

ANNUAL REPORT 2023



Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit from 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. Abid Hussain*

Mr. Saim Mustafa Zuberi**

* Appointed on May 22, 2023 in place of 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 INERNAT 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 annual report along with the Funds' audited Financial Statements for the year ended June 30, 2023.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the FY23, the return of AKD Opportunity Fund stood at -12.03% compared to the benchmark KSE-100 Index return of -0.21%.

Golden Arrow Stock Fund (GASF)

For the FY23, the return of Golden Arrow Stock Fund stood at -10.37% compared to the benchmark KSE-100 Index return of -0.21%.

AKD Islamic Stock Fund (AKDISSF)

For the FY23, the return of AKD Islamic Stock Fund stood at -17.92% compared to the benchmark KMI-30 Index return of 2.88%.

AKD Index Tracker Fund (AKDITF)

For the FY23, the return of AKD Index Tracker Fund stood at -1.10% compared to the benchmark KSE-100 Index return of -0.21%.

AKD Cash Fund (AKDCF)

For the FY23, the return of AKD Cash Fund stood at 17.24% compared to the benchmark return of 17.02%.

Distribution for the year ended June 30, 2023:

The Board of Directors approved a final distribution (including refund of element) of Rs 0.1933 per unit. This is in addition to interim distribution (including refund of element) of Rs. 8.1929 per unit approved by the Chief Executive under authority granted by the Board of Directors of the Management Company during the year.

AKD Islamic Income Fund (AKDISIF)

For the FY23, the return of AKD Islamic Income Fund stood at 17.65% compared to the benchmark return of 6.06%.

Distribution for the year ended June 30, 2023:

The Board of Directors approved a final distribution (including refund of element) of Rs 0.0747 per unit. This is in addition to interim distribution (including refund of element) of Rs. 8.5912 per unit approved by the Chief Executive under authority granted by the Board of Directors of the Management Company during the year.

AKD Aggressive Income Fund (AKDAIF)

For the FY23, the return of AKD Aggressive Income Fund stood at 2.16% as compared to the benchmark return of 18.60%.

Distribution for the year ended June 30, 2023:

The Board of Directors approved a final distribution (including refund of element) of Rs 0.1690 per unit. This is in addition to interim distribution (including refund of element) of Rs. 0.9275 per unit approved by the Chief Executive under authority granted by the Board of Directors of the Management Company during the year.

AKD Islamic Daily Dividend Fund (AKDIDDF)

Since the inception of the fund i.e. February 17, 2023, the annualized return of AKD Islamic Daily Dividend Fund stood at 17.60% as compared to the benchmark return of 6.62%.

Distribution for the year ended June 30, 2023:

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs. 3.1338 per unit to the unit holders during the year ended June 30, 2023.

MACRO PERSPECTIVE

Over the past year, Pakistan's economy went through a major economic crisis perhaps the worst since independence that led to an unprecedented increase in interest rates and inflation, recording new records in all fronts. The crisis stemmed from the start of the Russia-Ukraine war in February 2022 after which the international commodities prices sharply moved up and coupled with unsustainable global debt levels a number of developing country economies were in complete tail spin. Pakistan was no exception being a net importing country dependent for key essentials like oil, widening deficits of both the current and fiscal account was imminent as the local currency went into free fall and foreign reserves eroded. Hence, to contain the widening Current Account Deficit, the Government had to impose major import restrictions. Through the timely administrative measures adopted by the Government, Pakistan managed to circumnavigate the most difficult economic situation in the Country's history, averting a sovereign default and securing a nine-month Standby Arrangement of US\$3bn with the IMF.

The SBP has proactively focused on restricting the demand growth by adopting monetary contraction through rate increases since June 2020 (*interest rates at 7%*) while the incumbent government resorted to Fiscal tools such as increasing existing taxes along with introducing new ones. In FY23 alone, the SBP

increased the interest rates by 825bps to 22%. Additionally, key conditions of the IMF Program asking for removal of subsidies led to hikes in all utility prices across the board adding inflationary pressures further and higher unemployment. However, the fruits of these politically difficult policies have already started to reflect in demand contraction with most high frequency indicators (*Cement, Auto and POL product sales*). Another important measure that the government took to compress demand was to allow the “Free Float” of the currency, which notably led to a sharp depreciation of the Pak Rupees and naturally contained imports, supported exports and home remittances.

The Current Account Surplus for the month of June 2023 clocked in at USD 334 million, from a Current Account Surplus of USD 220 million (revised) in May 2023 taking the FY23 CAD to USD 2.56 billion (-0.7% of GDP) against USD 17.48 billion (-4.7% of GDP), down -85% YoY during the same period last year primarily due to decline in imports as the Government’s initiatives to stabilize the economy were visibly bearing fruit.

The Government’s resilient efforts to attract investments from Non-Resident Pakistanis continued to yield results, with an impressive inflow of USD 6.48 billion through Roshan Digital Accounts (RDA) with more than 590,000 accounts till July 2023.

Moreover, the FBR collected revenues worth PKR 7.17 trillion during FY23 against the target of 7.64 trillion missing the target by PKR 496 billion despite the imposition of nearly PKR 800 billion additional taxes due to a steep decline in imports and an overall slowdown of the economy.

During FY23, the external account remained a major cause of concern as Pakistan’s liquid foreign exchange reserves decreased by USD 5.70 billion on the back of debt servicing primarily. As of June 30, 2023, the Country’s liquid foreign exchange reserves stood at USD 9.75 billion (*SBP reserves USD 4.46 billion*).

The new IMF program will provide a policy framework to bring power sector reforms in the country along with the SOE governance. This program will support Pakistan in obtaining additional funds from its bilateral partners which is extremely essential in a period of low FX reserves and high debt servicing. The exchange rate is likely to appreciate in the short term due to speculative activity; however, will remain under depreciative pressure till sizeable foreign inflows do not materialize.

The NCPI during the month of August 2023 clocked in at 27.38% YoY as compared to 29.40% YoY in July 2023. This took the 2MFY24 average NCPI to 27.84% compared to 26.10% during the SPLY. The main contributors to the increase in inflation are Housing, Water, Electricity, Gas, and Fuel (weight in CPI 23.63%) with an impact of 0.21% MoM / 6.25% YoY because of the increasing fuel and utility prices and exchange devaluation. Furthermore, food inflation came lower than expected which caused the decline in inflation as noticed by the Food and Non-alcoholic Beverages Index (weight in CPI 34.58%) with an impact of 0.23% MoM / 38.51% YoY.

The Large Scale Manufacturing (LSMI) sector, which accounts for about 80% of the country's industrial output, shrank for the 12th consecutive month in June, by 14.96 percent YoY, leading to contract by 10.26% in FY23 as almost all major industries reported substantial declines. Without say, the fallout of the restrictive measures undertaken by the central bank and the government to contain the current account deficit notably weighed heavily on the industry.

EQUITY MARKET REVIEW

The Equity market, despite closing in flat at 41,452.68 level, decreasing 88 points (-0.21% YoY) remained extremely volatile during the year with excitement over letter of intent from IMF, financial support from KSA, UAE and other bilateral partners, strong corporate results, appointment of the new Chief of Army Staff and the long-awaited Federal Budget FY23. The market also witnessed anxious moments with flash floods that contributed to loss of USD 30 billion, monetary tightening, unprecedented inflation and prolonged political uncertainty investors had very little to celebrate this past year.

During FY23, investor participation declined as volumes contracted by 34% YoY to 190.82 million shares from 291.47 million shares recorded during last year. Surprisingly, after five consecutive years of outflows, foreigners were net buyers in FY23 with USD 1.53 million. Foreigner's interest was majorly caught in Technology and Communication (*USD 43.30 million*) and Oil and Gas Exploration Companies (*USD 27.42 million*).

The sectors that performed during FY23 are Chemical (15.74%), Cement (8.00%), Synthetic & Rayon (40.34%), Investment Banks/Companies (8.16%), and Sugar & Allied Industries (13.00%). While the sectors that kept the bulls in check are Commercial Banks (-9.81%), Pharmaceuticals (-40.36%), Automobile Assembler (-25.67%), Tobacco (-26.18%), and Oil & Gas Exploration Companies (-6.54%). On the local front, major selling was witnessed in Mutual Funds (*USD 144.49 million*) and Insurance Companies (*USD 124.31 million*) as panic swayed away local investors to safer havens and fixed income given that interest rates are almost at record highs.

On a 10Y period, the KSE - 100 index yielded an annualized return of 7.03% (-3.68% annualized in USD terms). 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; frontier market investors are likely to turn net buyers given the unprecedented currency adjustment and cheap valuations provided that Pakistan implement key economic and policy reforms.

We remain positive towards equities based on the premise that i) holding Cash for real value would not be possible given high inflation and currency devaluation, ii) real value over the long term can only be secured in inflation hedged assets such as Real Estate, Gold or Equity, iii) we believe that Gold has rallied significantly over the past several months and is in its consolidation phase while Real Estate being illiquid and capital intensive besides being on the government's radar for taxing, equities plausibly

seems the prime candidate for a long term investment strategy. The index continues to trade at exceedingly attractive multiples with PE and PB of 4.54x and 0.6x with a healthy dividend yield of 10%.

FIXED INCOME REVIEW

During FY23, the State Bank of Pakistan maintained an aggressive monetary tightening stance, steadily increasing the policy rate to an unprecedented historical high of 22.00%. This decisive approach was taken in response to un-abating inflationary pressures, with the average NCPI for FY23 soaring to 29.18%, and the pressing need to fortify the country's deteriorating external account.

The heightened policy rate played a significant role in driving up the rates of government securities, attracting substantial investments into these instruments as investors sought improved returns offered by government debt securities.

Throughout the year, the State Bank of Pakistan conducted a total of twenty-seven (27) Market Treasury Bill (MTB) auctions, where the government managed to raise PKR 25.15 trillion against the auction target of PKR 24.43 trillion. Notably, the weighted average yields for 3, 6, and 12-month MTBs were 18.07%, 18.03%, and 18.07% respectively, up by 791 bps, 748 bps, and 754 bps as compared to 10.16%, 10.54%, and 10.53% during the same period last year.

To further address the need for liquidity, SBP also conducted twelve (12) auctions of fixed-rate Pakistan Investment Bond (PIB) and was successful in raising PKR 1.30 trillion. The weighted average yield for 3, 5, and 10 years PIBs increased by 456 bps, 263 bps, and 191 bps to 15.22%, 13.32%, and 12.94% respectively, as compared to 10.65%, 10.69%, and 11.03% during the same period last year as the yield curve remains inverted.

In the market for Shariah Compliant instruments, the SBP conducted a total of twenty-four (24) auctions of GOP Ijara Sukuk, both Variable Rental Rate (VRR) and Fixed Rental Rate (FRR). These auctions successfully raised PKR 870.78 billion against the auction target of PKR 1,620 billion. Furthermore, during the third quarter of this fiscal year, the SBP introduced 1-year and 3-year GOP Ijara Sukuk.

Moreover, the State Bank of Pakistan carried out 134 Open Market Operations (OMOs) with varying maturities, injecting PKR 57.18 trillion into the market at an average cut-off yield of 17.55% and mopped up PKR 6.73 trillion at an average cut-off yield of 17.06%.

Looking ahead to the auction target calendars for August through October 2023, the State Bank of Pakistan aims to raise PKR 8.25 trillion by issuing 3 to 12-month MTBs against the maturing amount of PKR 8.91 trillion. Additionally, the SBP targets to raise PKR 480 billion through 3 to 30-year fixed-rate PIBs and PKR 1,520 billion through 2 to 10-year floating-rate PIBs.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- (a) The financial statements, prepared by the Management of the Company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and movement in unit holders' funds.
- (b) Proper books of account of the Funds have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments.
- (d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from have been adequately disclosed.
- (e) The system of internal control is sound in design and has effectively implemented and monitored.
- (f) There are no significant doubts upon the Funds' ability to continue as a going concern.
- (g) Statutory payments, taxes, duties, levies and charges, if any have been properly disclosed in the financial statements.
- (h) Summary of key financial data / performance tables is appended to the Financial Statements of the Funds.
- (i) The Pattern of unit holdings is appended to the Financial Statements of the Funds.
- (j) The statement showing the attendance of Directors in BOD meetings and Audit Committee meetings is as under:

S.No.	Name of Director	MEETINGS ATTENDANCE				Attended	Leave
		28-Apr-23	24-Feb-23	28-Oct-22	28-Sep-22		
1	Mr. Abdul Karim	✓	✓	✓	✓	4	0
2	Mr. Imran Motiwala	✓	✓	✓	✓	4	0
3	Ms. Anum Dhedhi	✓	✓	✓	✓	4	0
4	Mr. Saim Mustafa Zuberi*	—	—	✓	✓	2	0
5	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
6	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
7	Ms. Aysha Ahmed	✓	✓	✓	✓	4	0

S.No.	Name of Director	MEETINGS ATTENDANCE				Attended	Leave
		28-Apr-23	24-Feb-23	28-Oct-22	28-Sep-22		
1	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
2	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
3	Mr. Saim Mustafa Zuberi*	—	—	✗	✗	0	2

*Resigned on February 21, 2023

- (k) There have been no trades in the units of the Funds carried out by the Directors, CEO, CFO, CIO, COO, Company Secretary and their spouses and minor children of the Management Company other than as disclosed below and in the note to the financial statements:

S.No.	Trades by	Designation	Investment (No of Units)	Redemption (No of Units)
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AKD ISLAMIC INCOME FUND

1	Imran Motiwala	CEO & Director	58,142	58,142
2	Sehr Imran Motiwala	Spouse - CEO & Director	947,645	947,645
3	Anum Dhedhi	CIO & Director	47	82,504
4	Ameer Arif Dagha	Spouse - CIO & Director	995	282,997
5	Ali Wahab Siddiqui	Director	203,373	-
6	Hasan Ahmed	Director	123	-
7	Muhammad Yaqoob	COO & Company Secretary	7,714	7,863
8	Abdul Rehman Yaqoob	Minor Children - COO &	423	-
9	Ayesha Yaqoob	Minor Children - COO &	423	-
10	Muhammad Amin Yaqoob	Minor Children - COO &	423	-

AKD ISLAMIC STOCK FUND

1	Imran Motiwala	CEO & Director	-	2,237
2	Sehr Imran Motiwala	Spouse - CEO & Director	-	22,415
3	Anum Dhedhi	CIO & Director	104,968	104,968

AKD OPPORTUNITY FUND

1	Imran Motiwala	CEO & Director	-	36,602
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GOLDEN ARROW STOCK FUND

1	Imran Motiwala	CEO & Director	-	1,476,000
2	Muhammad Yaqoob	COO & Company Secretary	-	100,000

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

- i. The total number of directors are seven as follows:
 - a) Male: Five
 - b) Female: Two
- ii. The composition of the Board of Directors is as follows:
 - Independent Director: Three
 - Non-Executive Directors: Five
 - Executive Directors: Two
 - Female directors: Two

RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of AM3++ (A M three Plus Plus) to AKD Investment Management Limited (AKDIML) on June 27, 2023.

RATING OF THE FUNDS

AKD OPPORTUNITY FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 5-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year) and trailing 60 months (5 Year)] and 3-Star Performance Ranking in short term [based on performance review of trailing 12 months (1 Year)] for the period ended December 31, 2022 to AKD Opportunity Fund (AKDOF) on February 13, 2023.

AKD CASH FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of “AA+(f)” (Double A Plus; fund stability rating) for the period ended December 31, 2022 to AKD Cash Fund (AKDCF) on March 8, 2023.

AKD AGGRESSIVE INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of “A+(f)” (Single A Plus; fund stability rating) for the period ended December 31, 2022 to AKD Aggressive Income Fund (AKDAIF) on March 8, 2023.

GOLDEN ARROW STOCK FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 5-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year) and trailing 60 months (5 Year)] and 4-Star Performance Ranking in short term [based on performance review of trailing 12 months (1 Year)] for the period ended December 31, 2022 to Golden Arrow Stock Fund (GASF) on February 13, 2023.

AKD ISLAMIC INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of “AA-(f)” (Double A Minus; fund stability rating) for the period ended December 31, 2022 to AKD Islamic Income Fund (AKDISIF) on March 6, 2023.

AKD ISLAMIC STOCK FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 4-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year)] and 2-Star Performance Ranking in short term [based on performance review of trailing 12 months (1 Year)] for the period ended December 31, 2022 to AKD Islamic Stock Fund (AKDISSF) on February 13, 2023.

AKD ISLAMIC DAILY DIVIDEND FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned initial stability rating of “AA(f)” (Double A; fund stability rating) to AKD Cash Fund (AKDCF) on March 20, 2023.

HOLDING COMPANY

AKD Group Holdings (Private) Limited [Formerly: Aqeel Karim Dhedhi Securities (Private) Limited] is the holding company of AKD Investment Management Limited and holds 99.97% of the outstanding ordinary shares of the Company.

APPOINTMENT OF AUDITORS

The Board re-appointed M/s Yousuf Adil, Chartered Accountants as the statutory auditors for AKD Opportunity Fund, AKD Index Tracker Fund, AKD Cash Fund, AKD Aggressive Income Fund and AKD Islamic Daily Dividend Fund and M/s Riaz Ahmad & Company, Chartered Accountants as the statutory auditor for Golden Arrow Stock Fund, AKD Islamic Income Fund and AKD Islamic Stock Fund for the year 2023-2024 as recommended by the Audit Committee.

ACKNOWLEDGEMENTS

The Directors would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan, the Ministry of Finance, the State Bank of Pakistan and the Management of the Pakistan Stock Exchange for their continued support and cooperation. The Board also appreciates the devoted performance of the staff and officers of the AKD Investment Management Limited. The Board will also like to thank the investors for their confidence in the Company.

FUTURE OUTLOOK

As we move into FY24, we believe that structural changes and reforms are necessary to turn around the current economic state addressing fiscal imbalances and external vulnerabilities with sustainable stability. While market consensus suggests foreseeably that the Central Bank has reached its monetary tightening cycle for now, both the fiscal and external accounts are likely to remain very challenging for the Government in the coming year. On the other hand, notably inflation is expected to come off sharply as the high base effect plays out, perhaps providing much needed respite in the form of a reduction in interest rates as debt servicing remains worrying.

The Government announced the Finance Bill for FY23-24 on June 9, 2023 with high expectations and in hopes to regain lost political capital amid one of the worst economic conditions on record. The Finance Minister set GDP growth expectations for FY24 at 3.5% compared to 0.29% in FY23 (*provisional*). Moreover, the Average NCPI target for FY24 is 21% and Budget Deficit and Primary Surplus targets have been set at 6.54% and 0.4% of GDP respectively. Lastly, the Ministry of Finance has targeted exports and remittances to clock at USD 30 billion and USD 33 billion, respectively.

The FBR revenue target is set at PKR 9.4 trillion in FY24. Additionally, the Federal Non-tax revenue target has been marked at PKR 2.96 trillion, 83% higher than FY23. The government is expecting total expenditures of PKR 14.48 trillion in FY24 which is 52% higher than FY23. The Federal Public Sector Development Plan seemingly optimistic is set at PKR 950 billion, 67% higher than in the same period last year. The government has set PKR 7.3 trillion for debt servicing in FY24. The expenditure on defense is at PKR 1.8 trillion in FY24, 15% higher than the last year's budget. While the external debt payment in FY24 has been budgeted at USD 22 billion, which is likely to keep the local currency in check and with it economic direction and performance.

Some of the main provisions of the Finance Bill are as follows:

- Increasing salary tax slabs on people earning PKR 200k per month and above
- Increase in maximum allowed Petroleum Development Levy (PDL) by PKR 10 to PKR 60.
- Imposition of 5% FED on Fertilizers
- Rate of tax IT and IT enabled services was changed from 16% to 5% (without input adjustment).
- The rate of advance tax on sale/purchase of immovable property has been increased from 2% to 3%
- Advance tax on motor vehicles having engine capacity more than 2000cc has been based on value ranging from 6% to 10%
- Re-imposition of 10% final withholding tax on issuance of bonus shares by a company (20% for non-ATL).
- The amnesty provided to people bringing FX to purchase property has incidentally also been withdrawn in line with IMF requirements.

We believe that the support from IMF will help subside the default risk that the country was adamantly facing and more importantly play a major confidence boost for the financial markets. The Equity market rallied around 2,446.32 points (5.90%) on July 3, 2023 – single day highest gain in years on the back of this single event, illustrating that the markets believe that the Country has effectively averted an imminent default. However, the ruling government and economic managers will need to be extremely vigilant and pragmatic for sustainable stability and growth as headwinds remain.

Going forward, the key factors that would drive the market direction include IMF's second quarterly review for the USD 3 billion loan facility under the SBA and clarity on the holding of general elections in Pakistan. One of the key challenges that the Government has been struggling with is to bring down the difference between the interbank and open market exchange rate which has now reached ~7% while the IMF believes the deviation needs to be maintained up to 1.25%. Moreover, the Government will also have to implement some strict measures to contain the soaring fiscal deficit and achieve the desired target of primary surplus agreed with the IMF which will bring a new wave of inflation pressures.

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 the new SBA IMF program which will notably entail a continuity in reforms and fiscal discipline. The index is trading at a PE multiple of

4.54x far below the long-term averages. The dividend yield is attractive at 10% which is the highest in the region and with the last REER recorded at 87.7492 in June 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: September 22, 2023

FUND INFORMATION

AKD Index Tracker Fund



Management Company

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

Trustee

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

Bankers

Askari Bank Limited
Bank Al Falah Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
United Bank Limited

Auditors

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

Legal Advisor

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

Registrar

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

Distributor

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

Rating: Asset Management Company

PACRA: AM3++

FUND MANAGER'S REPORT

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

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

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

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

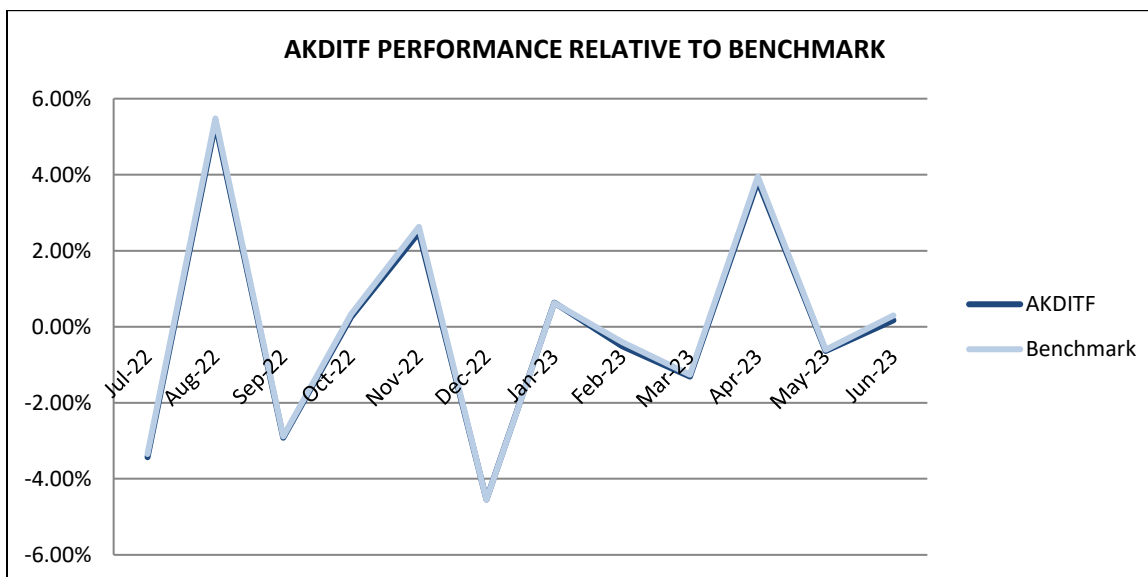
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the FY23, the return of AKD Index Tracker Fund stood at -1.10% compared to the benchmark KSE-100 Index return of -0.21%.

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

KSE-100 Index.

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



Monthly return	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
AKDITF	-3.43%	5.34%	-2.92%	0.26%	2.48%	-4.55%	0.63%	-0.51%	-1.31%	3.83%	-0.64%	0.17%
Benchmark	-3.35%	5.48%	-2.89%	0.33%	2.63%	-4.55%	0.62%	-0.40%	-1.26%	3.95%	-0.60%	0.30%

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

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

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

Asset Allocation (% of Total Asset)	30-Jun-23	30-Jun-22
Equities	94.65%	96.98%
Cash	4.68%	2.35%
Other Assets including Receivables	0.67%	0.67%

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

FY23 Return	-1.10%
Benchmark Return	-0.21%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
30-Jun-23	30-Jun-22		30-Jun-23	30-Jun-22
(Rupees In "000")			Rs.	Rs.
422,884	427,595	-1.10%	12.4341	12.5729

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

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

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

MACRO PERSPECTIVE

Over the past year, Pakistan's economy went through a major economic crisis perhaps the worst since independence that led to an unprecedented increase in interest rates and inflation, recording new

records in all fronts. The crisis stemmed from the start of the Russia-Ukraine war in February 2022 after which the international commodities prices sharply moved up and coupled with unsustainable global debt levels a number of developing country economies were in complete tail spin. Pakistan was no exception being a net importing country dependent for key essentials like oil, widening deficits of both the current and fiscal account was imminent as the local currency went into free fall and foreign reserves eroded. Hence, to contain the widening Current Account Deficit, the Government had to impose major import restrictions. Through the timely administrative measures adopted by the Government, Pakistan managed to circumnavigate the most difficult economic situation in the Country's history, averting a sovereign default and securing a nine-month Standby Arrangement of US\$3bn with the IMF.

The SBP has proactively focused on restricting the demand growth by adopting monetary contraction through rate increases since June 2020 (*interest rates at 7%*) while the incumbent government resorted to Fiscal tools such as increasing existing taxes along with introducing new ones. In FY23 alone, the SBP increased the interest rates by 825bps to 22%. Additionally, key conditions of the IMF Program asking for removal of subsidies led to hikes in all utility prices across the board adding inflationary pressures further and higher unemployment. However, the fruits of these politically difficult policies have already started to reflect in demand contraction with most high frequency indicators (*Cement, Auto and POL product sales*). Another important measure that the government took to compress demand was to allow the "Free Float" of the currency, which notably led to a sharp depreciation of the Pak Rupees and naturally contained imports, supported exports and home remittances.

The Current Account Surplus for the month of June 2023 clocked in at USD 334 million, from a Current Account Surplus of USD 220 million (revised) in May 2023 taking the FY23 CAD to USD 2.56 billion (-0.7% of GDP) against USD 17.48 billion (-4.7% of GDP), down -85% YoY during the same period last year primarily due to decline in imports as the Government's initiatives to stabilize the economy were visibly bearing fruit.

The Government's resilient efforts to attract investments from Non-Resident Pakistanis continued to yield results, with an impressive inflow of USD 6.48 billion through Roshan Digital Accounts (RDA) with more than 590,000 accounts till July 2023.

Moreover, the FBR collected revenues worth PKR 7.17 trillion during FY23 against the target of 7.64 trillion missing the target by PKR 496 billion despite the imposition of nearly PKR 800 billion additional taxes due to a steep decline in imports and an overall slowdown of the economy.

During FY23, the external account remained a major cause of concern as Pakistan's liquid foreign exchange reserves decreased by USD 5.70 billion on the back of debt servicing primarily. As of June 30, 2023, the Country's liquid foreign exchange reserves stood at USD 9.75 billion (*SBP reserves USD 4.46 billion*).

The new IMF program will provide a policy framework to bring power sector reforms in the country along with the SOE governance. This program will support Pakistan in obtaining additional funds from its bilateral partners which is extremely essential in a period of low FX reserves and high debt servicing. The

exchange rate is likely to appreciate in the short term due to speculative activity; however, will remain under depreciative pressure till sizeable foreign inflows do not materialize.

The NCPI during the month of August 2023 clocked in at 27.38% YoY as compared to 29.40% YoY in July 2023. This took the 2MFY24 average NCPI to 27.84% compared to 26.10% during the SPLY. The main contributors to the increase in inflation are Housing, Water, Electricity, Gas, and Fuel (weight in CPI 23.63%) with an impact of 0.21% MoM / 6.25% YoY because of the increasing fuel and utility prices and exchange devaluation. Furthermore, food inflation came lower than expected which caused the decline in inflation as noticed by the Food and Non-alcoholic Beverages Index (weight in CPI 34.58%) with an impact of 0.23% MoM / 38.51% YoY.

The Large Scale Manufacturing (LSMI) sector, which accounts for about 80% of the country's industrial output, shrank for the 12th consecutive month in June, by 14.96 percent YoY, leading to contract by 10.26% in FY23 as almost all major industries reported substantial declines. Without say, the fallout of the restrictive measures undertaken by the central bank and the government to contain the current account deficit notably weighed heavily on the industry.

EQUITY MARKET REVIEW

The Equity market, despite closing in flat at 41,452.68 level, decreasing 88 points (-0.21% YoY) remained extremely volatile during the year with excitement over letter of intent from IMF, financial support from KSA, UAE and other bilateral partners, strong corporate results, appointment of the new Chief of Army Staff and the long-awaited Federal Budget FY23. The market also witnessed anxious moments with flash floods that contributed to loss of USD 30 billion, monetary tightening, unprecedented inflation and prolonged political uncertainty investors had very little to celebrate this past year.

During FY23, investor participation declined as volumes contracted by 34% YoY to 190.82 million shares from 291.47 million shares recorded during last year. Surprisingly, after five consecutive years of outflows, foreigners were net buyers in FY23 with USD 1.53 million. Foreigner's interest was majorly caught in Technology and Communication (*USD 43.30 million*) and Oil and Gas Exploration Companies (*USD 27.42 million*).

The sectors that performed during FY23 are Chemical (15.74%), Cement (8.00%), Synthetic & Rayon (40.34%), Investment Banks/Companies (8.16%), and Sugar & Allied Industries (13.00%). While the sectors that kept the bulls in check are Commercial Banks (-9.81%), Pharmaceuticals (-40.36%), Automobile Assembler (-25.67%), Tobacco (-26.18%), and Oil & Gas Exploration Companies (-6.54%). On the local front, major selling was witnessed in Mutual Funds (*USD 144.49 million*) and Insurance Companies (*USD 124.31 million*) as panic swayed away local investors to safer havens and fixed income given that interest rates are almost at record highs.

On a 10Y period, the KSE - 100 index yielded an annualized return of 7.03% (-3.68% annualized in USD terms). The persistent decline in the local currency against the US Dollar has kept foreign investors at

buy despite extremely compelling valuations. While foreigners have been on the sell side for several years now; frontier market investors are likely to turn net buyers given the unprecedented currency adjustment and cheap valuations provided that Pakistan implement key economic and policy reforms.

We remain positive towards equities based on the premise that i) holding Cash for real value would not be possible given high inflation and currency devaluation, ii) real value over the long term can only be secured in inflation hedged assets such as Real Estate, Gold or Equity, iii) we believe that Gold has rallied significantly over the past several months and is in its consolidation phase while Real Estate being illiquid and capital intensive besides being on the government's radar for taxing, equities plausibly seems the prime candidate for a long term investment strategy. The index continues to trade at exceedingly attractive multiples with PE and PB of 4.54x and 0.6x with a healthy dividend yield of 10%.

FUTURE OUTLOOK

As we move into FY24, we believe that structural changes and reforms are necessary to turn around the current economic state addressing fiscal imbalances and external vulnerabilities with sustainable stability. While market consensus suggests foreseeably that the Central Bank has reached its monetary tightening cycle for now, both the fiscal and external accounts are likely to remain very challenging for the Government in the coming year. On the other hand, notably inflation is expected to come off sharply as the high base effect plays out, perhaps providing much needed respite in the form of a reduction in interest rates as debt servicing remains worrying.

The Government announced the Finance Bill for FY23-24 on June 9, 2023 with high expectations and in hopes to regain lost political capital amid one of the worst economic conditions on record. The Finance Minister set GDP growth expectations for FY24 at 3.5% compared to 0.29% in FY23 (*provisional*). Moreover, the Average NCPI target for FY24 is 21% and Budget Deficit and Primary Surplus targets have been set at 6.54% and 0.4% of GDP respectively. Lastly, the Ministry of Finance has targeted exports and remittances to clock at USD 30 billion and USD 33 billion, respectively.

The FBR revenue target is set at PKR 9.4 trillion in FY24. Additionally, the Federal Non-tax revenue target has been marked at PKR 2.96 trillion, 83% higher than FY23. The government is expecting total expenditures of PKR 14.48 trillion in FY24 which is 52% higher than FY23. The Federal Public Sector Development Plan seemingly optimistic is set at PKR 950 billion, 67% higher than in the same period last year. The government has set PKR 7.3 trillion for debt servicing in FY24. The expenditure on defense is at PKR 1.8 trillion in FY24, 15% higher than the last year's budget. While the external debt payment in FY24 has been budgeted at USD 22 billion, which is likely to keep the local currency in check and with it economic direction and performance.

Some of the main provisions of the Finance Bill are as follows:

- Increasing salary tax slabs on people earning PKR 200k per month and above
- Increase in maximum allowed Petroleum Development Levy (PDL) by PKR 10 to PKR 60.
- Imposition of 5% FED on Fertilizers

- Rate of tax IT and IT enabled services was changed from 16% to 5% (without input adjustment).
- The rate of advance tax on sale/purchase of immovable property has been increased from 2% to 3%
- Advance tax on motor vehicles having engine capacity more than 2000cc has been based on value ranging from 6% to 10%
- Re-imposition of 10% final withholding tax on issuance of bonus shares by a company (20% for non-ATL).
- The amnesty provided to people bringing FX to purchase property has incidentally also been withdrawn in line with IMF requirements.

We believe that the support from IMF will help subside the default risk that the country was adamantly facing and more importantly play a major confidence boost for the financial markets. The Equity market rallied around 2,446.32 points (5.90%) on July 3, 2023 – single day highest gain in years on the back of this single event, illustrating that the markets believe that the Country has effectively averted an imminent default. However, the ruling government and economic managers will need to be extremely vigilant and pragmatic for sustainable stability and growth as headwinds remain.

Going forward, the key factors that would drive the market direction include IMF's second quarterly review for the USD 3 billion loan facility under the SBA and clarity on the holding of general elections in Pakistan. One of the key challenges that the Government has been struggling with is to bring down the difference between the interbank and open market exchange rate which has now reached ~7% while the IMF believes the deviation needs to be maintained up to 1.25%. Moreover, the Government will also have to implement some strict measures to contain the soaring fiscal deficit and achieve the desired target of primary surplus agreed with the IMF which will bring a new wave of inflation pressures.

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 the new SBA IMF program which will notably entail a continuity in reforms and fiscal discipline. The index is trading at a PE multiple of 4.54x far below the long-term averages. The dividend yield is attractive at 10% which is the highest in the region and with the last REER recorded at 87.7492 in June 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 the Fund manager's report, not otherwise disclosed in the financial statements.

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

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

There were no unit splits during the period.

xiv) Break down of unit holdings by size:

Range(Units)	No of Investors
0.0001 to 9,999	608
10,000 to 49,999	22
50,000 - 99,999	5
100,000 - 499,999	1
500,000 and above	2
Total	638

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

Investments are subject to credit and market risk.

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

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

AKD Index Tracker Fund

Details of Pattern of Holding (Units)

As At June 30, 2023

	No. of Unitholders	Units Held	% of Total
Associated Companies	-	-	0.00%
Directors and CEO			
Individuals	630	2,235,027	6.57%
Insurance Companies	-	-	0.00%
Banks/DFIs	-	-	0.00%
Retirement funds	1	31,210,812	91.77%
Public Limited Companies	1	17,740	0.05%
Others	6	546,380	1.61%
	638	34,009,959	100.00%

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-11 1-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

AKD INDEX TRACKER FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Index Tracker Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2023

AKD Index Tracker Fund

Financial Statements for
the year ended
June 30, 2023

INDEPENDENT AUDITORS' REPORT

To the Unit Holders of AKD Index Tracker Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **AKD Index Tracker Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the related income statement, the statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance, cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and Management Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the Key Audit Matters:

Key audit matter	How the matter was addressed in our audit
<p>Valuation and existence of investment</p> <p>As disclosed in note 6 to the financial statements, investments amounted to Rs. 415.393 million as at June 30, 2023.</p> <p>These investments represent a significant item on the statement of assets and liabilities. The Fund invests principally in listed equity securities which is the main driver of the Fund's performance.</p> <p>Considering the above factors, the valuation and existence of investments are significant areas during our audit. Consequently, we have considered this as a key audit matter.</p>	<ul style="list-style-type: none"> Obtained understanding of relevant controls placed by Management Company applicable to the balances; independently matched securities held by the Fund with the securities appearing in the Central Depository Company account statement to verify existence; independently tested valuations with the prices quoted on Pakistan Stock Exchange;

- | | |
|--|---|
| | <ul style="list-style-type: none">• performed purchases and sales testing on a sample of trades made during the period regarding movement of the securities;• any differences identified during our testing that were over our acceptable threshold were investigated further. |
|--|---|

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report in respect of the Fund but does not include the financial statements and our auditor's report thereon and the information related to any other fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


We also provide to the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shafqat Ali.


Chartered Accountants

Place: Karachi

Date: September 30, 2023

UDIN: AR202310186agOsB2pfx

**AKD INDEX TRACKER FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023**

	2023	2022
Note	----- (Rupees in '000) -----	
ASSETS		
Bank balances	20,543	10,272
Investments	415,393	423,649
Dividend and profit receivable on bank deposits	276	266
Deposits and other receivables	2,680	2,666
Total assets	438,892	436,853
LIABILITIES		
Payable to AKD Investment Management Limited - Management Company	1,686	1,691
Payable to Central Depository Company of Pakistan Limited - Trustee	80	80
Payable to Securities and Exchange Commission of Pakistan	85	92
Accrued expenses and other liabilities	10,429	3,667
Dividend payable	3,728	3,728
Total liabilities	16,008	9,258
NET ASSETS	422,884	427,595
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	422,884	427,595
CONTINGENCIES AND COMMITMENTS		
	----- (Number of Units) -----	
NUMBER OF UNITS IN ISSUE	34,009,959	34,009,203
----- (Rupees) -----		
NET ASSETS VALUE PER UNIT	12.43	12.57

The annexed notes from 1 to 29 form an integral part of these financial statements.

Ma

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

[Signature]
Chief Executive Officer

[Signature]
Chief Financial Officer

[Signature]
Director

AKD INDEX TRACKER FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
INCOME			
Capital gain / (loss) on sale of investments classified at 'fair value through profit or loss'		347	(3,707)
Net unrealised loss on re-measurement of investments classified at 'fair value through profit or loss'	6.5	(44,884)	(88,376)
Dividend income		44,605	34,382
Profit on bank deposits		1,550	972
Other income		-	4,814
Total income / (loss)		1,618	(51,915)
EXPENSES			
Remuneration of AKD Investment Management Limited - Management Company	9.1	3,195	3,458
Sindh sales tax on remuneration of Management Company	9.2	415	450
Expenses allocated by Management Company	9.3	426	460
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	852	919
Sindh sales tax on remuneration of Trustee	10.2	111	121
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	85	92
Auditor's remuneration	16	381	348
Brokerage		127	151
Legal and professional		216	433
Settlement and bank charges		150	29
Fee and subscription		358	336
Total expenses		6,316	6,797
Net loss for the year before taxation		(4,698)	(58,712)
Taxation	17	-	-
Net loss for the year		(4,698)	(58,712)
Allocation of income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
Accounting income available for distribution		-	-
Relating to capital gain		-	-
Excluding capital gains		-	-
Earnings per unit	18		

The annexed notes from 1 to 29 form an integral part of these financial statements.

MA

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

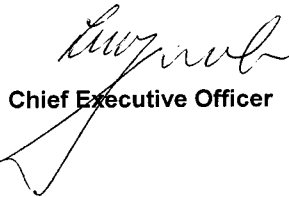
AKD INDEX TRACKER FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- (Rupees in '000) -----	
Net loss for the year after taxation	(4,698)	(58,712)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(4,698)	(58,712)

The annexed notes from 1 to 29 form an integral part of these financial statements.

MA

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer

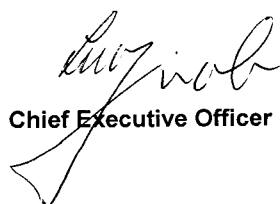

Director

AKD INDEX TRACKER FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period before taxation		(4,698)	(58,712)
Adjustments for non cash items and other items:			
Net unrealised loss on re-measurement of investments classified 'at fair value through profit or loss'	6.1	44,884	88,376
Capital (gain) / loss on sale of investments		(347)	3,707
Dividend income		(44,605)	(34,382)
Profit on bank deposits		(1,550)	(972)
Other income		-	(4,814)
		<u>(6,316)</u>	<u>(6,797)</u>
Increase in assets			
Deposits and other receivables		(14)	(16)
(Decrease) / Increase in liabilities			
Payable to AKD Investment Management Limited - Management Company		(5)	(127)
Payable to Central Depository Company of Pakistan Limited - Trustee		-	(15)
Payable to Securities and Exchange Commission of Pakistan		(7)	1
Accrued expenses and other liabilities		6,762	2,596
		<u>6,750</u>	<u>2,455</u>
Investments - net		(36,281)	(37,490)
Dividend received		44,652	36,371
Profit on bank deposits received		1,493	917
Net cash generated from / (used in) operating activities		<u>10,284</u>	<u>(4,560)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issue of units		60,471	27,783
Payment against redemption of units		(60,484)	(20,451)
Net cash generated from financing activities		<u>10,271</u>	<u>2,772</u>
Net increase in cash and cash equivalents at beginning of the year		<u>10,271</u>	<u>2,772</u>
Cash and cash equivalents at beginning of the year		10,272	7,500
Cash and cash equivalents at end of the year	5	<u>20,543</u>	<u>10,272</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.




Chief Executive Officer

For AKD Investment Management Limited
(Management Company)


Chief Financial Officer


Director

AKD INDEX TRACKER FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the year	372,497	55,098	427,595	365,165	113,810	478,975
Issue of 4,857,232 (2022: 2,040,979) units						
- Capital value	61,069	-	61,069	29,220	-	29,220
- Element of loss	(598)	-	(598)	(1,437)	-	(1,437)
Total proceeds on issuance of units	60,471	-	60,471	27,783	-	27,783
Redemption of 4,856,476 (2022: 1,487,752) units						
- Capital value	(61,060)	-	(61,060)	(21,300)	-	(21,300)
- Element of income	576	-	576	849	-	849
Total payments on redemption of units	(60,484)	-	(60,484)	(20,451)	-	(20,451)
Total comprehensive income for the year	-	(4,698)	(4,698)	-	(58,712)	(58,712)
Net assets at end of the year	372,484	50,400	422,884	372,497	55,098	427,595
Undistributed income brought forward						
- Realised income		143,474			11,208	
- Unrealised (loss) / income		(88,376)			102,602	
		55,098			113,810	
Net loss for the period after taxation		(4,698)			(58,712)	
Undistributed income carried forward		50,400			55,098	
Undistributed income carried forward						
- Realised income		95,284			143,474	
- Unrealised loss		(44,884)			(88,376)	
		50,400			55,098	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			12.57			14.32
Net assets value per unit at end of the year			12.43			12.57

The annexed notes from 1 to 29 form an integral part of these financial statements.

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Chief Executive Officer

For AKD Investment Management Limited
(Management Company)


Chief Financial Officer


Director

**AKD INDEX TRACKER FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Index Tracker Fund ("The Fund") was established under a Trust Deed, dated May 2, 2007 executed between AKD Investment Management Limited (AKDIML) as Asset Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 02, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 12, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. The Fund commenced its operations from October 11, 2005.

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

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

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

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

The Management Company has been assigned a quality rating of "AM3++" by the Pakistan Credit Rating Agency Limited (PACRA) on June 27, 2023. Due to specialised nature of the Fund, performance rating has not been taken, as the comparable benchmark is not available.

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

2. BASIS OF PRESENTATION

2.1 Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

2.1.2 The SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements have been presented in Pakistani Rupees, which is the Fund's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except stated otherwise.

2.4 Significant account policies, accounting estimates, judgements and changes therein

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) Classification and valuation of financial assets (note 4.1.1)
- (ii) Impairment of financial assets (note 4.1.5); and
- (iii) Provisions (note 4.3)

3. AMENDMENTS TO ACCOUNTING STANDARDS

3.1 Amendments to accounting standards that are effective for the year ended June 30, 2023

The following amendments to accounting standard are effective for the year ended June 30, 2023. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

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3.2 Amendments to accounting standards that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial Instruments: Disclosures ' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 ' Consolidated Financial Statements' IAS 28 'Investments in Associated and Joint Ventures' - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Financial instruments

4.1.1 Classification of financial assets

IFRS 9 contains three principal classification categories for financial assets:

- Amortised cost (AC),
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL).



Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI), only dividend income is recognised in the income statement. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirement to measure at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

4.1.2 Recognition and initial measurement of financial instruments

Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

4.1.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVOCI

All financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income.

For debt instruments classified as financial assets at FVOCI, the amounts already recognised in other comprehensive income are reclassified to the income statement on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVOCI, where there is no reclassification on derecognition.

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Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

4.1.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

4.1.5 Impairment

Under expected credit loss (ECL) model of IFRS 9, the Fund recognises loss allowances on financial assets other than debt securities. The Fund measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured at 12-month ECL:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

As disclosed in note 2.1.2 of these financial statements, the Fund follows requirements of circular 33 of 2012 (the circular) for impairment of debt securities. Under the circular, provision for non performing debt securities is made on the basis of time based criteria as prescribed under the circular. Impairment loss recognised on debt securities can be reversed through the income statement.

As allowed under circular no. 33 of 2012 dated October 24, 2012 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

4.1.6 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

4.1.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.1.8 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.



4.1.9 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

4.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Taxation

The income of the Fund is exempt from income tax under 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 its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of Section 113 (Minimum Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for, the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

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4.7 Element of income / loss included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.9 Revenue recognition

- Capital gain or loss on sale of investment is accounted for in the income statement on the date at which the sale transaction takes place.
- Unrealised gain / loss arising on re-measurement of investments classified as 'fair value through profit or loss' is included in the income statement in the period in which it arises.
- Profit on bank deposits is recognised on time proportionate basis using effective yield method.
- Dividend income from equity securities is recognised when the right to receive dividend is established.

4.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

	Note	2023 ----- (Rupees in '000) -----	2022
5. BANK BALANCES			
Saving accounts	5.1	20,543	9,883
Current accounts		-	389
		<u>20,543</u>	<u>10,272</u>

5.1 Mark-up rates on these accounts range from 13% to 19.5% (2022: 5% to 13%) per annum.

	Note	2023 ----- (Rupees in '000) -----	2022
6. INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	6.1	<u>415,393</u>	<u>423,649</u>

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6.1 Listed equity securities

Name of investee company	Face value per share (Rupees)	As at July 01, 2022	Purchases during the year	Bonus / right issue	Sales during the year	As at June 30, 2023	Balance as at June 30, 2023			Market Value as a percentage of investments	Market value as percentage of net assets	Market Value as a Percentage of paid up capital of the investee company held
							Carrying cost	Market Value	Appreciation / (diminution)			
----- (Rupees in '000) ----- (%) -----												
Fully paid ordinary shares / certificates												
Automobile Assembler												
Atlas Honda Limited	10	2,920	200	-	-	3,120	1,171	802	(369)	0.19	0.19	0.00
Honda Atlas Cars (Pakistan) Limited	10	6,770	500	-	-	7,270	1,406	671	(735)	0.16	0.16	0.01
Indus Motor Company Limited	10	3,549	350	-	-	3,899	4,386	3,678	(708)	0.89	0.87	0.00
Millat Tractors Limited	10	12,623	1,450	12,000	1,314	24,759	10,745	9,664	(1,081)	2.33	2.29	0.02
Pak Suzuki Motor Company Limited	10	5,132	500	-	-	5,632	1,172	536	(636)	0.13	0.13	0.00
			18,880	15,351					(3,529)			
Automobile Parts & Accessories												
Thal Limited	5	10,371	400	-	-	10,771	2,904	1,745	(1,159)	0.42	0.41	0.01
Cable & Electrical Goods												
Pak Elektron Limited	10	108,393	8,000	-	-	116,393	1,853	1,053	(800)	0.25	0.25	0.09
Property												
Javedan Corporation Limited	10	29,500	-	-	-	29,500	1,239	1,128	(111)	0.27	0.27	0.02
Cement												
Cherat Cement Company Limited	10	30,405	2,500	-	220	32,685	3,111	3,931	820	0.95	0.93	0.03
D.G. Khan Cement Company Limited	10	57,087	3,000	-	360	59,727	3,714	3,064	(650)	0.74	0.72	0.05
Fauji Cement Company Limited	10	188,300	20,500	24,725	-	233,525	2,951	2,746	(205)	0.66	0.65	0.19
Kohat Cement Company Limited	10	15,300	1,500	-	-	16,800	2,227	2,914	687	0.70	0.69	0.01
Lucky Cement Limited	10	29,264	3,150	-	950	31,464	14,460	16,427	1,967	3.95	3.88	0.03
Maple Leaf Cement Factory Limited	10	129,247	7,500	-	1,260	135,487	3,710	3,838	128	0.92	0.91	0.11
Pioneer Cement Limited	10	29,400	2,400	-	-	31,800	1,948	2,755	807	0.66	0.65	0.03
			32,121	35,676					3,554			
Chemical												
Archroma Pakistan Limited	10	2,000	150	-	-	2,150	1,176	1,011	(166)	0.24	0.24	0.00
Colgate-Palmolive (Pakistan) Limited	10	1,877	200	4,671	-	6,748	4,570	7,577	3,007	1.82	1.79	0.01
Engro Polymer & Chemicals Limited (6.4)	10	82,197	9,000	-	-	91,197	6,988	3,853	(3,135)	0.93	0.91	0.07
Lucky Core Industries Limited (Formerly ICI Pakistan Limited)	10	3,438	300	-	-	3,738	2,709	2,258	(451)	0.54	0.53	0.00
Lotte Chemical Pakistan Limited	10	97,500	5,500	-	-	103,000	2,462	2,835	373	0.68	0.67	0.08
			17,905	17,533					(372)			
Close - End Mutual Fund												
HBL Growth Fund - Class A	10	62,512	-	-	-	62,512	322	293	(29)	0.07	0.07	0.05

Name of investee company	Face value per share (Rupees)	As at July 01, 2022	Purchases during the year	Bonus / right issue	Sales during the year	As at June 30, 2023	Balance as at June 30, 2023 (Rupees in '000)			Market Value as a percentage of investments	Market value as percentage of net assets	Market Value as a Percentage of paid up capital of the investee company held
							Carrying cost	Market Value	Appreciation / (diminution)			
Fully paid ordinary shares / certificates												
Commercial Banks												
Allied Bank Limited	10	28,839	2,000	-	-	30,839	2,119	2,066	(53)	0.50	0.49	0.02
Askari Bank Limited (6.4)	10	98,813	-	14,731	5,000	108,544	1,645	1,407	(238)	0.34	0.33	0.09
Bank Al Habib Limited (6.4)	10	186,932	21,500	-	1,200	207,232	11,928	8,957	(2,971)	2.16	2.12	0.17
Bank Alfalah Limited	10	160,534	16,000	-	-	176,534	5,645	5,374	(271)	1.29	1.27	0.14
Faysal Bank Limited	10	97,680	5,000	-	-	102,680	2,409	2,072	(337)	0.50	0.49	0.08
Habib Bank Limited (6.4)	10	189,733	26,500	-	8,000	208,233	18,651	15,249	(3,403)	3.67	3.61	0.17
Habib Metropolitan Bank Limited (6.4)	10	121,748	13,000	-	-	134,748	5,173	4,072	(1,101)	0.98	0.96	0.11
MCB Bank Limited	10	108,068	11,500	-	660	118,908	14,565	13,611	(954)	3.28	3.22	0.10
Meezan Bank Limited	10	106,000	12,300	10,532	680	128,152	13,180	11,068	(2,111)	2.66	2.62	0.10
National Bank of Pakistan	10	131,438	6,500	-	-	137,938	3,838	2,687	(1,151)	0.65	0.64	0.11
Standard Chartered Bank (Pakistan) Limited	10	45,848	5,500	-	-	51,348	985	1,117	132	0.27	0.26	0.04
The Bank of Punjab	10	322,741	-	32,274	-	355,015	1,749	1,232	(517)	0.30	0.29	0.29
United Bank Limited (6.4)	10	126,679	18,800	-	5,200	140,279	15,880	16,488	608	3.97	3.90	0.11
			97,767	85,400	(12,366)							
Engineering												
Aisha Steel Mills Limited	10	82,700	-	-	82,700	-	0	0	-	0.00	0.00	-
International Industries Limited (6.4)	10	18,750	-	-	-	18,750	1,945	1,373	(572)	0.33	0.32	0.02
International Steels Limited	10	39,100	4,400	-	-	43,500	2,519	1,763	(755)	0.42	0.42	0.04
Mughal Iron And Steel Industries Ltd	10	20,705	1,500	-	-	22,205	1,294	1,076	(219)	0.26	0.25	0.02
			5,758	4,212	(1,546)							
Fertilizer												
Engro Corporation Limited	10	81,981	11,500	-	11,220	82,261	21,263	21,379	116	5.15	5.06	0.07
Engro Fertilizers Limited	10	155,425	22,000	-	7,100	170,325	14,975	14,057	(918)	3.38	3.32	0.14
Fatima Fertilizer Company Limited	10	78,634	7,000	-	-	85,634	3,229	2,553	(676)	0.61	0.60	0.07
Fauji Fertilizer Bin Qasim Limited	10	114,802	8,000	-	-	122,802	2,472	1,447	(1,025)	0.35	0.34	0.10
Fauji Fertilizer Company Limited	10	181,000	27,400	-	7,917	200,483	21,883	19,736	(2,147)	4.75	4.67	0.16
			63,822	59,171	(4,651)							
Food & Personal Care Products												
Frieslandcampina Engro Pakistan Limited	10	18,224	1,500	-	-	19,724	1,351	1,164	(186)	0.28	0.28	0.02
Murree Brewery Company Limited	10	2,930	300	-	158	3,072	1,247	891	(356)	0.21	0.21	0.00
National Foods Limited	5	17,602	2,300	-	-	19,902	2,793	1,958	(834)	0.47	0.46	0.02
Unilever Pakistan Foods Limited	10	-	85	-	-	85	2,153	1,993	(160)	0.48	0.47	0.00
Rafhan Maize Products Company Limited	10	-	200	-	-	200	2,059	1,680	(379)	0.40	0.40	0.00
Nestle Pakistan Limited	10	574	70	-	-	644	3,735	4,152	417	1.00	0.98	0.00
Unity Foods Limited	10	119,471	6,000	-	-	125,471	2,539	1,961	(578)	0.47	0.46	0.10
			15,877	13,800	(2,076)							
Glass & Ceramics												
Ghani Glass Limited	10	63,793	8,000	13,712	-	85,505	2,901	2,180	(721)	0.52	0.52	0.07
Tariq Glass Industries Limited	10	13,000	1,000	3,500	-	17,500	1,450	1,192	(258)	0.29	0.28	0.01
			4,351	3,372	(979)							

Name of investee company	Face value per share	As at July 01, 2022	Purchases during the year	Bonus / right issue	Sales during the year	As at June 30, 2023	Balance as at June 30, 2023			Market Value as a percentage of net assets	Market Value as a percentage of investments	Market Value as a percentage of paid up capital of the investee company held
							Carrying cost	Market Value	Appreciation / (diminution)			
							(Rupees in '000)			(%)		
Fully paid ordinary shares / certificates												
Insurance												
Adamjee Insurance Company Limited	10	62,240	-	-	3,000	59,240	1,870	1,341	(529)	0.32	0.32	0.05
EFU General Insurance Limited	10	15,637	-	-	100	15,537	1,733	1,336	(396)	0.32	0.32	0.01
IGI Holdings Limited	10	8,416	-	-	8,416	-	-	-	-	0.00	0.00	-
							<u>3,602</u>	<u>2,677</u>	<u>(925)</u>			
Inv. Banks / Inv. Cos. / Securities Cos.												
Dawood Hercules Corporation Limited (6.4)	10	87,846	9,000	-	250	96,596	9,022	9,660	638	2.33	2.28	0.08
Pakistan Stock Exchange Limited	10	114,000	12,000	-	-	126,000	1,286	932	(353)	0.22	0.22	0.10
							<u>10,308</u>	<u>10,592</u>	<u>284</u>			
Jute												
Crescent Jute Products Limited – Freeze (6.3)	10	500	-	-	-	500	-	-	-	-	-	-
Leather & Tanneries												
Service Industries Limited	10	4,830	-	-	-	4,830	1,704	1,268	(436)	0.31	0.30	0.00
Miscellaneous												
Pakistan Services Limited	10	5,440	200	-	200	5,440	8,372	4,216	(4,156)	1.01	1.00	0.00
Pakistan Aluminium Beverage Cans Limited	10	-	25,000	-	-	25,000	964	1,131	167	0.27	0.27	0.02
Shifa International Hospitals Ltd.	10	6,866	2,000	-	-	8,866	1,471	1,086	(385)	0.26	0.26	0.01
							<u>10,807</u>	<u>6,433</u>	<u>(4,374)</u>			
Modarabas												
First Habib Modaraba	5	40,500	-	-	-	40,500	379	295	(84)	0.07	0.07	0.03
Oil & Gas Exploration Companies												
Mari Petroleum Company Limited	10	6,898	680	-	-	7,578	13,112	11,478	(1,634)	2.76	2.71	0.01
Oil & Gas Development Company Limited (6.2 & 6.3)	10	166,937	23,500	-	7,300	183,137	14,534	14,285	(249)	3.44	3.38	0.15
Pakistan Oilfields Limited	10	33,584	4,750	-	1,100	37,234	15,110	14,960	(150)	3.60	3.54	0.03
Pakistan Petroleum Limited (6.4)	10	172,530	21,500	-	2,630	191,400	12,864	11,319	(1,545)	2.72	2.68	0.15
Attock Petroleum Limited	10	-	-	-	-	-	55,620	52,042	(3,578)			
Oil & Gas Marketing Companies												
Attock Petroleum Limited	10	6,390	500	1,597	-	8,487	2,212	2,548	336	0.61	0.60	0.01
Pakistan State Oil Company Limited (6.4)	10	54,395	4,800	-	-	59,195	10,074	6,571	(3,503)	1.58	1.55	0.05
Shell Pakistan Limited	10	12,702	1,000	-	-	13,702	1,621	1,585	(36)	0.38	0.37	0.01
Sui Northern Gas Pipelines Limited	10	73,570	8,000	-	-	81,570	2,835	3,211	376	0.77	0.76	0.07
							<u>16,742</u>	<u>13,915</u>	<u>(2,827)</u>			

Name of investee company	Face value per share (Rupees)	As at July 01, 2022	Purchases during the year	Bonus / right issue	Sales during the year	As at June 30, 2023	Balance as at June 30, 2023 (Rupees in '000)			Market Value as a percentage of net assets (%)	Market Value as a Percentage of paid up capital of the investee company held
							Carrying cost	Market Value	Appreciation / (diminution)		
Fully paid ordinary shares / certificates											
Paper & Board											
Century Paper & Board Mills Limited	10	16,790	1,500	17,924	-	36,214	1,149	1,023	(126)	0.25	0.03
Packages Limited	10	8,089	804	-	-	8,893	3,544	3,459	(85)	0.83	0.01
							4,693	4,482	(211)		
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	10	5,464	200	-	-	5,664	3,689	2,096	(1,593)	0.50	0.00
AGP Limited	10	21,376	-	-	-	21,376	1,873	1,207	(666)	0.29	0.02
GlaxoSmithKline Pakistan Limited	10	13,273	-	-	-	13,273	1,658	1,000	(658)	0.24	0.01
Hightoon Laboratories Limited	10	4,640	500	1,317	300	6,157	2,587	2,070	(517)	0.50	0.00
The Searle Company Limited	10	35,508	3,000	9,127	-	47,635	4,132	1,825	(2,307)	0.44	0.04
							13,939	8,199	(5,741)		
Power Generation & Distribution											
The Hub Power Company Limited	10	251,595	37,100	-	12,430	276,265	18,839	19,223	384	4.63	0.22
K-Electric Limited	3.5	712,648	-	-	-	712,648	2,166	1,226	(941)	0.30	0.57
Kot Addu Power Company Limited	10	118,779	6,000	-	675	124,104	3,419	2,581	(837)	0.62	0.10
Nishat (Chunian) Power Limited	10	-	20,023	-	20,023	-	-	-	-	0.00	-
							24,424	23,030	(1,394)		
Real Estate Investment Trust											
Dolmen City REIT	10	143,000	12,500	-	-	155,500	2,104	2,127	23	0.51	0.13
Refinery											
Attock Refinery Limited	10	11,123	1,100	-	80	12,143	2,121	2,084	(37)	0.50	0.01
Cnergyco PK Limited	10	413,300	-	-	-	413,300	2,207	1,174	(1,033)	0.28	0.33
National Refinery Limited	10	6,700	-	-	-	6,700	1,692	1,005	(687)	0.24	0.01
							6,020	4,263	(1,757)		
Sugar & Allied Industries											
JDW Sugar Mills Limited	10	-	1,500	-	-	1,500	563	525	(38)	0.13	0.00
Shakarganj Limited	10	12,500	2,000	-	14,500	-	-	-	-	0.00	-
							563	525	(38)		
Synthetics And Rayon											
Ibrahim Fibres Limited	10	3,690	100	-	-	3,790	663	1,042	389	0.25	0.00
Technology & Communication											
Avanceon Limited	10	24,250	1,500	3,862	-	29,612	2,002	1,304	(698)	0.31	0.02
Pakistan Telecommunication Company Ltd.	10	140,517	16,500	-	-	157,017	1,092	944	(148)	0.23	0.13
Systems Limited	10	42,760	13,050	-	1,700	54,110	19,317	21,824	2,507	5.25	0.04
Air Link Communication Limited (6.4)	10	-	31,300	-	-	31,300	1,047	621	(426)	0.15	0.03
TRG Pakistan Limited - Class 'A'	10	120,955	10,600	-	22,260	109,295	8,811	10,069	1,258	2.42	0.09
							32,269	34,762	2,493		

Name of investee company	Face value per share (Rupees)	As at July 01, 2022	Purchases during the year	Bonus / right issue	Sales during the year	As at June 30, 2023	Balance as at June 30, 2023 (Rupees in '000)		Market Value as a percentage of net assets (%)	Market Value as a percentage of capital of the investee company held
							Carrying cost	Appreciation / (diminution)		
Fully paid ordinary shares / certificates										
Textile Composite										
Azgard Nine Limited	10	86,300	-	-	86,300	-	-	-	0.00	-
Gul Ahmed Textile Mills Limited	10	36,620	3,500	8,024	-	48,144	1,351	857	0.21	0.04
Interloop Limited	10	33,930	17,000	27,590	-	78,520	2,924	2,769	0.67	0.06
Kohinoor Textile Mills Limited	10	20,895	2,000	-	-	22,895	1,156	1,166	0.28	0.02
Nishat Chunian Limited	10	25,630	-	-	25,630	-	-	-	0.00	-
Nishat Mills Limited	10	41,047	3,500	-	4,575	39,972	2,892	2,269	0.55	0.03
							<u>8,323</u>	<u>7,061</u>		
								<u>(1,262)</u>		
Textile Spinning										
Gadoon Textile Mills Limited	10	2,000	-	-	-	2,000	540	487	0.12	0.00
Textile Weaving										
Yousaf Weaving Mills Limited	10	9,500	-	-	-	9,500	47	24	0.01	0.01
Tobacco										
Pakistan Tobacco Company Limited	10	3,120	250	-	-	3,370	3,294	2,426	0.58	0.00
Transport										
Pakistan International Bulk Terminal Limited (6.4)	10	212,435	23,000	-	13,000	222,435	1,330	914	0.22	0.18
Vanaspati & Allied Industries										
Punjab Oil Mills Limited	10	500	-	220	-	720	89	73	0.02	0.00
Woolen										
Bannu Woollen Mills Limited	10	1,000	-	-	-	1,000	30	22	0.01	0.00
June 30, 2023							<u>460,277</u>	<u>415,393</u>		<u>(44,883)</u>
June 30, 2022							512,025	423,649		(88,376)

6.2 These include 100,000 shares of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan Limited as on June 30, 2023.

6.3 Crescent Jute Product Limited has been suspended due to non-compliance of Clause 5.11.1.(b)(i) of the PSX Regulations.

6.4 These investments held by the fund exceeded the maximum limit prescribed by the regulation 55 of the NBFC Regulations. The said regulation states that the weight of the security invested into shall not exceed the weight of the security in the index or its subset. Arrangements have been made to adjust these investments with the weight prescribed in the NBFC Regulations.

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	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
6.4 Net unrealised loss on re-measurement of investments classified at 'fair value through profit or loss'			
Market value of investments	6.1	415,393	423,649
Carrying value of investments	6.1	(460,277)	(512,025)
		<u>(44,884)</u>	<u>(88,376)</u>
7. DIVIDEND AND PROFIT RECEIVABLE ON BANK DEPOSITS			
Dividend receivables		127	174
Profit receivable on bank deposits		149	92
		<u>276</u>	<u>266</u>
8. DEPOSITS AND OTHER RECEIVABLES			
Security deposits			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		100	100
Advance tax	8.1	80	66
		<u>2,680</u>	<u>2,666</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 year ended June 30, 2022, withholding tax on profit on debt and dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) /2008-VOL.II - 66417- R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
9. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee	9.1	260	265
Sindh sales tax on management fee	9.2	34	34
Expenses allocated by the Management Company	9.3	35	35
Federal excise duty on management fee	9.4	1,357	1,357
		<u>1,686</u>	<u>1,691</u>

9.1 As per the offering document the Management Company has charged remuneration at the rate of 0.75% per annum (2022: 0.75%) of the average daily net assets. 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% (2022: 13%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

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

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- 9.4 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% (2022: 16%) on the remuneration of the Management Company was applied with effect from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED since June 13, 2013.

On June 30, 2016, the Sindh High Court had passed a judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 1.357 million (2022 : Rs. 1.357 million) until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2023 would have been higher by Re. 0.040 per unit (2022: Re. 0.040 per unit).

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn.

Therefore, provision for FED has not been recorded in these financial statements from July 01, 2016 onwards.

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fees	10.1	71	71
Sindh sales tax on trustee fee	10.2	9	9
		<u>80</u>	<u>80</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 Rs. 1 billion

Rs. 0.7 million or 0.2% per annum of the daily average net assets of the Fund. Whichever is higher.

Net assets exceeding Rs. 1 billion

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

- 10.2 Sindh sales tax at the rate of 13% (2022: 13%) on gross value of trustee fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable to SECP	11.1	<u>85</u>	<u>92</u>

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11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, All Collective Investment Schemes are required to pay annual fee at an amount equal to 0.02% (2022: 0.02%) of the daily average annual net assets of the scheme. The fee is payable annually in arrears.

	2023	2022
Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
12. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditor's remuneration	315	283
Brokerage payable	16	18
Withholding tax payable	8	21
Printing charges payable	150	150
Others	6,949	3,195
	<u>7,438</u>	<u>3,667</u>

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022 except disclosed elsewhere.

	2023	2022
	----- (Numbers) -----	----- (Numbers) -----
14. NUMBER OF UNITS IN ISSUE		
Opening units in issue	34,009,203	33,455,976
Units issued during the year	4,857,232	2,040,979
Less: Units redeemed	(4,856,476)	(1,487,752)
Total units in issue at the end of the year	<u>34,009,959</u>	<u>34,009,203</u>

15. TOTAL EXPENSE RATIO

The total expense ratio of the Fund is 1.48% (2022: 1.50%) which includes 0.14% (2022: 0.17%) representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a Collective Scheme categorised as a "Index Scheme".

	2023	2022
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
16. AUDITOR'S REMUNERATION		
Annual audit fee	193	193
Half yearly fee	55	55
Income certification	60	30
Other certification	20	20
Out of pocket	25	25
	<u>353</u>	<u>322</u>
Sindh sales tax	28	26
	<u>381</u>	<u>348</u>

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17. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute atleast 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund has not distributed any amount for the year ended June 30, 2023 being whole of the accounting income available for distribution pertaining to capital gain (realised or unrealised) and accordingly, no provision in respect of taxation has been made in these financial statements.

18. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

19. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, the Trustee, AKD Securities Limited, directors, officers, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

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

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

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

	2023	2022
	----- (Rupees in '000) -----	
19.1 Details of transactions with connected persons / related parties during the year		
AKD Investment Management Limited - Management Company of the Fund		
Remuneration of Management Company	3,195	3,458
Sindh sales tax on remuneration of Management Company	415	450
Expenses allocated by the management company	426	460
Sales load	15	7
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	852	919
Central Depository Service charges	129	11
Sindh sales tax on trustee fee	128	121
AKD Securities Limited - Brokerage House		
Commission paid on purchase and sale of marketable securities	-	19
19.2 Balances outstanding at year end		
AKD Investment Management Limited - Management Company of the Fund		
Remuneration payable	260	265
Allocated expenses by management company payable	35	35
Sindh sales tax payable on Management Company's remuneration	34	34
Federal Excise Duty payable on Management Company's remuneration	1,357	1,357
Sales load payable	2	3

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	2023	2022
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan - Trustee		
Remuneration payable	69	71
Security deposit	100	100
CDS charges payable	2	1
Sales tax on trustee fee payable	9	9
Payable to AKD Islamic Income Fund (AKDISIF)	6,765	-
Mr. Aqeel Karim Dhedhi - Chairman of the Group		
Number of units outstanding : 390 (2022 : 390)	5	5
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)		
Number of units outstanding : 31,210,812 (2022 : 31,210,812)	388,079	392,410

20. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2023 and June 30, 2022, the financial assets and liabilities carried on the statement of assets and liabilities are categorised as follows:

	2023	2022
	----- (Rupees in '000') -----	
Financial assets		
At fair value through profit or loss		
Investments	415,393	423,649
At amortised cost		
Bank balances	20,543	10,272
Dividend and profit receivable on bank deposits	276	266
Deposits	2,600	2,600
	<u>438,812</u>	<u>436,787</u>
Financial liabilities		
At amortised cost		
Payable to AKD Investment Management Limited - Management Company	1,686	1,691
Payable to Central Depository Company of Pakistan Limited - Trustee	80	80
Accrued expenses and other liabilities	10,421	3,646
Dividend payable	3,728	3,728
	<u>15,915</u>	<u>9,145</u>

21. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risks of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provides broad guidelines for management of above mentioned risks. The Board of Directors of Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

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The Fund's financial assets primarily comprise of balances with banks and investment in equity securities of listed companies classified at 'fair value through profit or loss'. The Fund also has dividend, profit receivable on bank deposit and deposits. The Fund's principal financial liabilities include remuneration payable to the Management Company, the Trustee and accrued and other liabilities.

21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

21.1.2 Yield / interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is exposed to fair value interest rate risk on its bank balances.

a) Sensitivity analysis for variable rate instruments

At the reporting date the Fund has balances in saving bank accounts on which profit rate is 19.5% that could expose the Fund to cash flow interest rate risk. The net loss for the year would have increased / (decreased) by Rs. 0.205 million (2022: Rs.0.098 million) had the interest rates on profit and loss sharing accounts accounts with the banks increased / (decreased) by 100 basis points.

b) Sensitivity analysis for fixed rate instruments

At the reporting date the Fund does not hold any fixed rate instruments that could expose the Fund to fair value interest rate risk.

Exposure to interest rate risk and maturity

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

As at June 30, 2023

Particulars	Effective interest rate	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	----- (Rupees in '000) -----				
On-balance sheet financial instruments						
Financial assets at fair value through profit or loss						
Investments		-	-	-	415,393	415,393
Financial assets at amortised cost						
Bank balances	13 to 19.5	20,543	-	-	-	20,543
Dividend and profit receivable on bank deposits		-	-	-	276	276
Deposits		-	-	-	2,600	2,600
		20,543	-	-	2,876	23,419
Sub total		20,543	-	-	418,269	438,812
Financial liabilities at amortised cost						
Payable to AKD Investment Management Limited - Management Company		-	-	-	1,686	1,686
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	80	80
Accrued expenses and other liabilities		-	-	-	10,421	10,421
Dividend payable		-	-	-	3,728	3,728
		-	-	-	15,915	15,915
Sub total		-	-	-	402,354	422,897
On-balance sheet gap		20,543	-	-	402,354	422,897
Total interest rate sensitivity gap		20,543	-	-	402,354	422,897

As at June 30, 2022

Particulars	Effective interest rate	Exposed to interest rate risk			Not exposed to interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	----- (Rupees in '000) -----				
On-balance sheet financial instruments						
Financial assets at fair value through profit or loss						
Investments		-	-	-	423,649	423,649
Financial assets at amortised cost						
Bank balances	5 to 13	9,883	-	-	389	10,272
Dividend and profit receivable on bank deposits		-	-	-	266	266
Deposits		-	-	-	2,600	2,600
		9,883	-	-	3,255	13,138
Sub total		9,883	-	-	426,904	436,787
Financial liabilities at amortised cost						
Payable to AKD Investment Management Limited - Management Company		-	-	-	1,691	1,691
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	80	80
Accrued expenses and other liabilities		-	-	-	3,646	3,646
Dividend payable		-	-	-	3,728	3,728
		-	-	-	9,145	9,145
Sub total		-	-	-	417,759	427,642
On-balance sheet gap		9,883	-	-	417,759	427,642
Total interest rate sensitivity gap		9,883	-	-	417,759	427,642

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21.1.3 Price risk

Other price risk is the risk that the fair value of the financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factor specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sectors and benchmarking the sector weighting to that of the KSE 100 Index. The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed. The table below is a summary of the significant sector concentrations within the equity portfolio.

Sector wise portfolio	As at June 30, 2023	
	Fund's equity portfolio	KSE-100 benchmark portfolio
	-----%-----	
Automobile Assembler	3.63	3.70
Automobile Parts & Accessories	0.41	0.44
Cable & Electrical Goods	0.25	0.27
Cement	8.70	8.86
Chemical	4.15	4.30
Close - End Mutual Fund	0.07	0.08
Commercial Banks	20.19	20.07
Engineering	1.00	1.00
Fertilizer	13.99	14.23
Food & Personal Care Products	3.26	2.85
Glass & Ceramics	0.80	0.81
Insurance	0.63	0.64
Inv. Banks / Inv. Cos. / Securities Cos.	2.50	2.55
Leather & Tanneries	0.30	0.33
Miscellaneous	1.52	1.57
Modarabas	0.07	0.09
Oil & Gas Exploration Companies	12.31	12.40
Oil & Gas Marketing Companies	3.29	3.39
Paper & Board	1.06	1.09
Pharmaceuticals	1.94	2.07
Power Generation & Distribution	5.45	5.52
Property	0.27	0.29
Real Estate Investment Trust	0.50	0.51
Refinery	1.01	1.08
Sugar & Allied Industries	0.12	0.14
Synthetic & Rayon	0.25	0.29
Technology & Communication	8.22	8.30
Textile Composite	1.67	1.75
Textile Spinning	0.12	0.14
Textile Weaving	0.01	0.01
Tobacco	0.57	0.59
Transport	0.22	0.21
Vanaspati & Allied Industries	0.48	0.02
Woollen	0.01	0.01

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Sector wise portfolio	As at June 30, 2022	
	Fund's equity portfolio	KSE-100 benchmark portfolio
	-----%-----	
Automobile Assembler	4.35	4.41
Automobile Parts & Accessories	0.65	0.66
Cable & Electrical Goods	0.40	0.41
Cement	6.97	6.99
Chemical	3.90	3.96
Close - End Mutual Fund	0.08	0.08
Commercial Banks	21.03	21.05
Engineering	1.49	1.51
Fertilizer	14.06	14.11
Food & Personal Care Products	2.50	2.61
Glass & Ceramics	0.92	0.97
Insurance	1.09	1.11
Inv. Banks / inv. Cos. / securities cos.	2.17	2.19
Leather & Tanneries	0.40	0.40
Miscellaneous	2.25	2.28
Modarabas	0.09	0.10
Oil & Gas Exploration Companies	11.79	11.80
Oil & Gas Marketing Companies	3.61	3.66
Paper & Board	1.00	1.02
Pharmaceuticals	3.14	3.21
Power Generation & Distribution	5.28	5.29
Property	0.29	0.29
Real Estate Investment Trust	0.45	0.46
Refinery	1.37	1.37
Sugar & Allied Industries	0.12	0.14
Synthetic & Rayon	0.15	0.16
Technology & Communication	6.16	6.19
Textile Composite	2.20	2.31
Textile Spinning	0.13	0.14
Textile Weaving	0.01	0.01
Tobacco	0.72	0.75
Transport	0.30	0.33
Vanaspati & Allied Industries	0.02	0.02
Woollen	0.01	0.01

The Fund has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments are concentrated in the sectors given in note 6.1.

At June 30, 2023, the fair value of equity securities exposed to price risk is disclosed in note 6.1.

The sensitivity of the loss for the year and the unit holders' fund to an increase or decrease of 5% in the fair values of the Fund's equity securities is discussed below. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Fund's equity securities at reporting date, with all other variables held constant.

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	2023 ----- (Rupees in '000') -----	2022
Effect due to increase / decrease		
Investment and net assets	<u>20,770</u>	<u>21,182</u>
Income statement	<u>20,770</u>	<u>21,182</u>

21.2 Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable (if any) on equity securities.

Management of credit risk

For banks and financial institutions, the Fund keeps deposits with reputed financial institutions with reasonably high credit ratings. Credit risk on account of dividend receivable is minimal due to the statutory protection. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC rules and the regulations and the guidelines given by the SECP from time to time.

The maximum exposure to credit risk before considering any collateral as at June 30, 2023 and June 30, 2022 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'.

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees in '000) -----				
Balances with banks	20,543	20,543	10,272	10,272
Dividend and profit receivable on bank deposits	276	276	266	266
Security deposits	2,600	2,600	2,600	2,600
	<u>23,419</u>	<u>23,419</u>	<u>13,138</u>	<u>13,138</u>

The analysis below summarizes the credit rating quality of the Fund's financial assets with banks as at June 30, 2023.

Bank balances by rating category	Rating Agency	2023		2022	
		Rupees in '000'	%	Rupees in '000'	%
AA+/A1+	PACRA	17,668	86.00	7,598	73.97
AA/A1+	PACRA	2,740	13.34	2,549	24.82
AAA/A-1+	VIS	77	0.37	65	0.64
AAA/A1+	PACRA	58	0.28	59	0.57
		<u>20,543</u>	<u>100.00</u>	<u>10,272</u>	<u>100.00</u>
Profit receivable on bank deposits					
AA+/A1+	PACRA	<u>149</u>	<u>100%</u>	<u>92</u>	<u>100%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited as of June 30, 2023.

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Balance with bank is assessed to have low credit risk of default since the bank is highly regulated by the State Bank of Pakistan. Accordingly, Fund estimates that loss allowance on balance with bank at the end of the reporting period at an amount equal to 12 month Expected Credit Loss (ECL). None of the balance with bank at the end of the reporting period is past due, and taking into account the historical default experience and the current credit ratings of the bank, the Fund have assessed that there is no impairment, and hence, have not recorded any loss allowance on this balance.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in equity securities which are diversified and relate to various sectors. The Fund's portfolio of other financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset or such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily cash redemptions, if any, at the option of unit holders. The Fund approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. The Fund did not withhold any redemptions during the current year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at June 30, 2023				Total
	Within one month	Over one to three months	Over three to twelve months	Over one to five years	
----- Rupees in '000 -----					
Financial liabilities (excluding unit holders fund)					
Payable to AKD Investment Management Limited - Management Company	1,686	-	-	-	1,686
Payable to Central Depository Company of Pakistan Limited - Trustee	80	-	-	-	80
Accrued expenses and other liabilities	10,421	-	-	-	10,421
Dividend payable	3,728	-	-	-	3,728
	15,915	-	-	-	15,915

As at June 30, 2022

	Within one month	Over one to three months	Over three to twelve months	Over one to five years	Total
----- Rupees in '000 -----					
Financial liabilities (excluding unit holders fund)					
Payable to AKD Investment Management Limited - Management Company	1,691	-	-	-	1,691
Payable to Central Depository Company of Pakistan Limited - Trustee	80	-	-	-	80
Accrued expenses and other liabilities	3,646	-	-	-	3,646
Dividend payable	3,728	-	-	-	3,728
	<u>9,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,145</u>

22. UNIT HOLDERS' FUND (UHF) RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund's objective when managing unit holders' fund is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the benefits of the unit holders to maintain a strong base of assets to support the development of the investment activities of the Fund and to meet unexpected losses or opportunities. As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. In order to comply with the requirement and to maintain or adjust the Unit Holders' Fund, the Fund's policy is to perform the following:

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors of the Management Company is updated regarding key performance indicators, e.g., yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

	2023			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Assets				
Listed equity securities	415,393	-	-	415,393

	2022			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Assets				
Listed equity securities	423,649	-	-	423,649

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

24. TOP TEN BROKERS / DEALERS BY PERCENTAGE COMMISSION CHARGED

S.No	Particulars	June 30, 2023 ----- % -----
1	Aba Ali Habib Securities (Private) Limited	18.79
2	Summit Capital (Private) Limited	1.18
3	Vector Securities (Private) Limited	17.14
4	Topline Securities (Private) Limited	5.96
5	AKD Securities Limited	14.71
6	Next Capital Limited	14.27
7	Investment Managers Securities (Private) Limited	6.55
8	Creative Capital Securities (Private) Limited	4.88
9	Pearl Securities Limited	14.07
10	Integrated Equities Limited	2.44

S.No	Particulars	June 30, 2022 ----- % -----
1	Aba Ali Habib Securities (Private) Limited	17.36
2	Spectrum Securities Limited	17.16
3	Vector Securities (Private) Limited	16.19
4	Topline Securities (Private) Limited	14.57
5	AKD Securities Limited	14.23
6	Next Capital Limited	10.84
7	Investment Managers Securities (Private) Limited	3.74
8	Creative Capital Securities (Private) Limited	2.48
9	Ghani Osman Securities (Private) Limited	2.43
10	FDM Capital Securities (Private) Limited	0.50

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25. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2023 are as follows:

S.No	Name	Designation	Qualification	Experience in years
1	Mr. Imran Motiwala	Chief Executive Officer	B.Sc. (Marketing)	30
2	Mr. Muhammad Yaqoob	Chief Operating Officer and Company Secretary	MBA (Finance), CFA Charter holder	19
3	Ms. Anum Dhedhi	Chief Investment Officer	B.Sc. (Financial Economics)	12
4	Mr. Sheikh Usman Haroon	Risk Manager	ACCA, CFA Charter holder	9
5	Mr. Danish Aslam	Senior Fund Manager	BS (Accounting & Finance), CFA Level I Passed	5
6	Mr. Ali Abbas	Head of Research	MBA (Finance), CFA Charter holder	7

Ms. Anum Dhedhi is the Manager of the Fund. She is also managing AKD Opportunity Fund, AKD Islamic Stock Fund and Golden Arrow Stock Fund.

26. PATTERN OF UNIT HOLDING

	As at June 30, 2023		
	Unit Holders	Number of units held	% of total units
Individuals	630	2,235,027	6.57%
Retirement Funds	1	31,210,812	91.77%
Corporates	1	17,740	0.05%
Others	6	546,380	1.61%
	638	34,009,959	100%

	As at June 30, 2022		
	Unit Holders	Number of units held	% of total units
Individuals	642	1,790,780	5.27%
Retirement Funds	1	31,210,812	91.77%
Corporates	5	31,931	0.09%
Others	3	975,680	2.87%
	651	34,009,203	100%

27. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

During the year 93rd, 94th, 95th and 96th board meetings were held on September 28, 2022, October 28, 2022, February 24, 2023 and April 28, 2023 respectively. Information in respect of attendance by Directors in these meetings is given below:

Name of Director	Number of meetings held	Attended	Leave granted	Meeting not attended
1 Mr. Abdul Karim	4	4	-	-
2 Mr. Imran Motiwala	4	4	-	-
3 Ms. Anum Dhedhi	4	4	-	-
4 Mr. Saim Mustafa Zuberi*	4	2	-	-
5 Mr. Ali Wahab Siddiqui	4	4	-	-
6 Mr. Hasan Ahmed	4	4	-	-
7 Ms. Aysha Ahmed	4	4	-	-

* Resigned on February 21, 2023

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28. GENERAL

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

28.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 22 SEP 2023 by the Board of Directors of the Management Company.

NYK

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director

**AKD INDEX TRACKER FUND
PERFORMANCE TABLE**

	2023	2022	2021
Total net assets value (Rs '000)*	422,884	427,595	478,975
Net assets value per unit - (Rs)*	12.43	12.57	14.32
Selling price as at June 30 (Rs)*	12.56	12.70	14.46
Repurchase price as at June 30 (Rs)*	12.43	12.57	14.31
Highest selling price (Rs)	13.33	14.81	15.53
Lowest selling price (Rs)	11.68	12.50	11.37
Highest repurchase price (Rs)	13.18	14.65	15.37
Lowest repurchase price (Rs)	11.55	12.37	11.25
Return of the Fund			
- capital growth (Rs '000)	(4,711)	(51,380)	91,668
- income distribution (including refund of capital) (Rs '000)*	-	-	20,287
Distribution per unit (Rs.)			
Interim	-	-	0.63
- Gross (2021: Announced on June 30, 2021)			
Final	-	-	-
Average Annual Return (Percentage)			
- Last one year	-1.10	-12.18	34.58
- Last two year	-6.81	8.71	15.90
- Last three year	5.34	5.66	2.42

* Final distributions for the year made subsequent to the year end have been adjusted against the closing NAVs.

Note: The portfolio composition of the fund has been disclosed in note 6 to the financial statements.

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

AKD Index Tracker Fund
Proxy details issued by Fund
For the year ended June 30, 2023

As per the requirement of Non-Banking Finance Companies and Notified Entities Regulations, 2008, The Board of Directors of AKD Investment Management Limited (the Management Company of the Fund) has formulated Proxy Voting Policy, which is available on Management Company's website (www.akdinvestment.com).

During the year, the Management Company on behalf of the Fund participated in 5 shareholders' meetings. Moreover, details of summarized proxies voted are as follows:

AKDITF	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	20	20	0	0	-
(%ages)	100	100	0	0	-

Detailed information regarding actual proxies voted by the Management Company on behalf of the Fund will be provided to the unit holders without any charges upon request.



**AKD Investment
Management Ltd.**

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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
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