

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 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: 3-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.

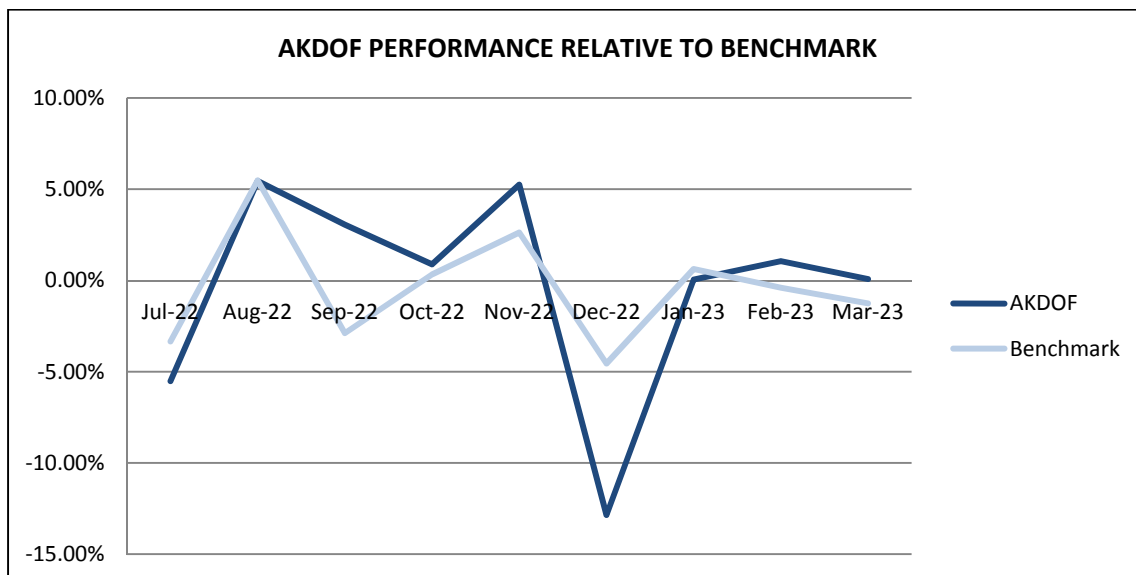
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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	Jan-23	Feb-23	Mar-23
AKDOF	-5.52%	5.45%	3.05%	0.88%	5.25%	-12.86%	0.05%	1.06%	0.08%
Benchmark	-3.35%	5.48%	-2.89%	0.33%	2.63%	-4.55%	0.62%	-0.40%	-1.26%

- 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-Mar-23	31-Dec-22
Equities	97.43%	98.64%
Cash	0.99%	0.64%
Other Assets including Receivables	1.58%	0.72%

- 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-----						
Pakistan Stock Exchange Limited	Equity	90,530	Nil	90,530	10.96%	10.64%

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

9MFY23 Return	-3.88%
Benchmark Return	-3.71%

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

Net Asset Value			NAV Per Unit	
31-Mar-23	31-Dec-22	Change in Net Assets	31-Mar-23	31-Dec-22
(Rupees In "000")			Rs.	Rs.
826,341	1,062,543	-22.23%	97.0639	95.9274

- 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 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.

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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.

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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.

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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.

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.

- 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	1,062
10,000 to 49,999	76
50,000 - 99,999	15
100,000 - 499,999	9
500,000 and above	3
Total	1,165

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

Investments are subject to credit and market risk.

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

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

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

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
Note	----- (Rupees in '000) -----	
Assets		
Bank balances	8,435	13,135
Investments	828,888	1,363,915
Dividend and profit receivable on bank deposits	4,519	73
Receivable against sale of investment	5,945	-
Deposits, prepayments and other receivables	2,999	2,930
Total assets	850,786	1,380,053
Liabilities		
Payable to AKD Investment Management Limited - Management Company	12,256	13,038
Payable to Central Depository Company of Pakistan Limited - Trustee	184	217
Payable to Securities and Exchange Commission of Pakistan	179	450
Payable against Redemption / conversion of units	6,127	-
Unclaimed Dividend	255	255
Payable against purchase of investment	-	2,580
Accrued expenses and other liabilities	5,444	5,321
Total liabilities	24,445	21,861
Net assets	826,341	1,358,192
Unit holders' fund (as per statement attached)	826,341	1,358,192
Contingencies and commitments		
	Number of units	
Number of units in issue	8,513,368	13,449,509
	Rupees	
Net assets value per unit	97.0639	100.9845

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 OPPORTUNITY FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS 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					
Capital gain / (loss) on sale of investments 'at fair value through profit or loss'		73,137	(75,149)	13,299	(47,405)
Net unrealised appreciation / (diminution) on remeasurement of investments 'at fair value through profit or loss'	6.2	(156,013)	(638,130)	(5,598)	(79,970)
Dividend income		77,424	87,236	12,749	21,603
Other income		-	61,066	-	-
Profit on bank deposits		1,135	1,495	348	551
Total income / (loss)		(4,317)	(563,482)	20,798	(105,221)
Expenses					
Remuneration of the Management Company	9.1	17,916	38,143	4,895	8,207
Sales tax on the remuneration of the Management Company	9.2	2,329	4,959	636	1,067
Remuneration of the Trustee	10.1	1,637	2,658	482	657
Sales tax on the Trustee remuneration	10.2	213	346	60	86
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	179	381	49	82
Expenses allocated by the Management Company	9.4	5,039	8,582	1,468	1,846
Security Transaction Cost		1,741	5,207	610	541
Auditors' remuneration		261	241	86	79
Settlement charges and Bank charges		67	252	45	29
Fee and subscription		469	558	150	164
Printing and stationary		-	113	-	37
Legal and professional charges		216	433	108	108
Financial charges on borrowing from bank		-	1,022	-	989
Total expenses		30,067	62,895	8,589	13,892
Net income / (loss) for the year before taxation		(34,384)	(626,377)	12,209	(119,113)
Taxation	15	-	-	-	-
Net income / (loss) for the period after taxation		(34,384)	(626,377)	12,209	(119,113)
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 gains		-	-	-	-

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 OPPORTUNITY FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS 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 / (loss) for the period after taxation	(34,384)	(626,377)	12,209	(119,113)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	(34,384)	(626,377)	12,209	(119,113)

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 OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF CASHFLOWS (UNAUDITED)
FOR THE NINE MONTHS 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 / (loss) for the period before taxation		(34,384)	(626,377)	12,209	(119,113)
Adjustments					
Net unrealised diminution / (appreciation) on remeasurement of investments at fair value through profit or loss'		156,013	638,130	5,598	79,970
Other Income		-	(61,066)	-	-
		<u>121,629</u>	<u>(49,313)</u>	<u>17,807</u>	<u>(39,143)</u>
(Increase) / decrease in assets					
Dividend and profit receivable on bank deposits		(4,446)	(759)	(4,484)	(1,509)
Receivable against sale of investment		(5,945)	3,864	(5,945)	165,533
Deposits, prepayments and other receivables		(69)	(124)	(45)	(25)
		<u>(10,460)</u>	<u>2,981</u>	<u>(10,474)</u>	<u>163,999</u>
Increase / (decrease) in liabilities					
Payable to AKD Investment Management Limited - Management Comp		(782)	(4,501)	(660)	(1,898)
Payable to Securities and Exchange Commission of Pakistan		(271)	(141)	49	82
Payable to Central Depository Company of Pakistan Limited - Trustee		(33)	(207)	(28)	(88)
Unclaimed Dividend		-	334	255	334
Payable against purchase of investment		(2,580)	(11,550)	(2,580)	-
Payable against redemption / conversion of units		6,127	1,108	6,127	(516,783)
Accrued expenses and other liabilities		123	(5,385)	(240)	332
		<u>2,584</u>	<u>(20,342)</u>	<u>2,923</u>	<u>(518,021)</u>
Investments - net		<u>379,014</u>	<u>1,444,962</u>	<u>236,900</u>	<u>417,487</u>
Net cash generated from / (used in) operating activities		<u>492,767</u>	<u>1,378,288</u>	<u>247,156</u>	<u>24,322</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		212,136	1,181,940	26,163	263,012
Payment against redemption of units		(709,603)	(2,613,139)	(271,765)	(550,926)
Net cash (used in) / generated from financing activities		<u>(497,467)</u>	<u>(1,431,199)</u>	<u>(245,602)</u>	<u>(287,914)</u>
Net increase / (decrease) in cash and cash equivalents		<u>(4,700)</u>	<u>(52,911)</u>	<u>1,554</u>	<u>(263,592)</u>
Cash and cash equivalents at beginning of the period		<u>13,135</u>	<u>33,639</u>	<u>6,881</u>	<u>244,320</u>
Cash and cash equivalents at end of the period	5	<u>8,435</u>	<u>(19,272)</u>	<u>8,435</u>	<u>(19,272)</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 OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS 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	623,079	735,113	1,358,192	2,099,709	1,427,523	3,527,232
Issuance of units 2,050,350 (2022: 9,690,308 units)						
- Capital value (at net asset value per unit at the beginning of period)	207,054	-	207,054	1,324,822	-	1,324,822
- Element of income	5,082	-	5,082	(142,882)	-	(142,882)
Total proceeds on issuance of units	212,136	-	212,136	1,181,940	-	1,181,940
Redemption of 6,986,491 units (2022: 21,613,930 units)						
- Capital value (at net asset value per unit at the beginning of period)	705,527	-	705,527	2,954,974	-	2,954,974
- Amount paid out of element of income relating to net income for the period after taxation	-	-	-	-	-	-
- Element of Income	4,076	-	4,076	(341,835)	-	(341,835)
Total payments on redemption of units	709,603	-	709,603	2,613,139	-	2,613,139
Total comprehensive income / (loss) for the period	-	(34,384)	(34,384)	-	(626,377)	(626,377)
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	(34,384)	(34,384)	-	(626,377)	(626,377)
Net assets at end of the period	125,612	700,729	826,341	668,510	801,146	1,469,656

Distribution for the period

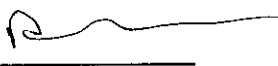
Undistributed income brought forward		
- Realised	1,378,318	477,485
- Unrealised	(643,205)	950,038
	<u>735,113</u>	<u>1,427,523</u>
Accounting loss for the period	(34,384)	(626,377)
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	-	-
	<u>-</u>	<u>-</u>
Undistributed income / (loss) carried forward	<u>700,729</u>	<u>801,146</u>
Undistributed income / (loss) carried forward		
- Realised	856,742	1,439,276
- Unrealised	(156,013)	(638,130)
	<u>700,729</u>	<u>801,146</u>
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>97.0639</u>	<u>105.9132</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 OPPORTUNITY FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

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 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 categorized as Equity Scheme as per circular 7 of 2009 by SECP. The principal activity of the Fund is to make investments in listed securities, placing cash with banks, TDRs and T-bills not exceeding 90 days maturity period.

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 and 3-Star' by PACRA on February 13, 2023 in long term and short term categories respectively.

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 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.

2.1.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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

This financial information has 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are 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 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) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----			
5. BANK BALANCES			
In savings accounts	5.1	8,104	12,897
In current accounts		331	238
		<u>8,435</u>	<u>13,135</u>

5.1 Mark-up rate on these accounts are from 15.5% to 17.50% per annum (June 30, 2022: 12.25% to 13% per annum).

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----			
6. INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	6.1	<u>828,888</u>	<u>1,363,915</u>

6.1 Listed equity securities - at fair value through profit or loss

Name of the Investee Company	Face value per share (Rupees)	Number of shares					Balance as at March 31, 2023			Market value as percentage of total investments	Market value as a percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
		As at July 1, 2022	Purchases during the period	Bonus / right issue received during the period	Sold / Disposed	As at March 31, 2023	Carrying value	Market value	Un-realised gain/ (loss) on revaluation			
Automobile Assembler												
Pak Suzuki Motor Company Limited	10	25,000	-	-	-	25,000	-	-	-	-	-	-
Automobile Parts & Accessories												
Thai Limited	5	47,000	-	-	-	47,000	12,672	7,849	(4,823)	0.95	0.95	0.06
Cable & Electrical Goods												
Pakistan Cables Limited	10	34,000	-	5,100	15,000	24,100	2,923	2,268	(655)	0.27	0.27	0.06
Commercial Banks												
Bank Islami Pakistan Limited	10	250,000	1,138,000	-	288,000	1,100,000	14,289	10,648	(3,641)	1.28	1.29	0.10
Samba Bank Limited	10	275,000	-	-	75,000	200,000	1,988	1,350	(618)	0.16	0.16	0.02
							<u>16,257</u>	<u>11,998</u>	<u>(4,259)</u>			
Engineering												
Pakistan Engineering Company Limited	10	2,100	-	-	2,100	-	-	-	-	-	-	-
Food & Personal Care-Products												
Al Shaheer Corporation Limited	10	13,500,123	-	2,126,084	7,326,207	8,300,000	76,399	79,182	2,783	9.55	9.58	2.37
Al Shaheer Corporation Limited	10	-	-	673,916	673,916	-	-	-	-	-	-	-
Quiche Food Industries Limited	10	5,000,000	-	-	1,500,000	3,500,000	14,035	12,460	(1,575)	1.50	1.51	3.55
							<u>90,434</u>	<u>91,642</u>	<u>1,208</u>			
Insurance												
Askari General Insurance Company Limited	10	779,533	-	-	-	779,533	13,252	14,024	772	1.69	1.70	1.08
EFU General Insurance Limited	10	300,000	-	-	-	300,000	33,453	28,833	(4,620)	3.48	3.49	0.15
Pakistan Reinsurance Company Limited	10	717,000	-	-	-	717,000	6,274	5,507	(767)	0.66	0.67	0.08
TPL Insurance Limited	10	2,661,897	-	931,663	-	3,593,560	89,812	75,752	(14,060)	9.14	9.17	1.81
							<u>142,791</u>	<u>124,116</u>	<u>(18,675)</u>			
Inv. Banks / Inv. Cos. / Securities Cos												
Imperial Limited	10	486,500	-	-	-	486,500	5,395	5,838	443	0.70	0.71	0.49
Jahangir Siddiqui Company Limited - Class A Pre	10	978,200	-	-	-	978,200	7,767	6,847	(920)	0.83	0.83	0.53
Jahangir Siddiqui Company Limited	10	4,891,000	504,500	-	-	5,395,500	71,470	54,764	(16,706)	6.61	6.63	0.59
JS Investments Limited	10	3,349,000	-	-	129,000	3,220,000	36,225	54,708	18,483	6.60	6.62	5.21
Pakistan Stock Exchange Limited (6.1.3)	10	10,764,621	-	-	-	10,764,621	110,122	90,530	(19,592)	10.92	10.96	1.34
							<u>230,979</u>	<u>212,687</u>	<u>(18,292)</u>			
Miscellaneous												
Pakistan Services Limited	10	100	-	-	-	100	154	84	(70)	0.01	0.01	-
Oil & Gas Marketing Companies												
Pakistan State Oil Company Limited	10	15,000	63,000	-	78,000	-	-	-	-	-	-	-

Name of the Investee Company	Face value per share (Rupees)	Number of shares				Balance as at March 31, 2023			Market value as percentage of total investments	Market value as a percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company	
		As at July 1, 2022	Purchases during the period	Bonus / right issue received during the period	Sold / Disposed	As at March 31, 2023	Carrying value	Market value				Un-realised gain/ (loss) on revaluation
Paper and Board												
Pakistan Paper Products Limited	10	114,000	-	-	-	114,000	7,866	4,560	(3,306)	0.55	0.55	1.43
Pharmaceuticals												
Abbot Laboratories Pakistan Ltd	10	61,400	-	-	26,400	35,000	22,912	14,464	(8,448)	1.74	1.75	0.04
Seale Pakistan	10	-	25,000	6,250	31,250	-	-	<u>14,464</u>	<u>(8,448)</u>	-	-	-
Power Generation & Distribution												
Engro Powergen Qadirpur Limited	10	155,500	-	-	155,500	-	-	-	-	-	-	-
Hub Power Company Limited	10	500,000	520,279	-	1,020,279	-	-	-	-	-	-	2.73
Japan Power Generation Limited (6.1.4)	10	4,261,500	-	-	13,500,000	4,261,500	16,720	11,385	(5,335)	1.37	1.38	0.02
K-Electric Limited	3.5	19,000,000	-	-	100,000	-	-	-	-	-	-	-
Kol Addu Power Company Limited	10	-	100,000	-	100,000	-	-	-	-	-	-	-
Lalpur Power Limited	10	7,555,500	-	-	5,853,000	1,702,500	21,707	27,002	5,295	3.26	3.27	0.45
Nishat Chunitan Power Limited	10	992,000	-	-	992,000	-	-	-	-	-	-	-
Nishat Power Limited (6.1.2)	10	3,031,000	-	-	2,531,000	500,000	9,750	9,050	(700)	1.09	1.10	0.14
							<u>48,177</u>	<u>47,437</u>	<u>(740)</u>			
Refinery												
Attock Refinery Limited	10	40,000	-	-	40,000	-	-	-	-	-	-	-
Energyco PK Limited (6.1.1)	10	20,200,000	-	-	1,700,000	18,500,000	98,790	64,010	(34,780)	7.72	7.75	0.35
Pakistan Refinery Limited	10	100,000	-	-	100,000	-	-	<u>64,010</u>	<u>(34,780)</u>	-	-	-
Sugar & Allied industries												
Chasma Sugar Mills Limited	10	7,000	-	-	-	7,000	467	434	(33)	0.05	0.05	0.02
Tariq Corporation Limited	10	14,437	-	-	-	14,437	188	185	(3)	0.02	0.02	0.03
Tariq Corporation Limited- Preference Shares	10	3,937	-	-	-	3,937	22	37	15	0.00	0.00	0.03
The Premier Sugar Mills Limited	10	6,200	-	-	-	6,200	3,410	3,875	465	0.47	0.47	0.17
							<u>4,087</u>	<u>4,531</u>	<u>444</u>			
Synthetics and Rayon												
Pakistan Synthetics Limited	10	770,900	-	-	500	770,400	40,831	36,848	(3,983)	4.45	4.46	0.83
Technology & Communication												
Hum Network Limited	1	466,500	-	93,300	-	559,800	3,321	3,023	(298)	0.36	0.37	0.05
Pakistan Telecommunication Company Limited	10	-	35,000	-	35,000	-	-	-	-	-	-	-
Systems Limited	10	-	7,549	-	7,549	-	-	-	-	-	-	-
TPL Trakker Limited	10	1,667,000	-	-	-	1,667,000	14,420	14,986	566	1.81	1.81	0.89
TRG Pakistan Limited	10	1,000,000	278,527	-	1,278,527	-	-	<u>17,741</u>	<u>18,009</u>	<u>268</u>	-	-
Textile Composite												
Fazal Cloth Mills Limited	10	600	-	-	-	600	145	92	(53)	0.01	0.01	-
Masood Textile Mills Limited	10	1,000	-	-	-	1,000	50	36	(14)	0.00	0.00	-
Nishat Mills Limited	10	50,000	-	-	50,000	-	-	<u>195</u>	<u>128</u>	<u>(67)</u>	-	-

Name of the Investee Company	Face value per share (Rupees)	Number of shares				Balance as at March 31, 2023			Market value as percentage of total investments	Market value as a percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company	
		As at July 1, 2022	Purchases during the period	Bonus / right issue received during the period	Sold / Disposed	As at March 31, 2023	Carrying value	Market value				Un-realised gain/(loss) on revaluation
Textile Spinning												
Colony Textile Mills Limited	10	400,000	-	-	-	400,000	1,480	916	(564)	0.11	0.11	0.08
Crescent Fibres Limited	10	37,000	-	-	1,500	35,500	1,976	2,012	36	0.24	0.24	0.29
Ellicot Spinning Mills Limited	10	666,838	6,200	-	-	673,038	109,629	73,206	(36,423)	8.83	8.86	6.15
Premium Textile Mills Limited	10	10,000	-	-	-	10,000	6,900	4,020	(2,880)	0.48	0.49	0.16
Saif Textile Mills Limited	10	141,000	-	-	-	141,000	2,961	1,230	(1,731)	0.15	0.15	0.53
Tata Textile Mills Limited	10	1,241,538	29,000	-	-	1,270,538	88,594	78,900	(9,694)	9.52	9.55	2.27
							211,540	160,284	(51,256)			
Vanaspati & Allied Industries												
Punjab Oil Mills Limited	10	200,000	-	40,000	-	240,000	35,600	26,641	(8,959)	3.21	3.22	3.71
S.S. Oil Mills Limited	10	45,400	-	-	32,000	13,400	952	1,332	380	0.16	0.16	0.24
							36,552	27,973	(8,579)			
Total as at March 31, 2023							984,901	828,888	(156,013)			
Total as at June 30, 2022							2,007,120	1,363,915	(643,205)			

6.1.1 15,000,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

6.1.2 400,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

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

6.1.4 M/s Japan Power Generation Limited from PSX on 02-Jan-2023

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
6.2	Net unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss'		
Market value of investments	6.1	828,888	1,363,915
Carrying amount of investments	6.1	<u>(984,901)</u>	<u>(2,007,120)</u>
		<u>(156,013)</u>	<u>(643,205)</u>

7 DIVIDEND AND PROFIT RECEIVABLE ON BANK DEPOSITS

Profit on bank balance		182	73
Dividend receivable		<u>4,337</u>	<u>-</u>
		<u>4,519</u>	<u>73</u>

8 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 PSX listing fee		7	-
Prepaid Rating fee		51	-
Advance Tax - (Dividend & Bank Profit)	8.1	<u>341</u>	<u>330</u>
		<u>2,999</u>	<u>2,930</u>

8.1 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 of Income Tax Ordinance, 2001. However, uptill period ended December 31, 2021, 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) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
9	PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Remuneration	9.1	1,499	2,170
Sales tax on management fees	9.2	195	282
Federal Excise Duty on Management Remuneration	9.3	10,092	10,092
Expenses allocated by the Management Company	9.4	450	488
Sales load payable		<u>20</u>	<u>6</u>
		<u>12,256</u>	<u>13,038</u>

- 9.1 The Management Company charged remuneration at the rate of 2 % per annum of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 9.2 Sindh Sales Tax on services 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 8.3 to 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 asset value of the Fund as at March 31, 2022 would have been higher by Re. 1.1855 per unit (June 30, 2022: Re. 0.7504 per unit).
- 9.4 The Management Company has charged expenses at the rate of 0.50% per annum from July 01, 2022 to Sept. 30, 2022 and 0.60% per annum from Oct. 01, 2022 to March 31, 2023 (June 30, 2022: 0.45% per annum) of the average annual net assets of the Fund.

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	10.1	150	191
CDS Charges Payable		13	1
Sindh Sales Tax on trustee fee and CDS charges	10.2	<u>21</u>	<u>25</u>
		<u>184</u>	<u>217</u>

10.1 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.

Net assets upto 1 billion

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

Net assets exceeding 1 billion

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

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.

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to SECP	11.1	<u>179</u>	<u>450</u>

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 0.02 percent of the average annual net assets of the scheme.

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
12 ACCRUED AND OTHER LIABILITIES			
Brokerage payable		1,101	589
Auditors remuneration		261	283
Printing charges payable		150	150
Withholding tax payable		184	104
Others		<u>3,748</u>	<u>4,195</u>
		<u>5,444</u>	<u>5,321</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 of the Fund from July 1, 2022 to March 31, 2023 is 3.36% (June 30, 2022: 3.27%) and this includes 0.33% (June 30, 2022: 0.33%) representing government levies on the Fund such as sales taxes, annual fees to SECP etc.

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	17,916	38,143
Expenses allocated by the Management Company	5,039	8,582
Sindh Sales Tax on Management Company	2,329	4,959
Sales load	26	398
Units issued : Nil (2022: 149,087)	-	19,641
Units redeemed : 58,893 (2022: 68,646)	6,500	8,000
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Trustee remuneration	1,637	2,658
Sindh Sales Tax on trustee remuneration and CDS Charges	218	360
CDS charges for the period	40	111
AKD Islamic Stock Fund - Common Management Company		
Shares purchased by AKD Islamic Stock Fund	18,655	82,331
Shares sold by AKD Islamic Stock Fund	14,289	-
Golden Arrow Stock Fund - Common Management Company		
Shares purchased by Golden Arrow Stock Fund	35,173	107,396
AKD Securities Limited		
Commission on purchase and sale of marketable securities	12	1,170
Shares purchased by AKD Securities Limited	-	209,113
Units issued : Nil (2022: 733,059)	-	100,000
Units redeemed : Nil (2022: 733,059)	-	84,200
Mr. Imran Motiwala The Chief Executive Officer of the Management Company		
Units issued : Nil (2022: 10,079)	-	1,089
Units redeemed : 36,602 (2022: 93,894)	3,710	11,038
Spouse of the Chief Executive Officer of the Management Company		
Units issued : Nil (2022: 66,087)	-	7,140
Units redeemed : Nil (2022: 66,087)	-	7,632

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

Transactions during the period

Mr. Ameer Arif Dagha Spouse of the Director of the Management Company Units redeemed : Nil (2022: 137,627)	-	13,903
Mr. Muhammad Yaqoob (with his spouse and minor children) The Chief Operating Officer and Company Secretary Units redeemed : Nil (2022: 94,050)	-	10,920
Ms. Ayesha Aqeel Dhedhi Close relative of Mr. Aqeel Karim Dhedhi Units redeemed : Nil (2022: 5,448)	-	550
Mr. Hasan Ahmed Director of the Management Company Units redeemed : Nil (2022: 21,385)	-	2,186
Mr. Carrow Michael Head of HR and Admin of the Management Company Units redeemed: 102 (2022: :Nil)	10	-
Mr. Ubaid ur Rehman Head of Retail Sales Units redeemed : Nil (2022: 72)	-	10
KAPCO Employees Pension Fund Trust** (holding more than 10% units of the Fund) Units redeemed : 812,777 (2022: Nil)	78,856	-
Ellcot Spinning Mills Limited - Common Directorship Number of shares sold: Nil (2022: 3,300) Number of shares purchased 6,200 : (2022: Nil) Receipt of dividend on 673,038 shares @ 100% (2022: on 665,838 shares @ 25%)	- 941 6,730	500 - 1,665

16.2 Balances outstanding at the period / year end	(Unaudited) March 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
AKD Investment Management Limited - Management Company		
Remuneration payable	1,499	2,170
Sales tax provincial on Management Remuneration	195	282
Federal excise duty payable on Management	10,092	10,092
Allocated expenses by the Management Company	450	488
Sales load payable	20	6
Units outstanding : 21,548 (June 30, 2022: 80,441)	2,092	8,123
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	150	191
Sales tax Payable on Trustee remuneration and on CDS Charges	21	25
CDS charges payable	13	1
Security deposit	100	100
Payable against Conversion of units - AKD Funds		
Payable against Conversion of units - AKD Islamic Income Fund	3,907	-
AKD Group Holdings (Private) Limited (Formerly: Aqeel Karim Dhedhi Securities (Private) Limited) - Staff Provident Fund		
Units outstanding: 90,428 (June 30, 2022: 90,428)	8,777	9,132
Ms. Afsheen Aqeel Dhedhi Close relative of Mr. Aqeel Karim Dhedhi		
Units outstanding: 61 (June 30, 2022: 61)	6	6
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
Mr. Murtaza Wahab Siddiqui Spouse of the Director of the Management Company		
Units outstanding: 36,068 (June 30, 2022: 36,068)	3,501	3,642

Balances outstanding at the period / year end	(Unaudited) March 31, 2023	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
Mr. Ali Wahab Siddiqui Director of the Management Company		
Units outstanding: 1,829 (June 30, 2022: 1,829)	178	185
Mr. Muhammad Farid Alam Chief Executive of AKD Securities Limited		
Units outstanding: 5,787 (June 30, 2022: 5,787)	562	584
Mr. Carrow Michael Head of HR and Admin		
Units outstanding: Nil (June 30, 2022: 102)	-	10
AKD Securities Limited - Brokerage House		
Brokerage payable on purchase and sale of marketable securities	577	565
Ellicot Spinning Mills Limited - Common Directorship		
Shares held 673,038 (June 30 2022: 666,838)	73,206	108,688
KAPCO Employees Pension Fund Trust (holding more than 10% units of the Fund)		
Units outstanding: 1,665,603 (June 30, 2022: 2,478,380)	161,670	250,278

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Unaudited)			
'As at March 31, 2023			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Investment in securities - at fair value through profit or loss			
Listed equity securities	828,888	-	828,888

'As at June 30, 2022			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Investment in securities - at fair value through profit or loss			
Listed equity securities	1,363,915	-	1,363,915

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

18. **GENERAL**

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

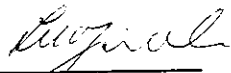
18.2 This condensed interim financial information are unaudited.

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

19. **DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information were authorised for issue on 28 APR 2023 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director



**AKD Investment
Management Ltd.**

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