

Durain Cassim (Unit holders holding 10% or more of the units in issue)*

Units held Nil Units (June 30, 2022: 6,190,043 units)	-	314,120
---	---	---------

Dinaz Cassim (Unit holders holding 10% or more of the units in issue)

Units held 5,492,643 Units (June 30, 2022: 5,117,533 Units)	311,260	259,695
---	---------	---------

Lubna Najmul Hussain Dossa (Unit holders holding 10% or more of the units in issue)

Units held 6,445,332 Units (June 30, 2022: Nil Units)	365,247	-
---	---------	---

Bank Alfalah Limited Employees Provident Fund (Unit holders holding 10% or more of the units in issue) *

Units held Nil Units (June 30, 2022: 2,709,248 units)	-	137,484
---	---	---------

*Prior period connected person, current figures not shown

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets (i.e. listed securities) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		(Unaudited)			
		As at March 31, 2023			
Assets	Note	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
At fair value through profit or loss					
Investments					
- Government Securities	6.1	-	1,309,798	-	1,309,798

		(Audited)			
		As at June 30, 2022			
Assets	Note	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
At fair value through profit or loss					
Investments					
- Government Securities	6.1	-	331,471	-	331,471

There were no transfers between various levels of fair value heirarchy during the period.

18. GENERAL

18.1 Figures have been rounded off to the nearest thousand Rupees.

18.2 This condensed interim financial information is unaudited.


18.3 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

19. DATE OF AUTHORISATION FOR ISSUE

28 APR 2023

This condensed interim financial information was authorised for issue on _____ 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.**

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

E-mail : info@akdinvestment.com
Website : www.akdinvestment.com