

# Quarterly Report

## December 31, 2023

(un-audited)



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. Khalid Mehmood

#### **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. Abid Hussain (Chairman)  
Ms. Aysha Ahmed (Member)  
Mr. Ali Wahab Siddiqui (Member)  
Mr. Hasan Ahmed (Member)  
Ms. Tayyaba Masoom Ali, ACA (ICAP & ICAEW) (Secretary)

### **HUMAN RESOURCE AND REMUNERATION (HR & R) AND NOMINATION COMMITTEE**

Mr. Khalid Mahmood (Chairman)  
Mr. Imran Motiwala (Member)  
Mr. Abid Hussain (Member)  
Ms. Aysha Ahmed (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 half year ended December 31, 2023.

### **FUNDS' FINANCIAL PERFORMANCE**

#### **AKD Opportunity Fund (AKDOF)**

For the 1HFY24, the return of AKD Opportunity Fund stood at 21.80% compared to the benchmark KSE-100 Index return of 50.66%.

#### **Golden Arrow Stock Fund (GASF)**

For the 1HFY24, the return of Golden Arrow Stock Fund at 42.59% compared to the benchmark KSE-100 Index return of 50.66%.

#### **AKD Islamic Stock Fund (AKDISSF)**

For the 1HFY24, the return of AKD Islamic Stock Fund stood at 72.33% compared to the benchmark KMI-30 Index return of 48.03%.

#### **AKD Index Tracker Fund (AKDITF)**

For the 1HFY24, the return of AKD Index Tracker Fund at 48.03% compared to the benchmark KSE-100 Index return of 50.66%.

#### **AKD Cash Fund (AKDCF)**

For the 1HFY24, the return of AKD Cash Fund stood at 21.88% compared to the benchmark return of 21.44%.

#### **AKD Islamic Income Fund (AKDISIF)**

For the 1HFY24, the return of AKD Islamic Income Fund stood at 19.84% compared to the benchmark return of 9.10%.

#### **AKD Aggressive Income Fund (AKDAIF)**

For the 1HFY24, the return of AKD Aggressive Income Fund stood at 19.67% as compared to the benchmark return of 22.81%.

#### **AKD Islamic Daily Dividend Fund (AKDIDDF)**

For the 1HFY24, the return of AKD Islamic Daily Dividend Fund stood at 19.17% as compared to the benchmark return of 9.37%.

## MACRO PERSPECTIVE

The First Half of FY24 brought fresh tides of hope for Pakistan's economy but not without its own set of challenges. Pakistan saw a major decline in imports as high inflation along with record high interest rates inevitably led to demand compression, coupled with progressive efforts to ensure parity to the exchange rate via blockade of illegal channels. However, the continuous improvement on the External Front while encouraging has been offset by dwindling figures of the Real Sector with LSMI output for Jul-Nov 23 period showing a decline of 0.8% when compared to SPLY. In light of these figures and slower-than-expected moderation in inflation, SBP has kept its GDP Growth rate forecasts at a moderate 2-3% for FY24 despite negative growth rate in FY23 (-0.475%). Further complicating issues were the uncertainties around General Election results which understandably dampened any hope of an amicable and peaceful transition of power. Ongoing and growing instability in the region has further impeded the already slow-paced economic recovery amid high cost of doing business, evident through more than twice the increase in freight costs from Asia to Northern Europe since the start of attacks by Houthi rebels on commercial vessels in the Red Sea further aggravating inflationary pressures.

On the Fiscal Front, there was positive news as both tax and non-tax revenues showed strong growth. Non-tax revenues increased amidst substantial growth in petroleum development levy and transfer of sizable SBP profit while Tax revenues grew as FBR achieved its Target for the first six months of Rs.4425 billion (as agreed with the IMF) by recording collection of Rs.4468 billion. FBR in the corresponding six months of the previous year collected Rs.3428 billion, thus registering an increase of more than 1 Trillion. Furthermore, on January 17th, 2024 Pakistan received a USD 700 Million 2nd loan tranche from the International Monetary Fund (IMF) under the nine-month Stand-By Arrangement (SBA), this development came shortly after the Executive Board of the IMF completed the first review of Pakistan's economic reform program under the SBA. Pakistan to date has received \$1.9 billion disbursements out of the total \$3 billion under the nine-month SBA with further progress strongly dependent on the successful and peaceful transfer of power to a democratically elected government through the general elections.

The prolonged monetary and fiscal tightening took its toll on the real sector with LSMI output for Jul to Nov 23 declining by 0.8% compared to SPLY. The sectors majorly contributing to the overall decline included Textile, Automobiles, Furniture and Tobacco. Agriculture output, however, saw some positive developments as yield on Kharif crops already turned out better than last year while the prospects for Rabi crops also appeared promising amid better input conditions.

On the monetary front, the Monetary Policy Committee (MPC) in its meeting on January 29th 2024, kept the policy rate unchanged at 22%, contrary to market expectations of a nominal cut, created by lower cutoff yields of recently concluded T-Bills and Ijarah Sukuk auctions. The decision took into account the impact of sizable adjustments in administered energy prices from Nov 23 onwards on inflation, despite the presence of some offsetting developments like the recent stability in international oil prices and improved availability of agricultural produce. The Committee also noted that core inflation continues to moderate in line with the Committee's expectations. Further, the Committee assessed that the real interest rate continues to be positive on a 12-month forward-looking basis while inflation was expected to recede in the foreseeable future.

The NCPI during January 2024 clocked in at 28.34% YoY as compared to 29.66% in December 2023 and 27.55% in January 2023, taking 7MFY24 average NCPI to 28.73% compared to 25.40% during the SPLY. On a regional basis, Urban and Rural CPI was recorded at 30.23% and 25.69% respectively. The slow pace of decline in inflation can be attributed to frequent and sizeable adjustments in administered energy prices which has also impeded expectations of a sustained decrease in inflation. On the other hand, notably non-energy inflation continues to moderate, in line with SBP's projections.

On the external front Current Account recorded a surplus for the month of Dec 2023 of USD 397 million, the first since Jun 23, compared to a deficit of USD 15 million (revised) in Nov 2023 taking the HFY24 Current Account Deficit (CAD) to USD 831 million against CAD of USD 3.63 billion SPLY, down 77% on the back of decline in imports, increase in exports and other current transfers. The HFY24 total Imports stood at 30.44 billion USD down by 10% SPLY, total exports stood at 19.06 billion USD up by 10% SPLY, while a steady exchange rate also boosted workers' remittances as the 2nd QFY24 recorded remittances of 7.10 billion USD up by 10% when compared to the corresponding quarter last year.

SBP foreign exchange reserves also saw massive improvement with a remarkable increase of 85% since the start of FY24, clocking in at USD 8.22 billion at the end of Jan 2024. The gains were attributable to the unlocking of the 1st and 2nd Tranche under the IMF SBA through which Pakistan received USD 1.9 billion and was further augmented by relatively higher export earnings and workers' remittances.

## **EQUITY MARKET REVIEW**

During HFY24, after two years of relative underperformance, the equity market staged a massive comeback reaching new heights and making new records. The index KSE 100 increased by 20,998 points, generating a huge return of 50.66% with elevated levels of average daily volume of 476.60 million compared to 217.83 million shares SPLY. During the period, investors celebrated improving macros with an appreciating currency while weathering through hard but essential steps taken by the caretaker setup to ensure sustainability for the country. Despite these impressive feats; however, as CY24 approached new challenges emerged which threaten to derail the momentum gained throughout FY24. Of the foremost concern was the smooth and peaceful transition of democratic power, the expectations of which have fallen severely short following which sentiment has once again been marred by the uncertainty and indecisiveness surrounding the announced election results. Further, this growing political unrest is taking place against the background of increasing international tensions and widening fronts of conflict in the region coupled with Pakistan's fiscal position and the dire need to initiate talks with the IMF for a subsequent support program illustrates our precarious state.

Investor participation during HFY24 increased significantly by 119% with 476.60 million average daily volume compared to 217.83 million shares SPLY. Foreign Portfolio Investment also saw a huge increase with net buying of USD 71.01 million compared to net selling of USD 0.96 million SPLY. Major net buying was recorded in sectors of Commercial Banks--USD 24.13 M, Power Generation & Distribution --USD 15.714 M and Cement -- USD 14.77 M. On the local front, only Insurance and Corporations remained net buyers with buying of USD 60.32 M and USD 52.45 M respectively.

Breaking down the performance sector-wise showed all sectors in green with Refinery (94.74%), Close End Mutual Fund (90.16%), Power Generation & Distribution (87.01%), Transport (77.59%) and Leather & Tanneries (73.60%) among top performers during HFY24. Weak Performers included Real Estate Investment Trust (0.27%), Vanaspati & Allied Industries (3.0%), Textile Spinning (6.72%), Woollen (7.24%) and Modarabas (8.76%).

During the 10-year period, the KSE - 100 index yielded an annualized return of 9.47% while in the same period, the USD appreciated by 10.27% annually against PKR which has caused foreign investors to stave off from Pakistan Equity Market. The situation, however, has changed since the start of FY24, with USD depreciating 2% against PKR to close at 280.97 as at 31st Dec 23, the relative stability in exchange rates has piqued foreign interest with net buying of USD 71.01 million putting a brake on the continuous net selling of past few years. It is imperative for the current caretaker and then the incumbent government to enact and implement policies that continue to facilitate the relative stability in exchange rates, if the equity market is to continue the path it charted in HFY24.

Despite vast gains recorded during the period, the market continues to trade at exceedingly attractive PE and PB multiples of 4.72x (Earnings Yield of 21.19%) and 0.78x respectively, along with a healthy dividend yield of 10.29% as at 31st Dec 23. Our pro-equity stance is based on expectations of continued macroeconomic improvement through fiscal consolidation and timely realization of planned external inflows which shall help in bringing down the current elevated levels of inflation to the SBP target of 5-7 percent by mid-CY25. This in turn should bring down the Risk-Free Return and Earnings Yield to their historical average of 10% and 12.5% respectively.

## **FIXED INCOME REVIEW**

During HFY24, the State Bank of Pakistan maintained the policy rate at all-time high levels of 22% in response to un-abating inflationary pressures, with the average NCPI for HFY24 soaring to 28.79%, and the pressing need to fortify the country's volatile external account.

The heightened policy rate played a significant role in maintenance of elevated rates of government securities, attracting substantial investments into these instruments as investors sought improved returns offered by government debt securities despite having an alternative in the face of high performing equity market.

During the period HFY24, the State Bank of Pakistan conducted a total of thirteen (13) Market Treasury Bill (MTB) auctions, where the government managed to raise PKR 15.78 trillion against the auction target of PKR 16.34 trillion. Notably, the weighted average yields for 3, 6 and 12-month MTBs were 21.32%, 21.36% and 21.34%, respectively, down by 67 bps, 56 bps, and 64 bps compared to the end of FY23.

To further address the need for liquidity, SBP also conducted six (6) auctions of fixed-rate Pakistan Investment Bond (PIB) and was successful in raising PKR 0.95 trillion. The weighted average yields for 3Y, 5Y and 10Y PIBs stood at 16.92%, 15.81% and 14.97% down by 255 bps, 27bps and 35bps respectively, since the start of FY24.

In the market for Shariah Compliant instruments, the SBP conducted a total of six (6) auctions of GOP Ijara Sukuk, both Variable Rental Rate (VRR) and Fixed Rental Rate (FRR). These auctions successfully raised PKR 1.24 Trillion against the auction target of PKR 1.22 Trillion.

Moreover, during HFY24 the State Bank of Pakistan carried out 61 Open Market Operations (OMOs) with varying maturities, injecting PKR 45.39 trillion into the market at an average cut-off yield of 22.08% and mopped up PKR 4.38 trillion at an average cut-off yield of 21.99%.

Looking ahead to the auction target calendars for February through April 2024, the State Bank of Pakistan aims to raise PKR 1.53 trillion by issuing 3 to 12-month MTBs against the maturing amount of PKR 1.731 trillion. Additionally, the SBP targets to raise PKR 505 billion through 3 to 30-year fixed-rate PIBs and PKR 810 billion through floating-rate bonds.

For and on behalf of the board

**Imran Motiwala**  
Chief Executive Officer

**Khalid Mahmood**  
Chairman

Karachi: March 29, 2024



## **FUND INFORMATION**

### **AKD Opportunity Fund**



#### **Management Company**

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

#### **Trustee**

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

#### **Bankers**

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

#### **Auditors**

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

#### **Legal Advisor**

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

#### **Registrar**

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

#### **Distributor**

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

#### **Rating-AKDOF**

BY PACRA  
Performance Ranking  
LT Rating: 5-Star  
ST Rating: 3-Star

## FUND MANAGER'S REPORT

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

Open – end Equity Scheme

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

The investment objective of AKD Opportunity Fund (AKDOF) is to invest in the capital markets, searching for the optimal combination of investment strategies, mainly in equities, followed by fixed income and money market as contingent defensive strategy.

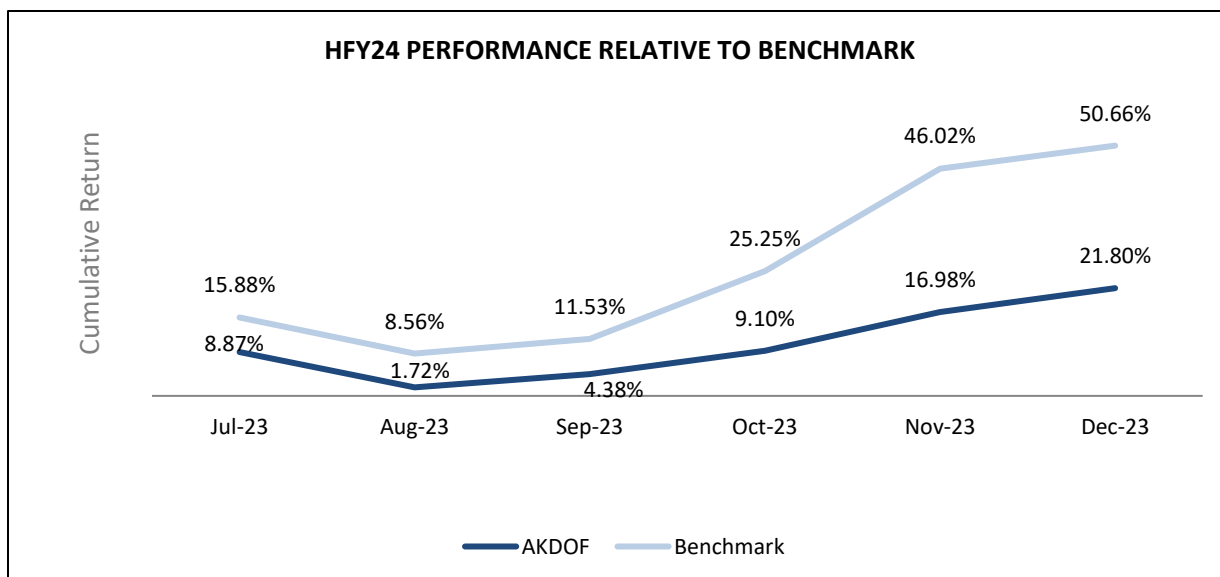
iii) **Explanation as to whether Collective Investment Scheme achieved its stated objective:**

For the 1HFY24, the return of AKD Opportunity Fund stood at 21.80% compared to the benchmark KSE-100 Index return of 50.66%.

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

KSE-100 Index.

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



Monthly return	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
AKDOF	8.87%	-6.56%	2.61%	4.53%	7.22%	4.12%
Benchmark	15.88%	-6.31%	2.73%	12.30%	16.59%	3.17%

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

AKD Opportunity Fund is an Open – end Equity Scheme. The returns of the Fund are generated through investment in value stocks which have strong growth potential.

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

Asset Allocation (% of Total Assets)	31-Dec-23	30-Sep-23
Equities	97.73%	98.10%
Cash	1.50%	1.39%
Other Assets including Receivables	0.77%	0.51%

- viii) **Non-Compliant Investments:**

Name of Non Compliant Investment	Type of Investment	Value of Investment before Provision	Provision held if any	Value of Investment after Provision	Percentage of Net Assets	Percentage of Gross Assets
		-----Rupees in '000-----				
Tata Textile Mills Limited	Equity	67,243	Nil	67,243	10.62%	10.30%

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

1HFY24 Return	21.80%
Benchmark Return	50.66%

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

Net Asset Value			NAV Per Unit	
31-Dec-23	30-Sep-23	Change in Net Assets	31-Dec-23	30-Sep-23
(Rupees In "000")			Rs.	Rs.
633,454	583,023	08.65%	108.2043	92.7256

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

## MACRO PERSPECTIVE

The First Half of FY24 brought fresh tides of hope for Pakistan's economy but not without its own set of challenges. Pakistan saw a major decline in imports as high inflation along with record high interest rates inevitably led to demand compression, coupled with progressive efforts to ensure parity to the exchange rate via blockade of illegal channels. However, the continuous improvement on the External Front while encouraging has been offset by dwindling figures of the Real Sector with LSMI output for Jul-Nov 23 period showing a decline of 0.8% when compared to SPLY. In light of these figures and slower-than-expected moderation in inflation, SBP has kept its GDP Growth rate forecasts at a moderate 2-3% for FY24 despite negative growth rate in FY23 (-0.475%). Further complicating issues were the uncertainties around General Election results which understandably dampened any hope of an amicable and peaceful transition of power. Ongoing and growing instability in the region has further impeded the already slow-paced economic recovery amid high cost of doing business, evident through more than twice the increase in freight costs from Asia to Northern Europe since the start of attacks by Houthi rebels on commercial vessels in the Red Sea further aggravating inflationary pressures.

On the Fiscal Front, there was positive news as both tax and non-tax revenues showed strong growth. Non-tax revenues increased amidst substantial growth in petroleum development levy and transfer of sizable SBP profit while Tax revenues grew as FBR achieved its Target for the first six months of Rs.4425 billion (as agreed with the IMF) by recording collection of Rs.4468 billion. FBR in the corresponding six months of the previous year collected Rs.3428 billion, thus registering an increase of more than 1 Trillion. Furthermore, on January 17th, 2024 Pakistan received a USD 700 Million 2nd loan tranche from the International Monetary Fund (IMF) under the nine-month Stand-By Arrangement (SBA), this development came shortly after the Executive Board of the IMF completed the first review of Pakistan's economic reform program under the SBA. Pakistan to date has received \$1.9 billion disbursements out of the total \$3 billion under the nine-month SBA with further progress strongly dependent on the successful and peaceful transfer of power to a democratically elected government through the general elections.

The prolonged monetary and fiscal tightening took its toll on the real sector with LSMI output for Jul to Nov 23 declining by 0.8% compared to SPLY. The sectors majorly contributing to the overall decline included Textile, Automobiles, Furniture and Tobacco. Agriculture output, however, saw some positive developments as yield on Kharif crops already turned out better than last year while the prospects for Rabi crops also appeared promising amid better input conditions.

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SBP foreign exchange reserves also saw massive improvement with a remarkable increase of 85% since the start of FY24, clocking in at USD 8.22 billion at the end of Jan 2024. The gains were attributable to the unlocking of the 1st and 2nd Tranche under the IMF SBA through which Pakistan received USD 1.9 billion and was further augmented by relatively higher export earnings and workers' remittances.

The Government's resilient efforts to attract foreign investment combined with relative stability in exchange rates also yielded encouraging results, with total foreign private investments in HFY24 increasing by 49% compared to SPLY. Out of total investments of USD 933 million, USD 484 million (52%) were attributable to China & Hong Kong while other major investments came from the United States (USD 128 million -14%) and the United Kingdom (USD 121 million-13%) respectively.

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Despite vast gains recorded during the period, the market continues to trade at exceedingly attractive PE and PB multiples of 4.72x (Earnings Yield of 21.19%) and 0.78x respectively, along with a healthy dividend yield of 10.29% as at 31st Dec 23. Our pro-equity stance is based on expectations of continued macroeconomic improvement through fiscal consolidation and timely realization of planned external inflows which shall help in bringing down the current elevated levels of inflation to the SBP target of 5-7 percent by mid-CY25. This in turn should bring down the Risk-Free Return and Earnings Yield to their historical average of 10% and 12.5% respectively.

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

There was no significant change in the state of affair during the period and up till the date of the Fund Manager's report under review.

**xiii) Disclosure of any split (if any), comprising:**

There were no unit splits during the period.

**xiv) Break down of unit holding size:**

Range (Units)	No of Investors
0.0001 to 9,999	954
10,000 to 49,999	56
50,000 - 99,999	9
100,000 - 499,999	9
500,000 and above	2
<b>Total</b>	<b>1030</b>

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

Investments are subject to credit and market risk.

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

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



**Head Office:**

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Fax: (92-21) 34326021 - 23  
URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**AKD OPPORTUNITY FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Opportunity Fund (the Fund) are of the opinion that AKD Investment Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six month period ended December 31, 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.

We would like to draw Unit holders' attention towards the fact that Management Company has not provided financial statements of the Fund therefore we are neither able to obtain the assurances we get from the audited financial statement nor able to verify the methodology and procedures adopted by the Management Company for the calculation of the value of units as on December 31, 2023.

Further, we would like to emphasis on the fact that the Fund has been non-compliant of Circular 28 of 2021 which requires the Management Company to ensure that the exposure in equity securities as mentioned in aforesaid circular shall not exceed 10% of its equity portfolio on monthly average basis.

*Handwritten signature*

# **AKD OPPORTUNITY FUND**

Condensed Interim Financial  
Information for the Half Year Ended  
December 31, 2023



## INDEPENDENT AUDITOR'S REVIEW REPORT To The Unit Holders of AKD Opportunity Fund

### Report on review of Condensed Interim Financial Information

#### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AKD Opportunity Fund** (the "Fund") as at December 31, 2023, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' funds, condensed interim statement of cash flows and notes to the condensed interim financial information for the six months period ended December 31, 2023 (here-in-after referred to as the 'condensed interim financial information'). The Management Company (**AKD Asset Management Limited**) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

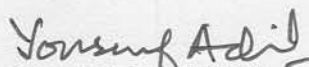
#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### Other matters

The figures for quarter ended December 31, 2023 and December 31, 2022 in the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement have not been reviewed, and we do not express a conclusion on them.

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

  
Chartered Accountants

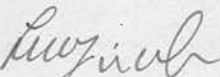

Place: Karachi  
Date: May 07, 2024  
UDIN: RR202310186u2BZPwkco

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


	Note	(Un-Audited) December 31, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2023
<b>ASSETS</b>			
Bank balances	6	9,818	5,551
Investments	7	638,193	583,367
Deposits, prepayments and other receivables	8	4,905	2,941
Dividend and profit receivable on bank deposits		121	86
Receivable against sale of investment		-	8,035
<b>Total assets</b>		<b>653,037</b>	<b>599,980</b>
<b>LIABILITIES</b>			
Payable to AKD Investment Management Limited - Management Company	9	11,675	11,657
Payable to Central Depository Company of Pakistan Limited - Trustee	10	129	135
Payable to Securities and Exchange Commission of Pakistan	11	52	216
Accrued expenses and other liabilities	12	4,357	3,055
Dividend payable		3,370	3,370
<b>Total liabilities</b>		<b>19,583</b>	<b>18,433</b>
<b>NET ASSETS</b>		<b>633,454</b>	<b>581,547</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>633,454</b>	<b>581,547</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13	-----Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>5,854,243</b>	<b>6,546,355</b>
		----- Rupees -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>108.2043</b>	<b>88.8352</b>

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

For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer  


  
Chief Financial Officer

  
Director

**AKD OPPORTUNITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023**

		Six month period ended December 31,		Three months period ended December 31,	
		2023	2022	2023	2022
	Note	----- (Rupees in '000) -----			
<b>INCOME</b>					
Capital gain on sale of investments classified as 'at fair value through profit or loss'		17,158	59,838	10,470	44,439
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'at fair value through profit or loss'	7.2	91,811	(150,415)	79,810	(155,716)
Dividend income		21,279	64,675	8,648	40,667
Profit on bank deposits		751	787	409	400
<b>Total income / (loss)</b>		<b>130,999</b>	<b>(25,115)</b>	<b>99,337</b>	<b>(70,210)</b>
<b>EXPENSES</b>					
Remuneration of AKD Investment Management Limited	9.1	6,148	13,021	3,084	6,314
Sindh sales tax on remuneration of Management Company	9.2	799	1,693	401	821
Expenses allocated by Management Company	9.4	1,844	3,571	925	1,894
Remuneration of Central Depository Company of Pakistan Limited-Trustee	10.1	616	1,155	309	568
Sindh sales tax on remuneration of Trustee	10.2	82	153	42	77
Fee to the Securities and Exchange Commission of Pakistan	11.1	292	130	146	63
Securities transaction costs		381	1,131	276	338
Auditor's remuneration		175	175	87	87
Settlement and bank charges		83	22	8	2
Fee and subscription		299	319	161	149
Legal and professional		109	108	47	-
<b>Total expenses</b>		<b>10,828</b>	<b>21,478</b>	<b>5,486</b>	<b>10,313</b>
<b>Net income / (loss) for the period before taxation</b>		<b>120,171</b>	<b>(46,593)</b>	<b>93,851</b>	<b>(80,523)</b>
Taxation	15	-	-	-	-
<b>Net income / (loss) for the period</b>		<b>120,171</b>	<b>(46,593)</b>	<b>93,851</b>	<b>(80,523)</b>
<b>Allocation of net income for the period</b>	:				
Net income for the period after taxation		120,171	-	93,851	-
Income already paid on units redeemed		(10,454)	-	(10,454)	-
		<b>109,717</b>	<b>-</b>	<b>83,397</b>	<b>-</b>
<b>Accounting income available for distribution</b>					
Relating to capital gain		108,969	-	83,397	-
Excluding capital gain		748	-	-	-
		<b>109,717</b>	<b>-</b>	<b>83,397</b>	<b>-</b>

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

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For AKD Investment Management Limited  
(Management Company)

*[Signature]*  
Chief Executive Officer

*[Signature]*  
Chief Financial Officer

*[Signature]*  
Director



**AKD OPPORTUNITY FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Six months period ended December 31, 2023			Six months period ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
<b>Net assets at beginning of the period</b>	(54,210)	635,757	581,547	623,079	735,113	1,358,192
Issue of 597,535 units (2022: 1,811,689 units)						
- Capital value	53,082	-	53,082	182,953	-	182,953
- Element of income	6,626	-	6,626	5,829	-	5,829
	59,708	-	59,708	188,782	-	188,782
Redemption of 1,289,647 units (2022: 4,184,665 units)						
- Capital value	(114,566)	-	(114,566)	(422,586)	-	(422,586)
- Element of loss	(2,952)	(10,454)	(13,406)	(15,252)	-	(15,252)
	(117,518)	(10,454)	(127,972)	(437,838)	-	(437,838)
<b>Total comprehensive income for the period</b>	-	120,171	120,171	-	(46,593)	(46,593)
<b>Net assets at end of the period</b>	(112,020)	745,474	633,454	374,023	688,520	1,062,543
<b>Undistributed income brought forward</b>						
- Realised income		801,638			1,378,318	
- Unrealised loss		(165,881)			(643,205)	
		635,757			735,113	
Accounting income available for distribution:						
Relating to capital gain		108,969			-	
Excluding capital gain		748			-	
		109,717			-	
<b>Net loss for the period</b>		-			(46,593)	
<b>Undistributed income carried forward</b>		745,474			688,520	
<b>Undistributed income carried forward</b>						
- Realised income		653,663			838,935	
- Unrealised income / (loss)		91,811			(150,415)	
		745,474			688,520	
<b>Net assets value per unit at beginning of the period</b>			<b>Rupees 88.8352</b>			<b>Rupees 100.9845</b>
<b>Net assets value per unit at end of the period</b>			<b>108.2043</b>			<b>95.9274</b>

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

For AKD Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



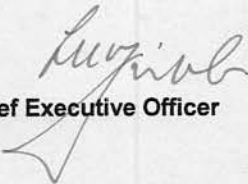
AKD OPPORTUNITY FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023

	Six months period ended December 31,		Three months period ended December 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net income / (loss) for the period	120,171	(46,593)	93,851	(80,523)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>120,171</u>	<u>(46,593)</u>	<u>93,851</u>	<u>(80,523)</u>

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

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For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

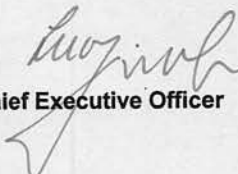
**AKD OPPORTUNITY FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023**

		Six months period ended December 31,		Three months period ended December 31,	
		2023	2022	2023	2022
Note		(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
	Net income / (loss) for the period before taxation	120,171	(46,593)	93,851	(80,523)
	<b>Adjustments for non cash items and other items :</b>				
	Net unrealized (appreciation ) / diminution on remeasurement of investments classified as 'at fair value through profit or loss'	(91,811)	150,415	(79,810)	155,716
	Dividend income	(21,279)	(64,675)	(8,648)	(40,667)
	Profit on bank deposits	(751)	(787)	(409)	(400)
		(113,841)	84,953	(88,867)	114,649
	<b>(Increase) / decrease in assets</b>				
	Deposits, prepayments and other receivables	(15)	(24)	7	13
	<b>(Decrease) / increase in liabilities</b>				
	Payable to AKD Investment Management Limited - Management Company	18	(122)	205	(170)
	Payable to Central Depository Company of Pakistan Limited - Trustee	(6)	(5)	16	(15)
	Payable to Securities and Exchange Commission of Pakistan	(164)	(320)	6	63
	Accrued expenses and other liabilities	(1,458)	363	(282)	(1,126)
		(1,610)	(84)	(55)	(1,248)
	Investments - net	45,021	142,114	30,113	94,628
	Dividend received	21,279	64,675	8,646	40,667
	Profit received on bank deposit	716	825	386	1,666
	<b>Net cash generated from operating activities</b>	<b>71,721</b>	<b>245,866</b>	<b>44,081</b>	<b>169,852</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
	Dividend paid	-	(255)	-	(255)
	Amount received on issue of units	57,759	185,973	37,880	105,684
	Payment against redemption of units	(125,213)	(437,838)	(80,480)	(283,041)
	<b>Net cash used in financing activities</b>	<b>(67,454)</b>	<b>(252,120)</b>	<b>(42,600)</b>	<b>(177,612)</b>
	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4,267</b>	<b>(6,254)</b>	<b>1,481</b>	<b>(7,760)</b>
	Cash and cash equivalents at beginning of the period	5,551	13,135	8,337	14,641
	<b>Cash and cash equivalents at end of the period</b>	<b>9,818</b>	<b>6,881</b>	<b>9,818</b>	<b>6,881</b>


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

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For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**AKD OPPORTUNITY FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

AKD Opportunity Fund (the Fund) was established under Trust deed, dated December 19, 2005 executed between AKD Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 7, 2005 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. The Fund commenced its operations from April 01, 2006.

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

The Fund is an open ended Collective Investment Scheme and offers units for public subscription on a continuous basis. The units are transferrable and can also be redeemed by surrendering to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.

The Fund is categorised as Equity Scheme as per circular 7 of 2009 by SECP. The principal activity of the Fund is to make investments in listed securities and deposits with banks.

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

The Management Company has been assigned a quality rating of "AM3++" by the Pakistan Credit Rating Agency Limited (PACRA) on June 27, 2023. The Fund has been given performance rating of '3 star' / '4 star' in short term / long term by PACRA on August 15, 2023.

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

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

**2.1.1** This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.

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

**2.1.2** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard (IAS) 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2023.

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2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2023.

2.1.4 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 'Financial Instruments' 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

This condensed interim financial information has been prepared under the historical cost convention, unless otherwise stated.

## 2.3 Functional and presentation currency

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

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023 except for amendment to International Accounting Standard 'Presentation of Financial Statements' - (IAS 1) which is applicable for period beginning from on or after January 01, 2023. In this amendment significant accounting policies have been updated with material accounting policy.

## 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 The preparation of this condensed interim financial information in conformity with accounting and reporting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

4.2 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual financial statements as at and for the year ended June 30, 2023.

4.3 There are certain amendments to accounting and reporting standards which have been published and are mandatory for the fund's accounting period beginning on or after July 01, 2023. These amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information except as mentioned in note 3.

## 5. FINANCIAL RISK MANAGEMENT

The Fund's risk management objective and policies are consistent with those disclosed in the annual financial statements of the Fund as at and for the year ended June 30, 2023.

6. BANK BALANCES	Note	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
Saving accounts	6.1	8,052	5,219
Current accounts		1,766	332
		<u>9,818</u>	<u>5,551</u>

6.1 Mark-up rate on these accounts is 20.5% (June 30, 2023: 19.5%) per annum.

7. INVESTMENTS	Note	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
At fair value through profit or loss			
Listed equity securities	7.1	<u>638,193</u>	<u>583,367</u>

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Name of the Investee Company	Face value per share	As at July 1, 2023	Purchases during the period	Bonus / Right Issue	Sales during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as percentage of total investments	Market value as a percentage of net assets	Percentage of paid up capital of the investee company held
							Carrying cost	Market value	Appreciation / (diminution)			
(Rupees)												
----- Number of shares -----												
(Rupees in 000)												
----- (%) -----												
Fully paid up Ordinary shares												
Automobile Parts & Accessories Thal Limited	5	2,900	105,000	-	55,900	52,000	12,155	15,340	3,185	2.40	2.42	0.06
Cable & Electrical Goods Pakistan Cables Limited	10	2,651	-	-	-	2,651	219	321	102	0.05	0.05	0.01
Commercial Banks Askari Bank Limited	10	-	250,000	-	250,000	-	-	-	-	-	-	-
Bank Alfalah Limited	10	-	65,000	-	65,000	-	-	-	-	-	-	-
Samba Bank Limited	10	200,000	-	-	-	200,000	1,564	2,118	554	0.33	0.33	0.02
							1,564	2,118	554			
Engineering International Steel Mills Limited	10	-	22,500	-	22,500	-	-	-	-	-	-	-
Fertilizer Fauji Fertilizer Bin Qasim Limited	10	-	100,000	-	100,000	-	-	-	-	-	-	-
Food & Personal Care-Products Al Shaheer Corporation Limited	10	6,700,000	-	-	2,100,000	4,600,000	33,258	57,086	23,828	8.94	9.01	1.23
Quice Food Industries Limited	10	1,230,500	-	-	380,500	850,000	2,975	3,919	944	0.61	0.62	0.86
							36,233	61,005	24,772			
Insurance Askari General Insurance Company Limited	10	777,533	-	-	-	777,533	11,274	14,618	3,344	2.29	2.31	1.08
EFU General Insurance Limited	10	300,000	-	-	-	300,000	25,800	25,500	(300)	4.00	4.03	0.15
Pakistan Reinsurance Company Limited	10	717,000	-	-	-	717,000	4,531	5,514	983	0.86	0.87	0.08
TPL Insurance Limited	10	3,593,560	-	-	250,000	3,343,560	69,245	48,314	(20,931)	7.57	7.63	1.69
							110,850	93,946	(16,904)			
Investment Banks / Investment Companies / Securities Companies Jahangir Siddiqui Company Limited class A preference shares	10	978,200	-	-	-	978,200	6,358	8,315	1,957	1.30	1.31	0.53
Jahangir Siddiqui Company Limited Imperial Limited	10	3,945,500	-	-	-	3,945,500	37,482	57,249	19,767	8.97	9.04	0.43
Pakistan Stock Exchange Limited	10	486,500	-	-	-	486,500	5,551	6,835	1,284	1.07	1.08	0.49
JS Investments Limited	10	7,844,121	-	-	1,994,121	5,850,000	43,290	59,027	15,737	9.25	9.32	0.73
	10	3,220,000	-	-	-	3,220,000	44,114	52,293	8,179	8.19	8.26	5.21
							136,795	183,719	46,924			
Oil & Gas Exploration Companies Pakistan Petroleum Limited	10	-	150,000	-	50,000	100,000	8,912	11,503	2,591	1.80	1.82	0.00
Oil and Gas Development Company Limited	10	-	75,000	-	25,000	50,000	5,374	5,623	249	0.88	0.89	0.00
Pakistan State Oil Company Limited	10	-	14,000	-	14,000	-	-	-	-	-	-	-
							14,286	17,126	2,840			
Paper and Board Pakistan Paper Products Limited	10	114,000	-	-	-	114,000	4,332	6,212	1,880	0.97	0.98	1.43
Refinery Energyco PK Limited (Note 7.1.1)	10	8,500,000	-	-	500,000	8,000,000	22,720	39,360	16,640	6.17	6.21	0.15

Name of the Investee Company	Face value per share	(Rupees)				Number of shares				(Rupees in 000)			----- (%)		Percentage of paid up capital of the investee company held
		As at July 1, 2023	Purchases during the period	Bonus / Right Issue	Sales during the period	As at December 31, 2023	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of total investments	Market value as a percentage of net assets				
<b>Power Generation &amp; Distribution</b>															
Hub Power Company Limited	10	-	58,000	-	58,000	-	-	-	-	-	-	-	-	-	-
Japan Power Generation Limited (Note 7.1.2)	10	4,261,500	-	-	-	4,261,500	-	-	-	-	-	-	-	-	-
K-Electric Limited	10	550,000	-	-	550,000	-	-	-	-	-	-	-	-	-	-
Laipir Power Limited	10	117,500	-	-	117,500	-	-	-	-	-	-	-	-	-	-
<b>Sugar and Allied Industries</b>															
Chashma Sugar Mills Limited	10	7,000	-	-	-	7,000	389	460	71	0.07	0.07	0.02	0.07	0.02	0.02
Tariq Corporation Limited	10	14,437	-	-	-	14,437	175	247	72	0.04	0.04	0.03	0.04	0.03	0.03
The Premier Sugar Mills Limited	10	6,200	-	-	-	6,200	3,689	2,790	(899)	0.44	0.44	0.17	0.44	0.17	0.17
Tariq Corporation Limited - Preference Shares	10	3,937	-	-	-	3,937	37	43	6	0.01	0.01	0.03	0.01	0.03	0.03
							4,290	3,540	(750)						
<b>Synthetics and Rayon</b>															
Pakistan Synthetics Limited	10	1,155,600	-	-	27,000	1,128,600	32,210	28,734	(3,476)	4.50	4.54	1.22	4.54	1.22	1.22
<b>Technology &amp; Communication</b>															
Hum Network Limited	1	559,800	1,500,000	-	-	2,059,800	11,639	14,110	2,471	2.21	2.23	0.18	2.23	0.18	0.18
TPL Trakker Limited	10	1,667,000	-	-	-	1,667,000	14,736	13,119	(1,617)	2.06	2.07	0.89	2.07	0.89	0.89
							26,375	27,229	854						
<b>Textile Composite</b>															
Fazal Cloth Mills Limited	10	600	-	-	-	600	100	95	(5)	0.01	0.01	0.00	0.01	0.00	0.00
Masood Textile Mills Limited	10	1,000	-	-	-	1,000	46	45	(1)	0.01	0.01	0.00	0.01	0.00	0.00
							146	140	(6)						
<b>Textile Spinning</b>															
Ellicott Spinning Mills Limited	10	673,038	-	-	95,000	578,038	53,919	53,064	(855)	8.31	8.38	5.28	8.38	5.28	5.28
Tata Textile Mills Limited (Note 7.1.3)	10	1,090,538	-	-	250,000	840,538	55,862	67,243	11,381	10.54	10.62	1.50	10.62	1.50	1.50
Colony Textile Mills Limited	10	400,000	-	-	-	400,000	760	1,308	548	0.20	0.21	0.08	0.21	0.08	0.08
Crescent Fibers Limited	10	35,500	-	-	-	35,500	1,468	2,308	840	0.36	0.36	0.29	0.36	0.29	0.29
Premium Textile Mills Limited	10	10,000	-	-	-	10,000	4,855	3,730	(1,125)	0.58	0.59	0.16	0.59	0.16	0.16
Salt Textile Mills Limited	10	141,000	-	-	-	141,000	1,304	1,551	247	0.24	0.24	0.53	0.24	0.53	0.53
							118,169	129,203	11,035						
<b>Vanaspati &amp; Allied Industries</b>															
Punjab Oil Mills Limited	10	288,000	20,000	-	65,000	243,000	24,776	29,162	4,386	4.57	4.60	3.76	4.60	3.76	3.76
S.S. Oil Mills Limited	10	13,400	-	-	-	13,400	1,183	938	(245)	0.15	0.15	0.24	0.15	0.24	0.24
							25,959	30,100	4,141						
<b>Miscellaneous</b>															
Pakistan Aluminium Beverage Cans Limited	10	-	100,000	-	100,000	-	-	-	-	-	-	-	-	-	-
Pakistan Services Limited	10	100	-	-	-	100	79	101	22	0.02	0.02	0.00	0.02	0.00	0.00
							79	101	22						
<b>Total as at December 31, 2023</b>															
							546,382	638,193	91,811						
<b>Total as at June 30, 2023</b>															
							749,248	583,367	(165,881)						

7.1.1 This includes 8,000,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

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

7.1.3 The exposure limit of an investment in a single company as a percentage of net assets exceeded by 0.62% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.

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		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
7.2	Net unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss'		
Market value of investments	7.1	638,193	583,367
Carrying value of investments	7.1	(546,382)	(749,248)
		91,811	(165,881)
8.	DEPOSITS, PREPAYMENTS AND OTHER RECIEVABLES		
Security deposits		2,500	2,500
- National Clearing Company of Pakistan Limited		100	100
- Central Depository Company of Pakistan Limited		15	-
Prepaid annual listing fee of Pakistan Stock Exchange	8.1	341	341
Advance tax withhold on dividend and bank profit		1,949	-
Receivable against conversion of units		4,905	2,941
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. However, withholding tax on profit on debt and dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) /2008-VOL.II - 66417- R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.		
9.		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
9.	PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
Management fee	9.1	1,102	1,092
Sindh sales tax on management fee	9.2	143	142
Federal Excise Duty on management fee	9.3	10,092	10,092
Expenses allocated by the Management Company	9.4	331	328
Sales load payable		7	3
		11,675	11,657
9.1	As per the offering document, the Management Company charged remuneration at the rate of 2% (June 30, 2023: 2%) per annum of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.		
9.2	Sindh Sales Tax has been charged at the rate of 13% (June 30, 2023: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.		
9.3	There is no change in the status of the appeal filed by the Federal Board of Revenue in the Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2023. Had the said provision for FED not been recorded in this condensed interim financial information of the Fund, the net assets value of the Fund as at December 31, 2023 would have been higher by Rs 1.7274 per unit (June 30, 2023: Rs. 1.5416 per unit).		

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9.4 The Management Company has charged expenses at the rate of 0.6% (June 30, 2023: 0.5% till September 30, 2022 and from October 01, 2022 onwards 0.6%) per annum of the average annual net assets of the Fund.

	Note	(Un-Audited) December 31, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2023
<b>10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee fee	10.1	110	109
CDS charges payable		4	10
Sindh Sales Tax on trustee fee and CDC charges	10.2	15	16
		<u>129</u>	<u>135</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**

0.2% per annum of the net assets of the Fund.

**Net assets exceeding Rs. 1 billion**

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

10.2 Sindh sales tax at the rate of 13% (June 30, 2023: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

	Note	(Un-Audited) December 31, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2023
<b>11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Fee payable to SECP	11.1	<u>52</u>	<u>216</u>

11.1 Effective from July 1, 2023 as amended through SRO 592 dated May 17, 2023, a Collective Investment Scheme (CIS) is required to pay fee to the Securities and Exchange Commission of Pakistan (SECP) on monthly basis at the rate of 0.095% of average Net Assets of Collective Investment Scheme calculated on daily basis.

Till June 30, 2023, an annual fee at the rate of 0.02% of average Net Assets of Collective Investment Scheme was payable by the fund.

	(Un-Audited) December 31, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2023
<b>12. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Accrued expenses	464	469
Withholding tax payable	417	72
Payable against redemption / conversion of units	2,760	1,061
Brokerage payable	706	1,442
Others	10	10
	<u>4,357</u>	<u>3,055</u>

**13. CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

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#### 14. TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2023 to December 31, 2023 is 3.13% annualised (June 30, 2023: 3.45%) which includes 0.33% (June 30, 2022: 0.33%) representing government levies on the Fund such as sales taxes, fees to SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a Collective Scheme categorised as an "Equity Scheme".

#### 15. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that atleast 90% of the accounting income for the year as reduced by accumulated losses and capital gains whether realised or unrealised is distributed to the unit holders in cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute atleast 90% of the net accounting income other than unrealised capital gain to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) and section 113 C (Alternate Corporate tax) under clause 11A of Part IV of the second Schedule to the income Tax Ordinance, 2001. Since the management intends to distribute the income earned by the Fund during the period to the unit holders in cash in the manner as explained above. Accordingly, no provision for taxation has been made in this condensed interim financial information.

#### 16. 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.

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

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

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

		(Un-Audited)	
		For the half year ended	
		December 31,	
		2023	2022
		----- (Rupees in '000) -----	
16.1	Details of transactions with connected persons / related parties		
	<b>AKD Investment Management Limited - Management Company</b>		
	Remuneration to Management Company	6,148	13,021
	Expenses allocated by the Management Company	1,844	3,571
	Sindh Sales Tax on remuneration of Management Company	799	1,693
	Sales load	7	23
	Units redeemed : Nil (2022: 58,8936)	-	6,478
	<b>Central Depository Company of Pakistan Limited - Trustee of the Fund</b>		
	Trustee remuneration	616	1,155
	Sindh Sales Tax on trustee remuneration	82	153
	CDS charges for the period	12	19
	<b>AKD Securities Limited - Brokerage House</b>		
	Commission on purchase and sale of marketable securities	-	1
	<b>Mr. Muhammad Farid Alam : Chief Executive AKD Securities Limited</b>		
	Unit Redeemed: 5,787 (2022: Nil)	532	-

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(Un-Audited)  
For the half year ended  
December 31,  
2023                      2022  
----- (Rupees in '000) -----

<b>AKD Islamic Stock Fund - Common Management Company</b>		
Shares sold by AKD Opportunity Fund to AKD Islamic Stock Fund	8,208	-
Shares purchased by AKD Opportunity Fund from AKD Islamic Stock Fund	3,481	-
<b>Golden Arrow Stock Fund - Common Management Company</b>		
Shares sold by AKD Opportunity Fund to Golden Arrow Stock Fund	30,390	21,200
Shares purchased by AKD Opportunity Fund from Golden Arrow Stock Fund	10,824	-
<b>Mr. Imran Motiwala</b>		
<b>The Chief Executive Officer of the Management Company</b>		
Units redeemed : Nil (2022: 36,602)	-	3,710
<b>Khalid Mehmood Director of the Management Company</b>		
Units issued: 86,781 (2022: Nil)	9,047	-
<b>Shifa Khalid Close Relative of Director of the Management Company</b>		
Units issued: 26,031 (2022: Nil)	2,714	-
<b>Ellicot Spinning Mills Limited - Common Directorship</b>		
Number of shares sold: 95,000 (2022: Nil)	9,405	-
Number of shares purchased: Nil (2022: 6,200)	-	941
Receipt of dividend on 578,038 shares @ Rs. 6 per share (2022: 673,038 shares @ Rs. 10 per share )	3,468	6,730

**16.2 Balances outstanding at the period / year end**

(Un-Audited)                      (Audited)  
December 31,                      June 30,  
2023                                      2023  
----- (Rupees in '000) -----

<b>AKD Investment Management Limited - Management Company</b>		
Remuneration payable	1,102	1,092
Sindh sales tax on Management Remuneration	143	142
Federal excise duty payable on Management	10,092	10,092
Allocated expenses by the Management Company	331	328
Sales load payable	7	3
Units outstanding : 21,548 (2023: 21,548)	2,332	1,914
<b>Central Depository Company of Pakistan Limited - Trustee of the Fund</b>		
Remuneration payable	110	109
Sindh sales tax on trustee remuneration payable	15	16
CDS charges payable	4	10
Security deposit	100	100
<b>Receivable / payable against conversion of units - Funds managed under management company</b>		
Payable against conversion of units - AKD Cash Fund	1,300	471
Payable against conversion of units - AKD Index Tracker Fund	450	-
Receivable against conversion of units - AKD Cash Fund	1,250	-
Receivable against conversion of units - AKD Islamic Income Fund	699	-
<b>Ms. Ayesha Aqeel Dhedhi</b>		
<b>Close Relative of Mr. Aqeel Karim Dhedhi</b>		
Units outstanding: 61 (2023: 61)	7	5

*Mr*

	(Un-Audited) December 31, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2023 -----
<b>Mr. Toqir Hussain</b> <b>Head of Information Technology</b> Units outstanding: 65 (2023: 65)	7	6
<b>Khalid Mehmood</b> <b>Director of the Management Company</b> Units outstanding: 86,781 (2023: Nil)	9,390	-
<b>Shifa Khalid</b> <b>Close relative of Director of the Management Company</b> Units outstanding: 33,820 (2023: Nil)	3,659	692
<b>Mr. Ubaid ur Rehman</b> <b>Key Management personal</b> Units outstanding: 72 (2023: 72)	8	6
<b>Mr. Murtaza Wahab Siddiqui</b> <b>Spouse of the Director of the Management Company</b> Units outstanding: 36,068 (2023: 36,068)	3,903	3,204
<b>Mr. Ali Wahab Siddiqui</b> <b>Director of the Management Company</b> Units outstanding: 1,829 (2023: 1,829)	198	162
<b>Mr. Muhammad Farid Alam</b> <b>Chief Executive of AKD Securities Limited</b> Units outstanding: Nil (2023: 5,787)	-	514
<b>AKD Securities Limited - Brokerage House</b> Brokerage payable on purchase and sale of marketable securities	-	587
<b>Ellcot Spinning Mills Limited - Common Directorship</b> Shares held 578,038 (2023: 673,038)	62,546	62,781
<b>AKD Group Holdings (Private) Limited - Staff Provident Fund</b> Units outstanding: 90,428 (2023: 90,428)	9,787	8,033
<b>TPL Insurance Limited (holding more than 10% units of the Fund)</b> Units outstanding: 819,092 (2023: 819,092)	88,629	72,764

#### 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

- Level 1:** quoted prices in active markets for identical assets or liabilities;
- Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

ASSETS	(Un-Audited)			
	As at December 31, 2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Listed equity securities	638,193	-	-	638,193

ASSETS	(Audited)			
	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Listed equity securities	583,367	-	-	583,367

18. GENERAL

- 18.1 This condensed interim financial information is unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended December 31, 2023 and December 31, 2022 in this condensed interim financial information, has not been subject to limited scope review by the auditors.
- 18.2 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

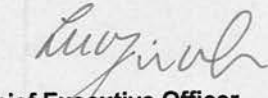
19. DATE OF AUTHORISATION FOR ISSUE

29 MAR 2024


This condensed interim financial information were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Management Company.



For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director





AKD Investment  
Management Ltd.

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### **Head Office**

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