

Quarterly Report

September 30, 2023

(un-audited)



Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit form the Experience

CORPORATE INFORMATION

MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY*

Chairman

Mr. Khalid Mahmood

Chief Executive Officer*

Mr. Imran Motiwala

Director(s)

Ms. Anum Dhedhi

Ms. Aysha Ahmed

Mr. Ali Wahab Siddiqi

Mr. Hasan Ahmed

Mr. Abid Hussain

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

**Election of Directors was held on October 10, 2023.*

Approval is pending from SECP.

VISION

To serve investors in Pakistan's capital markets with diligence, integrity and professionalism, thereby delivering consistent superior returns and unparalleled customer service.

MISSION STATEMENT

- » Keep primary focus on investing clients' interest
- » Achieve highest standards of regulatory compliance and good governance
- » Prioritize risk management while endeavouring to provide inflation adjusted returns on original investment
- » Enable the investing public and clients to make AKDIML Funds a preferred part of their overall savings and investment management strategy
- » Distinguish themselves and compete on the basis of unparalleled service quality while setting industry standards for professionalism, transparency and consistent leading performance
- » Foster and encourage technical, professional, ethical development of human capital to provide our people the best opportunities and environment for their personal growth.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), Golden Arrow Stock Fund (GASF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), AKD Islamic Stock Fund (AKDISSF) and AKD Islamic Daily Dividend Fund (AKDIDDF) is pleased to present its first quarter report along with the Funds' un-audited Financial Statements for the quarter ended September 30, 2023.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 1QFY24, the return of AKD Opportunity Fund stood at 4.38% compared to the benchmark KSE-100 Index return of 11.53%.

Golden Arrow Stock Fund (GASF)

For the 1QFY24, the return of Golden Arrow Stock Fund stood at 9.11% compared to the benchmark KSE-100 Index return of 11.53%.

AKD Islamic Stock Fund (AKDISSF)

For the 1QFY24, the return of AKD Islamic Stock Fund stood at 19.77% compared to the benchmark KMI-30 Index return of 9.78%.

AKD Index Tracker Fund (AKDITF)

For the 1QFY24, the return of AKD Index Tracker Fund stood at 10.91% compared to the benchmark KSE-100 Index return of 11.53%.

AKD Cash Fund (AKDCF)

For the 1QFY24, the annualized return of AKD Cash Fund stood at 21.69% compared to the benchmark return of 21.94%.

AKD Islamic Income Fund (AKDISIF)

For the 1QFY24, the annualized return of AKD Islamic Income Fund stood at 20.70% compared to the benchmark return of 7.60%.

AKD Aggressive Income Fund (AKDAIF)

For the 1QFY24, the annualized return of AKD Aggressive Income Fund stood at 22.43% as compared to the benchmark return of 23.54%.

AKD Islamic Daily Dividend Fund (AKDIDDF)

For the 1QFY24, the annualized return of AKD Islamic Daily Dividend Fund stood at 18.79% as compared to the benchmark return of 8.35%.

MACRO PERSPECTIVE

The year FY24 brought fresh tides of hope for Pakistan as the economy stepped on the path to recovery. Pakistan saw a major decline in imports as high inflation coupled with record interest rates led to demand compression coupled with progressive efforts like restoring the balance to the exchange rate via stopping illegal channels. On the monetary front, SBP kept the policy rate status quo reaffirming market consensus that the monetary tightening cycle had perhaps come to an end, while relaying optimism of monetary easing during 2HFY24 on the back of high base effect and average inflation peaking at 29% levels. Pakistan is also likely to receive the remaining two tranches in line with the IMF Stand-by Agreement following key measures undertaken as required under the said Program. In addition, Reportedly, Pakistan is also scheduled to hold National Elections in January 2024 which will fill the void created by political uncertainty over the past couple of years, ensuring much needed political clarity.

The Current Account Deficit for the month of September 2023 clocked in at USD 8 million, from a Current Account Deficit of USD 164 million (*revised*) in August 2023 taking the 1QFY24 CAD to USD 0.95 billion against USD 2.26 billion, down -58% YoY during the same period last year primarily due to a decline in imports.

The total Imports witnessed a hefty decline of -19% YoY from USD 18.38 billion to USD 14.86 billion during 3MFY24 whereas the total exports also declined by -4% YoY from USD 8.73 billion to USD 9.10 billion. Furthermore, foreign workers continued to support the external account which also declined -20% YoY from USD 7.90 billion to USD 6.33 billion. The decline is achieved mostly due to the import restrictions that were placed during most of the year.

The SBP in its Monetary Policy Committee on October 30, 2023, decided to keep the policy rate unchanged at 22% which was in line with the market consensus. The SBP premised their decision based on the forward looking inflation projections and the already on-going declining inflationary trend from 29%>28%>27% in the months June>July>August considering September's 31% as an outlier. Moreover, the SBP believes that despite global oil prices soaring recently, its impact will in principle be passed onto the consumers through subsequent price increases, while inflation is like to remain overall on a downward trajectory from 2HFY24. Additionally, the expected ease in supply constraints owing to better agriculture output and the recent administrative measures against speculative activity in the FX and commodity markets would also support the inflation outlook.

The SBP's medium term target for inflation is 5-7% by FY25. The next MPC meeting is due to be held on December 12, 2023, where we expect the interest rates to remain unchanged despite early expectations of rate cuts. The change in our stance from declining interest rates to holding the interest rates at record high levels of 22% is that the incumbent government continues facing economic headwinds despite improvement in CAD and FX reserves.

The Government's resilient efforts to attract investments from Non-Resident Pakistanis continued to yield results, with an impressive inflow of USD 6.76 billion through Roshan Digital Accounts (RDA) with more than 610,000 accounts till September 2023.

Moreover, the FBR collected revenues worth PKR 2.04 trillion during 1QFY24 against the target of 1.98 trillion during same period last year exceeding the target by PKR 63 billion. Moreover, FBR also achieved the target for the month of September 2023 by collecting PKR 834 billion (*PKR 688 billion SPLY*) against a target of PKR 794 billion.

As per the SBP Country-wise Remittances data for FY24, Pakistan has received remittances of USD 767 million from USA, USD 947 million from UK, USD 1,516 million from KSA and USD 1,024 million from UAE. The SBP reserves currently stands at USD 7.49 billion (*total liquid FX reserves USD 12.66 billion*) as at October 20, 2023 representing an import cover of mere 7 weeks.

The NCPI during the month of September 2023 clocked in at 31.44% YoY as compared to 27.38% YoY in July 2023 and 23.18% in September 2022. This took the 3MFY24 average NCPI to 29.04% compared to 25.11% during the SPLY.

The Large Scale Manufacturing (*LSMI*) sector, which accounts for about 80% of the country's industrial output, increased by 2.52% YoY in August 2023 compared to same period last year after 13 months of consecutive decline as a result of expensive raw material costs in the light of currency devaluation, high interest rates, and global recession.

EQUITY MARKET REVIEW

The Equity market witnessed an aggressive come back during 1QFY24 closing in at 46,232.59 level, gaining 4,779.90 points (*11.53% YoY*). During the quarter, investors celebrated improving macros with an appreciating currency while withering hard but necessary steps taken by the caretaker setup to ensure sustainability for the country. In addition, the market also celebrated the unchanged interest rate stance of the SBP which is signaling the end of the tightening era.

During 1QFY24, investor participation improved as volumes increased by 29% YoY to 280 million shares from 217 million shares recorded during last year. Surprisingly, after five years of outflows from FY18 to FY22, foreigners were net buyers in FY23 with USD 1.53 million and another massive USD 22 million was attracted in 1QFY24. Foreigner's interest was majorly caught in Commercial Banks (*USD 16 million*) and Technology and Communication (*USD 8 million*).

The sectors that performed during 1QFY24 are Commercial Banks (*19.58%*), Oil & Gas Exploration Companies (*15.10%*), Chemical (*11.21%*), Power Generation & Distribution (*17.10%*), and Food & Personal Care Products (*4.11%*). While the sectors that kept the bulls in check are Fertilizer (*-7.61%*),

Synthetic & Rayon (-5.30%), Pharmaceuticals (-2.08%), Modarabas (-15.41%), Paper & Board (-4.23%) 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 7.79% (-2.48% *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.

The KSE-100 index continues to trade at exceedingly attractive multiples with PE and PB of 4.21x and 0.67x with a healthy dividend yield of 10.54%. Pakistan is witnessing perhaps one of the highest interest rate environments since independence with yields on government securities crossing 22%. Our pro-equity stance stems from the fact that the government in lieu with the newly appointed COAS have dedicated their tireless efforts towards combating corruption, hoarding of gold/dollars, banning of items under Afghan Transit Trade and have remarkably managed to control exchange devaluation and default risk till now. In the future, we may see inflation tipping off due to high base effect in 2HFY24 and expect monetary easing eventually. Looking ahead the caretaker's performance in stabilizing the currency and economy broadly while staying in line with the IMF Program is indeed encouraging and positioned the market for a likely re-rating.

FIXED INCOME REVIEW

During 1QFY24, the State Bank of Pakistan maintained the interest rate at decade high levels of 22% in response to un-abating inflationary pressures, with the average NCPI for 1QFY24 soaring to 29.04%, 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.

During the quarter, the State Bank of Pakistan conducted a total of six (6) Market Treasury Bill (MTB) auctions, where the government managed to raise PKR 7.84 trillion against the auction target of PKR 8.70 trillion. Notably, the weighted average yields for 3, 6 and 12 month MTBs were 22.81%, 22.99% and 23.12%, respectively, up by 717 bps, 735 bps, and 736 bps compared to the same period last year.

To further address the need for liquidity, SBP also conducted three (3) auctions of fixed-rate Pakistan Investment Bond (PIB) and was successful in raising PKR 0.19 trillion. The weighted average yields for 3Y, 5Y and 10Y PIBs increased by 541 bps, 68 bps, whereas, the weighted average yield of 10Y PIB decreased by 8 bps, respectively, to stand at 19.33%, 13.98% and 12.99%.

In the market for Shariah Compliant instruments, the SBP conducted a total of five (5) auctions of GOP Ijara Sukuk, both Variable Rental Rate (VRR) and Fixed Rental Rate (FRR). These auctions successfully raised PKR 579.70 billion against the auction target of PKR 540.00 billion.

Moreover, the State Bank of Pakistan carried out 24 Open Market Operations (OMOs) with varying maturities, injecting PKR 10.85 trillion into the market at an average cut-off yield of 22.10% and mopped up PKR 4.38 trillion at an average cut-off yield of 21.99%.

Looking ahead to the auction target calendars for October through December 2023, the State Bank of Pakistan aims to raise PKR 7.91 trillion by issuing 3 to 12-month MTBs against the maturing amount of PKR 8.95 trillion. Additionally, the SBP targets to raise PKR 480 billion through 3 to 30-year fixed-rate PIBs and PKR 2,280 billion.

FUTURE OUTLOOK

As the Country paves its way through FY24, the caretaker government has introduced essential reforms that will help the economy get back on track to stability. Some of these steps include increase of gas tariffs to address the issue of burgeoning gas sector circular debt, privatize loss making SOEs such as PSM and PIA, and improve the governance in the power sector especially the DISCOs. Moreover, the Caretaker setup has also been making continuous efforts to bring Foreign Investments in different sectors of the economy under the forum of Special Investment Facilitation Centre (SIFC). We believe that all these structural changes and reforms are necessary to turn around the current economic state and back to a path of sustainable growth. 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 starting from 2HFY24 as the high base affect plays out, perhaps providing much needed respite in the form of a reduction in interest rates as debt servicing remains challenging .

We believe that the support from IMF under the new agreement has largely subsided the default risk that the country was adamantly facing and has also ensured inflows in the form of grants and aids from other bilateral and multilateral partners.

Pakistan's first IMF review under the new Standby Arrangement reached with the Fund in June 2023 scheduled in early November is likely to be one of the key drivers of the market direction ahead. Notably, the Government has carefully chalked out an economic revival plan and is envisaging massive fiscal consolidation to bring down its expenditures to record a primary balance surplus for the fiscal year 2024 for which the Government is contemplating a cut in the Public Sector Development Programme (PSDP) or imposing additional taxes. On the political front, developments regarding the holding of general elections in January 2024 will also be particularly eyed by market participants.

Lastly, we believe that the market continues to trade at attractive multiples with a PE of 4.41x while offering a healthy dividend yield of 11.28% as at September 28, 2023.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Khalid Mehmood
Chairman

Karachi: October 31, 2023

FUND INFORMATION

AKD Islamic Income Fund



Management Company

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

Trustee

Digital Custodian Company Limited (DCCL)
[Formerly: MCB Financial Services Limited (MCBFSL)]
4th Floor, Perdesi House, 2/1 R-Y Old Queens Road
Karachi-74200

Bankers

Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited

Auditors

Riaz Ahmad and Company
Chartered Accountants
Office No. 5, 20th Floor, Bahria Town Tower
Block 2, P.E.C.H.S.
Karachi, Pakistan

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

Al-Hilal Securities Advisors (Pvt.) Ltd.
Financial Investments Mart (Pvt) Ltd.
Investlink Advisor (Private) Limited.
Investomate (Private) Limited
YPay Financial Services (Pvt.) Ltd.

Rating-AKDISIF

PACRA: AA-(f)

FUND MANAGER'S REPORT

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

Open – end Islamic Income Scheme

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

AKD Islamic Income Fund (AKDISIF) is a fund that primarily focuses on Shariah compliant income securities and instruments. The objective of AKDISIF is to provide investors with an investment vehicle that strives to enhance capital coupled with regular halal income by investing in Shariah compliant income investments.

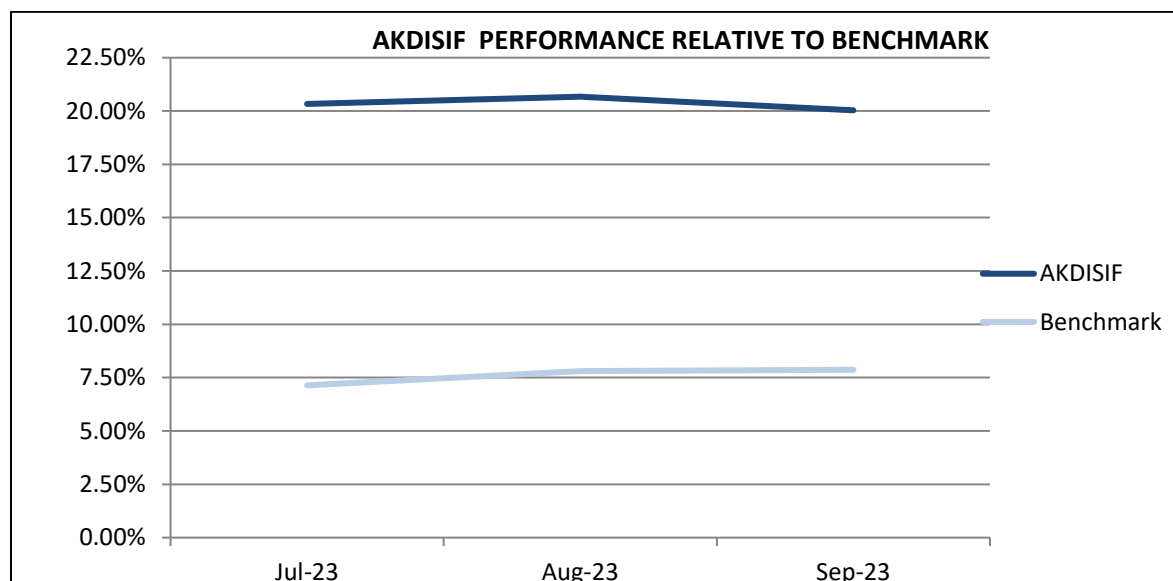
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1QFY24, the annualized return of AKD Islamic Income Fund stood at 20.70% compared to benchmark return of 7.60%.

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

Six (6) months average deposit rates of three (3) A Rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.

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



Monthly yield (annualized)	Jul-23	Aug-23	Sep-23
AKDISIF	20.33%	20.67%	20.03%
Benchmark	7.14%	7.80%	7.87%

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

AKD Islamic Income Fund is an Open – end Islamic Income Scheme. The returns of the fund are generated through investment in Shariah Complaint securities and Islamic Bank deposit. AKDISIF is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

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

Asset Allocation (% of Total Assets)	30-Sep-23	30-Jun-23
Cash and Cash Equivalents	46.49%	20.96%
Sukuk	17.82%	22.87%
Commercial Papers / STS	31.69%	41.08%
Spread Transactions	-	6.16%
Other Assets including Receivables	4.00%	8.93%

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

1QFY24 Return (annualized)	20.70%
Benchmark Return (annualized)	7.60%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
30-Sep-23	30-Jun-23		30-Sep-23	30-Jun-23
(Rupees in 000)			(Rupees)	
1,606,252	1,308,931	22.71%	53.4624	50.8934

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

MACRO PERSPECTIVE

The year FY24 brought fresh tides of hope for Pakistan as the economy stepped on the path to recovery. Pakistan saw a major decline in imports as high inflation coupled with record interest rates led to demand compression coupled with progressive efforts like restoring the balance to the exchange rate via stopping illegal channels. On the monetary front, SBP kept the policy rate status quo reaffirming market consensus that the monetary tightening cycle had perhaps come to an end, while relaying optimism of monetary easing during 2HFY24 on the back of high base effect and average inflation peaking at 29% levels. Pakistan is also likely to receive the remaining two tranches in line with the IMF Stand-by Agreement following key measures undertaken as required under the said Program. In addition, Reportedly, Pakistan is also scheduled to hold National Elections in January 2024 which will fill the void created by political uncertainty over the past couple of years, ensuring much needed political clarity.

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Moreover, the State Bank of Pakistan carried out 24 Open Market Operations (*OMOs*) with varying maturities, injecting PKR 10.85 trillion into the market at an average cut-off yield of 22.10% and mopped up PKR 4.38 trillion at an average cut-off yield of 21.99%.

Looking ahead to the auction target calendars for October through December 2023, the State Bank of Pakistan aims to raise PKR 7.91 trillion by issuing 3 to 12-month MTBs against the maturing amount of PKR 8.95 trillion. Additionally, the SBP targets to raise PKR 480 billion through 3 to 30-year fixed-rate PIBs and PKR 2,280 billion.

FUTURE OUTLOOK

As the Country paves its way through FY24, the caretaker government has introduced essential reforms that will help the economy get back on track to stability. Some of these steps include increase of gas tariffs to address the issue of burgeoning gas sector circular debt, privatize loss making SOEs such as PSM and PIA, and improve the governance in the power sector especially the DISCOs. Moreover, the Caretaker setup has also been making continuous efforts to bring Foreign Investments in different sectors of the economy under the forum of Special Investment Facilitation Centre (SIFC). We believe that all these structural changes and reforms are necessary to turn around the current economic state and back to a path of sustainable growth. 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 starting from 2HFY24 as the high base affect plays out, perhaps providing much needed respite in the form of a reduction in interest rates as debt servicing remains challenging .

We believe that the support from IMF under the new agreement has largely subsided the default risk that the country was adamantly facing and has also ensured inflows in the form of grants and aids from other bilateral and multilateral partners.

Pakistan’s first IMF review under the new Standby Arrangement reached with the Fund in June 2023 scheduled in early November is likely to be one of the key drivers of the market direction ahead. Notably, the Government has carefully chalked out an economic revival plan and is envisaging massive fiscal consolidation to bring down its expenditures to record a primary balance surplus for the fiscal year 2024 for which the Government is contemplating a cut in the Public Sector Development Programme (*PSDP*) or imposing additional taxes. On the political front, developments regarding the holding of general elections in January 2024 will also be particularly eyed by market participants.

Lastly, we believe that the market continues to trade at attractive multiples with a PE of 4.41x while offering a healthy dividend yield of 11.28% as at September 28, 2023.

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

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

xii) Break down of unit holding by size:

Range (Units)	No. of Investors
0.0001 to 9,999	1,931
10000 to 49999	93
50,000 - 99,999	26
100,000 - 499,999	42
500,000 and above	10
	2,102

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

There were no unit splits during the period.

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

Investments are subject to credit and market risk.

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

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

AKD ISLAMIC INCOME FUND
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2023

		(Un-Audited) September 30, 2023 Rupees in '000	(Audited) June 30, 2023 Rupees in '000
Assets			
Bank balances	5	741,626	267,958
Investments	6	810,861	944,909
Profit receivable on bank deposits and sukuk certificates	7	55,295	45,066
Deposits, prepayments and other receivables	8	2,938	33,203
Receivable against sale/conversion of units		10	7,265
Receivable against sale of Investments		6,388	33,016
Total Assets		1,617,118	1,331,417
Liabilities			
Payable to AKD Investment Management Limited - Management Company	10	1,518	1,346
Payable to Digital Custodian Company Limited - Trustee	11	148	149
Payable to Securities and Exchange Commission of Pakistan	12	99	229
Payable against redemption /conversion of units		7,548	18
Accrued expenses and other liabilities	13	1,553	20,744
Total Liabilities		10,866	22,486
Net Assets		1,606,252	1,308,931
Unit Holders' Fund (as per statement attached)		1,606,252	1,308,931
Contingencies and Commitments	14		
		Number of units	
Number of units in issue		30,044,528	25,719,078
		Rupees	
Net assets value per unit		53.4624	50.8934

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Director

Chief Financial Officer

AKD ISLAMIC INCOME FUND
Condensed Interim Income Statement (un-audited)
For the first quarter ended September 30, 2023

	Note	Quarter ended September 30 2023	2022 (Rupees in '000)
Income			
Net unrealised appreciation / (dminution) on remeasurement of investments classified as 'financial assets at fair value through profit and loss'		(702)	(464)
Unrealised gain on future contracts		-	-
Capital gain on sale of investment (Income from Spread transaction)		3,140	-
Income from sukuk certificates		20,322	13,792
Income from Islamic commercial papers / STS		32,391	9,947
Income from security margin		123	-
Dividend Income		-	-
Profit on bank deposits		28,077	12,151
Reversal of Provision against Sindh Workers' Welfare Fund		-	-
Total Income		83,351	35,426
Expenses			
Remuneration of AKD Investment Management Limited - Management Company		1,942	948
Sales tax on the remuneration of the Management Company		252	123
Remuneration of Digital Custodian Comapny Limited - Trustee		391	284
Sales tax on the Trustee remuneration		51	37
Annual fee to the Securities and Exchange Commission of Pakistan		291	47
Expenses allocated by the Management Company		1,554	356
Auditors' remuneration		63	63
Settlement and bank charges		36	7
Security transaction Cost		74	-
Amortisation of preliminary expenses and floatation costs		-	71
Fee and subscription		192	170
Printing and related cost		-	-
Legal and professional charges		95	88
Charity		-	-
Total expenses		4,941	2,194
Net income for the period before taxation		78,410	33,232
Taxation	16	-	-
Net Profit for the period after taxation		78,410	33,232
Allocation of net income for the period			
Net income for the period after taxation		78,410	33,232
Income already paid on units redeemed		-	(2,931)
		78,410	30,301
Accounting income available for distribution			
Relating to capital gains		2,438	-
Excluding capital gains		75,972	30,301
		78,410	30,301

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Director

Chief Financial Officer

AKD ISLAMIC INCOME FUND
Condensed Interim Statement of Comprehensive Income (un-audited)
For the first quarter ended September 30, 2023

	2023	2022
	(Rupees in '000)	
Net Profit for the period after taxation	78,410	33,232
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>78,410</u>	<u>33,232</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Director

Chief Financial Officer

AKD ISLAMIC INCOME FUND
Condensed Interim Cash Flow Statement (un-audited)
For the first quarter ended September 30, 2023

	2023	2022
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES	Note	
Net Profit for the period before taxation		78,410
		33,232
Adjustments		
Amortisation of preliminary expenses and floatation costs		-
Net unrealised (appreciation) / diminution on remeasurement of investments classified as 'financial assets at fair value through profit and loss'		71
		702
		464
		79,112
		33,767
(Increase) / decrease in assets		
Investments		133,346
Profit receivable on bank deposits and sukuk certificates		(60,485)
Deposits, prepayments and other receivables		(10,229)
Receivable against sale/conversion of units		(10,525)
Receivable against sale of Investments		30,265
		(6,467)
		7,255
		-
		26,628
		(2)
		187,265
		(77,479)
Increase / (decrease) in liabilities		
Payable to AKD Investment Management Limited - Management Company		172
Payable to Digital Custodian Company Limited - Trustee		(282)
Payable to Securities and Exchange Commission of Pakistan		(1)
Payable against redemption /conversion of units		9
Accrued expenses and other liabilities		(130)
		(111)
		7,530
		-
		(19,191)
		(3,504)
		(11,620)
		(3,888)
Net cash (used in) / generated from operating activities		254,757
		(47,600)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units		702,361
Payment against redemption of units		290,869
Net cash generated from / (used in) financing activities		(481,529)
		(248,544)
		218,911
		42,325
Net increase / (decrease) in cash and cash equivalents		473,668
		(5,275)
Cash and cash equivalents at beginning of the period		267,958
Cash and cash equivalents at end of the period	5	741,626
		336,944
		331,669

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Director

Chief Financial Officer

AKD ISLAMIC INCOME FUND
Condensed Interim Statement of Movement In Unit Holders' Fund (un-audited)
For the first quarter ended September 30, 2023

	2023			2022		
	Capital value	Undistributed income	Net assets	Capital value	Undistributed income	Net assets
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the period	1,296,661	12,270	1,308,931	886,157	6,716	892,873
Issuance of 5,638,282 units (2021: 7,321,285 units)						
- Capital value (at Ex-Nav at the beginning of the period)	686,471	-	686,471	285,275	-	285,275
- Element of income	15,890	-	15,890	5,594	-	5,594
Total proceeds on issuance of units	702,361	-	702,361	290,869	-	290,869
Redemption of 4,809,119 units (2021: 5,263,080 units)						
- Capital value (at Ex-Nav at the beginning of the period)	466,657	-	466,657	243,323	-	243,323
- Element of income	14,872	-	14,872	2,290	2,931	5,221
Total payments on redemption of units	481,529	-	481,529	245,613	2,931	248,544
Total comprehensive income / (loss) for the period	-	78,410	78,410	-	33,232	33,232
Distribution during the period	-	(1,921)	(1,921)	-	-	-
Refund of Capital	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	76,489	76,489	-	33,232	33,232
Net assets at end of the period	1,517,493	88,759	1,606,252	931,413	37,017	968,430
Undistributed income brought forward						
- Realised		11,463			9,488	
- Unrealised		807			(2,772)	
		12,270			6,716	
Accounting (loss) / income available for distribution						
- Relating to capital gains		2,438			-	
- Excluding capital gains		75,972			30,301	
		78,410			30,301	
Distribution during the period		(1,921)			-	
Undistributed gain carried forward		88,759			37,017	
Undistributed gain carried forward						
- Realised income		89,461			37,481	
- Unrealised income / (loss)		(702)			(464)	
		88,759			37,017	
Net assets value per unit at beginning of the period			(Rupees) 50.8934			(Rupees) 50.5961
Net assets value per unit at end of the period			53.4624			52.4149

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Director

Chief Financial Officer

AKD ISLAMIC INCOME FUND
Notes to the condensed Interim financial statements (un-audited)
For the first quarter ended September 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Islamic Income Fund (the Fund) was established under a Trust Deed, dated August 30, 2017, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Digital Custodian Company Limited (DCCL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on May 30, 2017. The initial Public Offering (IPO) of the Fund was made during the period from February 19, 2018 to February 20, 2018 and the Fund commenced operations from February 21, 2018. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e. February 19, 2018.

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

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

The Fund is categorised as an open end Shariah Complaint (Islamic) Income Scheme in accordance with Circular 7 of 2009, issued by the Securities and Exchange Commission of Pakistan (SECP). Al-Hilal Shariah Advisors (Private) Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

The Management Company has been assigned a quality rating of "AM3++" by Pakistan Credit Rating Agency Limited (PACRA) on June 27, 2023. The Fund has been given stability rating of 'AA-(f)' by PACRA on September 07, 2023.

Title to the assets of the Fund are held in the name of Digital Custodian Company Limited as Trustee of the Fund.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim 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 Standards) 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 VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement of the Trust Deed

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

2.2 This condensed interim financial information does not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2023.

2.3 This condensed interim financial information is being submitted to the unitholders as required under Regulation 38 2(f)V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

3. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2023.

In preparing this condensed interim financial information, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2023.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2022

		(Un-audited) September 30, 2023	Audited June 30, 2023
	Note	Rupees in '000	
5. BANK BALANCES			
In saving accounts	5.1	741,626	267,958
5.1	This represent bank accounts held with different banks. Mark-up rates on these accounts range between 19.00% to 20.25% (June 30, 2023:19% to 21%) per annum.		

6. INVESTMENTS

Financial assets at Fair value through profit or loss

- Sukuk certificates	6.1.1	288,244	303,363
-Government securities		10,117	10,006
-Listed equity securities(spread transactions)		-	86,540
		<u>298,361</u>	<u>399,909</u>

At amortised cost

- Commercial paper-unlisted / Short Term Sukuk (STS)	6.1.3	512,500	545,000
		<u>810,861</u>	<u>944,909</u>

6.1 Sukuk certificates

Name of investee company	Rate of return per annum	As at 01 July 2023	Purchased during the year	Sold / Matured during the year	As at 30 Sept 2023	Carrying value as at 30 September 2023	Market value as at 30 September 2023	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	--- % ---	----- Number of certificates -----				----- (Rupees in '000) -----			-----%-----	
Listed										
TPL Trakker Limited	25.66	115	-	-	115	65,225	64,839	(386)	4.04	8.00
TPL Corporation Limited	24.85	1,150	-	-	1,150	115,000	115,000	-	7.16	14.18
Unlisted										
Mughal Iron & Steels Industries Limited	24.63	10	-	-	10	6,250	6,228	(22)	0.39	0.77
Hub Power Company Limited	23.35	250	-	-	250	6,313	6,275	(38)	0.39	0.77
Hub Power Holdings Limited	24.58	470	-	-	470	48,236	47,849	(387)	2.98	5.90
Pakistan International Airlines Corporation Limited	23.15	10,000	-	-	10,000	48,033	48,053	20	2.99	5.93
Total as at 30 Sept 2023						289,057	288,244	(813)		
Total as at 30 June 2023						302,512	303,363	851		

6.1.1 Significant terms and conditions of sukuk certificates are as follows:

Name of investee company	Face value per certificate	Redeemed face value per certificate	Markup rate	Issue date	Maturity date	Secured / Unsecured	Rating
	----- (Rupees) -----						
Listed							
TPL Trakker Limited	555,556	567,173	3 month KIBOR + 300 bps	30-Mar-21	30-Mar-26	Secured	A+
TPL Corporation Limited	100,000	100,000	3 month KIBOR + 225 bps	23-Jun-22	23-Jun-27	Secured	AA-
Unlisted							
Mughal Iron & Steels Industries Limited	625,000	625,000	3 month KIBOR + 130 bps	2-Mar-21	2-Mar-26	Secured	A+
Hub Power Company Limited	25,000	25,250	1 year KIBOR + 190 bps	19-Mar-20	19-Mar-24	Secured	AA+
Hub Power Holdings Limited	100,000	102,630	6 month KIBOR + 250 bps	12-Nov-20	12-Nov-25	Secured	AA+
Pakistan International Airlines Corporation Limited	4,896	4,803	1 month KIBOR + 100 bps	26-Jul-21	26-Jul-31	GoP Guaranteed	GoP Guaranteed

6.2

Name of investee company	Rate of return per annum	Profit Payments/ principal redemptions	Issue Date	Maturity Date	As at 01 July 2023	Purchased during the year	Sold/ Matured during the year	As at 30 Sept 2023	Carrying Value as at 30 Sept 2023	Market value as at 30 Sept 2023	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	--- % ---	Terms and Conditions			----- Face Value Rupees in '000-----				----- (Rupees in '000) -----			-----%-----	
GoP Ijara Sukuk	22.68 At Maturity		17-Apr-23	17-Apr-24	10,000	-	-	10,000	10,006	10,117	111	0.63	1.25
Total as at 30 Sept 2023									10,006	10,117	111		
Total as at 30 June 2023									10,000	10,006	6		

6.3 Listed equity securities (spread transactions)

Name of investee company	Face value per share (Rupees)	As at 01 July 2023	Purchased during the year	Right / bonus shares	Sold / disposed	As at 30 September 2023	Balance as at 30 September 2023			Percentage in relation to		
							Carrying Value	Market value	Unrealised appreciation / (diminution)	Market value as percentage of net assets	Market value as percentage of total investment	Paid up value of shares as a percentage of total paid up capital of the investee company
							----- (Rupees in '000) -----			----- (%) -----		
Food & personal care products												
Unity Foods Limited	10	2,778,000	500,000	-	3,278,000	-	-	-	-	-	-	
Al Shaheer Corporation Limited	10	4,000,000	-	-	4,000,000	-	-	-	-	-	-	
							-	-	-	-	-	-
OIL & GAS EXPLORATION COMPANIES												
Oil & Gas Development Company Limited	10	-	575,000	-	575,000	-	-	-	-	-	-	
Refinery												
Energyico	10	5,000,000	-	-	5,000,000	-	-	-	-	-	-	
							-	-	-	-	-	-
Total as at 30 Sept 2023							-	-	-	-	-	-
Total as at 30 June 2023							81,764	86,540	4,776			

6.3.1 The above equity securities were purchased in ready market and simultaneously sold in future market during the year.

6.4 Commercial paper - Unlisted / short term sukuk (STS)

Name of investee company	Rate of return per annum	Issue date	Maturity date	Face value	Carrying value	Markup rate	Carrying value as percentage of net assets	Carrying value as percentage of total investment	Rating
	--- % ---			---- (Rupees in '000) ----			----- % -----		
Lucky Electric Power Company Limited	23.27	12-Apr-23	12-Oct-23	65,000	65,000	6 Month KIBOR + 30 bps	4.05	8.02	A1+
Lucky Electric Power Company Limited	23.47	28-Apr-23	30-Oct-23	34,000	34,000	6 month KIBOR + 50 bps	2.12	4.19	A1+
Nishat Mills Limited	22.98	9-May-23	8-Nov-23	112,500	112,500	3 month KIBOR + 25 bps	7.00	13.87	A1+
K-Electric Limited	23.42	18-May-23	17-Nov-23	108,000	108,000	6 month KIBOR + 45 bps	6.72	13.32	A1+
Lucky Electric Power Company Limited	23.55	12-Apr-23	12-Oct-23	65,000	65,000	6 month KIBOR + 45 bps	4.05	8.02	A1+
K-Electric Limited	23.61	28-Aug-23	28-Feb-24	128,000	128,000	6 month KIBOR + 45 bps	7.97	15.79	A1+
Total as at 30 Sept 2023				512,500	512,500				
Total as at 30 June 2023				209,000	209,000		-		

6.4.1 The nominal value of these commercial papers is Rs 1,000,000 each.

512500

1,606,252

		(Un-Audited) 30-Sep-2023	(Audited) 30-Jun-2023
Rupees in '000			
7	PROFIT RECEIVABLE ON BANK AND SUKUK CERTIFICATES		
	Bank Deposits	15,999	10,404
	Sukuk Certificates	10,081	8,181
	GOP Ijara Sukuk	1,035	465
	Commercial Paper / STS	28,180	26,016
		<u>55,295</u>	<u>45,066</u>
8	DEPOSITS AND PREPAYMENTS AND OTHER RECEIVABLES		
	Security deposits with		
	- National Clearing Company of Pakistan Limited	2,500	2,500
	- Central Depository Company of Pakistan Limited	100	100
	Prepaid Rating Fee	119	-
	Security margin deposit	-	30,314
	Prepaid PSX Listing Fee	23	-
	Prepaid Shairah Advisor fee	142	235
	Advance Tax	54	54
		<u>2,938</u>	<u>33,203</u>
9	PRELIMINARY EXPENSES AND FLOATATION COST		
	Cost	1,433	1,433
	Accumulated amortisation		
	Opening balance	(1,433)	(1,250)
	Amortisation during the period / year	9.1 -	(183)
		<u>(1,433)</u>	<u>(1,433)</u>
9.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.		
10	PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Management Fee	10.1 662	533
	Sales tax on management fees	10.2 86	69
	Expenses allocated by the management company	10.3 530	533
	Formation cost	184	184
	Others	56	27
		<u>1,518</u>	<u>1,346</u>
10.1	During the period the Management Company has charged 0.5% p.a. management fee from July 01, 2023 to September 30, 2023 on the daily net assets of the Fund.		
10.2	Sindh sales tax at the rate of 13% (June 30, 2023: 13%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.		
10.3	The Management Company has charged expenses at the rate of 0.40% (June 30, 2023: 0.15% in 1st qtr. 0.25% in 2nd qtr, 3rd and 0.4% in 4th qtr) per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to Fund, from July 01, 2023 to September 30, 2023.		
11	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE		
	Trustee fee	11.1 131	132
	Sindh Sales Tax	11.2 17	17
		<u>148</u>	<u>149</u>

- 11.1 The Trustee is entitled to a monthly remuneration to be paid monthly in arrears 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 tariff structure applicable to the fund is as follows:

Amount of Funds Under Management [Average Net Assets Value (NAV)]	Tariff per annum
Upto Rs 1 billion	0.12% of Net Assets
Exceeding Rs 1 billion	Rs. 1.2 million plus 0.065% per annum of the amount exceeding Rs. 1 billion

- 11.2 Sindh Sales Tax is charged at 13% (June 30, 2023: 13%) on Trustee fee.

**12 PAYABLE TO THE SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN (SECP)**

Annual fee payable to SECP	12.1	<u>99</u>	<u>229</u>
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- 12.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme is required to pay as monthly fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075% (June 30, 2023: 0.02%) percent of the average annual net assets of the scheme. The fee is payable monthly in arrears.

13 ACCRUED AND OTHER LIABILITIES

Auditors remuneration	258	195
Brokerage Payable	324	250
NCC fee Payable	26	42
Expenses Payable	96	-
Withholding tax payables	105	14,546
Sales load payable	35	27
Payable against time barred cheques	487	487
Charity Payable	198	198
Unrealised loss of future transactions	-	4,826
Others	24	173
	<u>1,553</u>	<u>20,744</u>

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at September 30, 2023 and June 30, 2023.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2023 is 0.44% (Sep. 30, 2022: 0.93%) (annualised) which includes 0.06% (Sep. 30, 2022: 0.09%) (annualised) representing government levies on the Fund such as Sales Taxes, Annual fee to the SECP. This ratio is within the maximum limit of 2.5% (2022: 2.5%) prescribed under the NBFC Regulations for a collective investment scheme categorised as " Shariah Compliant Income Scheme".

16 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. 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 Management Company has intends to distribute cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AKD Investment Management Limited, being the Management Digital Custodian Company Limited, being the Trustee, AKD Group Holding Private Limited (Formerly: Aqeel Karim Dhedhi Securities Limited), AKD Securities Limited, directors, officers and other connected persons of the Management Company, and their connected persons.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates. Details of transactions and balances with connected persons are as follows:

	(Un-Audited)	
	Period ended September 30,	
	2023	2022
	(Rupees in '000)	
17.1 Transactions during the period		
AKD Investment Management Limited - Management Company		
Remuneration to the Management Company	1,942	948
Sales Tax Provincial on Management Remuneration	252	123
Expenses allocated by the Management Company	1,554	356
Issue of 170,980 units (2021: 170,980)	8,802	8,802
Redemption of 64,107 units (2022: 64,107)	3,322	3,322
Digital Custodian Company Limited - Trustee		
Remuneration to the Trustee	391	284
Sales tax on trustee remuneration payable	51	37
M3 Technologies Pakistan Private Limited Employees Provident Fund		
Issue of 271 units (2022: 29 Units)	14	-
Dividend paid	16	-
Company Secretary and Chief Operating (with spouse and minor children) Officer of the Management Company		
Issue of 2 units (2022: 1,116)	1	57
Redemption of 1,272 units (2022: 1,116)	65	-
Chief Executive Officer of the Management Company		
Issue of 18,191 units (2022: 19,782)	887	1,021
Redemption of 30,146 units (2022:19,782)	1,600	1,029
Spouse of the Chief Executive Officer of the Management Company		
Issue of 117,002 units (2022: 113,759)	6,065	5,898
Redemption of 96,360 units (2022: 112,072)	5,045	5,822
Spouse of the Director and Chief Investment Officer of the Management Company		
Redemption of Nil units (2022: 282,997 Units)	-	14,679
Muhammad Farid Alam - Key Management Personnel of Associated Company		
Issue of 555 units (2022: 29 Units)	30	2
Yasmeen Dhedhi - Close relative of the Sponsor of the Management Company		
Issue of 23 units (2022: 29 Units)	1	-
Dividend paid	1	-

	(Un-Audited) 30-Sep-2023	(Audited) 30-Jun-2023
	Rupees in '000	
17.2 Balances outstanding at the period / year end		
AKD Investment Management Limited - Management Company		
Remuneration payable	662	533
Sales Tax Provincial on Management Remuneration	86	69
Payable against expenses allocated by the Management Company	530	533
Payable against formation cost	184	184
Sales load payable	56	27
Outstanding Nil (June 2023: 742) Units	-	38
Digital Custodian Company Limited - Trustee		
Remuneration payable	131	132
Sindh Sales Tax on trustee remuneration payable	17	17
Receivable / Payable against conversion of units between AKD Funds		
Receivable against Conversion of units - AKD Cash Fund	-	500
Receivable against Conversion of units - AKD Opportunity Fund	10	-
Receivable against Conversion of units - AKD Index Traker Fund	-	6,765
Payable against Conversion of units - AKD Islamic Stock Fund	7,548	-
Director and Chief Investment Officer of the Management Company		
Outstanding 47 (June 2023: 47) Units)	3	2
Spouse of the Director and Chief Investment Officer of the Management Company		
Outstanding 997 (June 2023: 995) Units)	53	51
Company Secretary and Chief Operating (with spouse and minor children) Officer of the Management Company		
Outstanding 1 unit (June 2023: 1270) units)	-	65
Afsheen Aqeel Dhedhi - Close relative of the Sponsor of the Management Company		
Outstanding 36 units (June 2023: 36) units)	2	2
Hina Aqeel - Close relative of the Sponsor of the Management Company		
Outstanding 354 units (June 2023: NIL)	19	-
Yasmeen Dhedhi - Close relative of the Sponsor of the Management Company		
Outstanding 18,844 units (June 2023: 18,821) units)	1,007	958
Hasan Ahmed - Director of the Management Company		
Outstanding units 123 (June 2023: 123) units)	7	6
Ali Wahab Siddiqui - Director of the Management Company		
Outstanding units 335,512 (June 2023: 203,373) units)	17,937	10,350
Muhammad Farid Alam - Key Management Personnel of Associated Company		
Outstanding units 555 (June 2023: Nil) units)	30	-
M3 Technologies Pakistan Private Limited Employees Provident Fund-Common Directorship		
Outstanding 216,868 units (June 2023: 216,598) units)	11,594	11,023
Durrain Qasim - Connected person due to holding of more than 10% units		
Outstanding 6,108,391 units (June 2023: 6,552,129) units)	326,569	333,460

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The following table shows financial instruments recognized 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).

The following table show the carrying amount and fair values of financial assets and financial liabilities including the levels in the fair value hierarchy.

As at September 30, 2023						
Carrying Amount			Fair Value			
At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)			(Rupees in '000)			
ASSETS						
Financial assets measured at fair value						
Investment	298,361	512,500	810,861	-	-	-

As at June 30, 2023						
Carrying Amount			Fair Value			
At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)			(Rupees in '000)			
ASSETS						
Financial assets measured at fair value						
Investment	399,909	545,000	944,909	-	324,288	324,288

During the period ended September 30, 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19. DATE OF AUTHORISATION FOR ISSUE

October 31, 2023

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

20. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

21. GENERAL

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

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Director

Chief Financial Officer



**AKD Investment
Management Ltd.**

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