Quarterly Report
December 31, 2024
(Un-audited)

AKD
Aggressive Income Fund

Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit form the Experience

AKD Investment Management Ltd.

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
Mr. Khalid Mehmood
Mr. Imran Motiwala

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 half yearly report along with the Funds' reviewed Financial Statements for the first half ended December 31, 2024.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)
For the 1HFY25, the return of AKD Opportunity Fund stood at 40.67% compared to the benchmark KSE–100 Index return of 46.76%.

Golden Arrow Stock Fund (GASF)
For the 1HFY25, the return of Golden Arrow Stock Fund stood at 44.14% compared to the benchmark KSE–100 Index return of 46.76%.

AKD Islamic Stock Fund (AKDISSF)
For the 1HFY25, the return of AKD Islamic Stock Fund stood at 47.28% compared to the benchmark KMI–30 Index return of 41.30%.

AKD Index Tracker Fund (AKDITF)
For the 1HFY25, the return of AKD Index Tracker Fund stood at 44.12% compared to the benchmark KSE–100 Index return of 46.76%.

AKD Cash Fund (AKDCF)
For the 1HFY25, the annualized return of AKD Cash Fund stood at 17.67% compared to the benchmark return of 16.29%.

AKD Islamic Income Fund (AKDISIF)
For the 1HY25, the annualized return of AKD Islamic Income Fund stood at 18.17% compared to the benchmark return of 9.99%.

AKD Aggressive Income Fund (AKDAIF)
For the 1HFY25, the annualized return of AKD Aggressive Income Fund stood at 18.13% compared to the benchmark return of 15.53%.

AKD Islamic Daily Dividend Fund (AKDIDDF)
For the 1HFY25, the annualized return of AKD Islamic Daily Dividend Fund stood at 17.13% compared to the benchmark return of 9.58%.

Distribution for the first half ended December 31, 2024:

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs. 4.14 per unit to the unit holders during the first half ended December 31, 2024.

MACRO PERSPECTIVE

As we approach the midpoint of FY25, Pakistan's economic trajectory appears increasingly positive. Declining inflation and encouraging export figures suggest that the government's policy initiatives, in conjunction with the ongoing IMF program, are beginning to bear fruit. While acknowledging the persistent challenges, the overall economic direction is promising. GDP growth, however, remains subdued, reflecting the lag effect of previous monetary policy decisions. The impact of recent interest rate reductions has yet to fully permeate the economy. It is anticipated that the time lag between Monetary Policy Committee (MPC) decisions and their tangible impact on economic activity will shorten, allowing the positive effects of the current monetary easing cycle to more rapidly stimulate growth. The economy, previously constrained by the high finance costs associated with the 22% interest rate regime, is now poised for expansion. This easing cycle is supported by the continued downward trend in inflation and the currently modest pace of GDP growth.

The Monetary Policy Committee in conveyed the MPS on December 16, 2024 in which they did a rate cut of 200 bps, bringing down the policy rate to 13%. This would mark the 5th consecutive rate cut by SBP since the start of interest rate reversal cycle in June 2024. This is primarily driven by a rapid decline in inflation which is approaching the medium-term average inflation target of 5-7%. Additionally, the SBP attributed this decline in inflation to the following factors: 1) a significant decline in food inflation, 2) favorable global oil prices, and 3) absence of adjustments in gas tariffs and PDL rates.

In December 2024, the National Consumer Price Index (NCPI) fell to 4.1% YoY amid relatively stable food, utility, and fuel prices, and decelerating core inflation. The average inflation rate for the first half of FY25 was 7.22%, a substantial decrease from the 28.8% recorded during the same period in FY24. Food inflation, which had surged over 27% last year, saw only a modest increase of 0.03% YoY in Dec-24. MoM inflation remained flattish, down by 0.1% MoM, primarily on the back of (i) a muted trend in the Food segment, (ii) a -1.1% MoM decrease in utilities segment due to a reduction in electricity charges, and (iii) a 0.7% MoM increase in Transport segment due to a rise in POL prices.

The impact of the previously imposed, Advances-to-Deposits Ratio (ADR) requirement on Pakistan's banking sector is clear. Driven by the now-rescinded 50% ADR target, private sector credit surged to Rs. 1.4 trillion in FY25 compared to Rs. 153 billion in the same period last fiscal year (FY24), an 815% increase year-on-year. This aggressive lending, reflected in an 8% loan portfolio expansion during November 2024 alone, pushed advances to Rs. 14.9 trillion (a 24% YoY rise). While the government later shifted to a higher corporate tax rate for banks instead of the ADR-related penalty, the initial target spurred significant credit growth, led by both conventional and Islamic banks.

On the external front, Pakistan's current account balance continues its positive trend, registering a surplus of USD 582 million in December 2024. Cumulatively, the 6MFY25 current account now boasts a surplus of USD 1.21 billion, a remarkable turnaround from the USD 1.397 billion deficit recorded during the same period last year. A closer look at the month-over-month changes reveals a 30% increase in the trade deficit, primarily driven by a normalization of imports, reaching USD 1.2 billion. This rise reflects a 10-20% MoM increase across various import categories, including food, machinery, and others. While imports increased, exports also saw positive movement, rising by 11% MoM, partially offsetting the import surge. Furthermore, workers' remittances demonstrated robust growth, posting a 29% YoY increase while maintaining a strong average of USD 3 billion per month. This positive momentum in remittances, coupled with the overall improvement in the current account balance, reflects growing confidence in the economy.

The remarkable turnaround in Pakistan's Current Account Balance, shifting from a deficit of USD 1.397 billion during the first half of FY24 to a surplus of USD 1.21 billion in the same period of FY25, can be largely attributed to a combination of factors. While a substantial rise in overseas workers' remittances and increased other current transfers played a significant role, the initial improvement stemmed significantly from a slowdown in imports. Total imports for the first quarter of FY25 reached USD 16.83 billion, reflecting a 12% *increase* compared to the same period last year. However, this increase only began to materialize in recent months, following a period of significantly suppressed import activity. This initial slowdown in imports, coupled with the marked increase in workers' remittances (which soared to USD 8.79 billion in 1QFY25, up 39% from USD 6.33 billion in the same quarter last year, supported by a stable exchange rate), contributed substantially to the positive shift in the CAD. Overall, this positive momentum in the external sector, driven by both the initial import slowdown and subsequent growth in trade and remittances, has enhanced the country's balance of payments and contributed to overall economic stability.

According to the data released by the SBP, the foreign exchange reserves held by the central bank stood at USD 11.71 billion by the end of 1HFY25, with the Country's liquid foreign exchange reserves reaching USD 16.41 billion. This marks a 17% increase since the beginning of the fiscal year. This surge can be primarily attributed to the disbursement of tranche under the IMF's EFF program and increase in remittances. This increase in reserves not only enhances the Country's ability to meet its external obligations but is also likely to strengthen investor confidence in Pakistan's economic prospects. Profit / dividend repatriation by foreigners has jumped 1.1xYoY during 5MFY25 to USD 1.1Bn. Further, USD continues to trade at PKR 278/USD. PKR's REER index jumped by 0.76%MoM to 103.7 in Dec'24. FDI inflows reached $1.33 billion during 1HFY25, up from $1.11 billion in the same period of FY24, marking a $221 million increase. During this period, total FDI inflows stood at $1.88 billion, significantly surpassing outflows of $554 million.

In a significant move, Saudi Arabia has rolled over USD 3Bn deposits with Pakistan for 1 year, aiming to support the country in meeting its external financing requirement. Further, Saudi Arabia announced additional investment of USD 600Mn in Pakistan (with 34 MoUs signed for different sectors), raising its total commitment to $2.8 billion. Moreover, the Government has decided to sell 15% of its stake (PKR 150Bn) in the Reko Diq project to Saudi Arabia under the Inter-Governmental Commercial Transactions Act.

Recent data indicates that the Large Scale Manufacturing Index (LSMI) fell 2.24%MoM in Oct'24, due to major decline from key sectors i.e. Furniture (64%), Machinery & Equipment (61%) and Fabricated Metal (25%). As a result, 4MFY25 LSMI was down 1%YoY. The production in July-October 2024-25 as compared to July-October 2023-24 has increased in Food, Tobacco, Textile, Wearing apparel, Coke & Petroleum Products, Automobiles and Other Transport Equipment while it decreased in Rubber Products, Non Metallic Mineral Products, Electrical Equipment, Machinery and Equipment, Iron & Steel Products, and Furniture.

EQUITY MARKET REVIEW

In 1HFY25, the equity market gained 36,595 points for a return of 46.6%, with the benchmark KSE-100 Index closing at 115,126.9 points. During the month of December 2024, the KSE-100 index witnessed historic high level momentum peaking at 117,039 points. Improving macroeconomic indicators under the new IMF program, i.e. falling inflation, falling yields on fixed income, aggressive monetary easing of 900 bps by the central bank improved external accounts, stable currency, and political stability, drove the strong performance of market in HFY24. As per Bloomberg data, Pakistan's KSE-100 Index was among the second best-performing markets in US dollar and local currency after Argentina in 2024.

The external account also showed notable improvement, featuring a current account surplus of USD 729Mn in 5MFY25 - driven by robust remittances i.e. up 34% as compared to 5MFY24 and growing exports i.e. up 13%YoY, alongside workers' remittances and exports were up 34%YoY and 13%YoY, respectively. Negotiations with IPPs will save up to PKR 1.1Trn for the Government. This stability, coupled with a stable exchange rate has positively influenced market sentiment.

In FIPI, highest contribution was from the Overseas Pakistanis segment with outflows of USD 183mn in 1HFY25 by Dec 31, 2024, from USD 4.89mn in HFY24, a YoY growth of 36%. Notable foreign selling was observed in the Commercial Banks (USD 60.51 million), followed by Fertilizers (USD 56.62 million), Oil and Gas Exploration Companies (USD 41.3 million), Food and Personal Care Products (USD 23.43 million), Power Generation and Distribution (USD 15.95 million), and Oil and Gas Marketing Companies (USD 14.22 million). Conversely, domestic investors, including Mutual Funds, Companies, and Individuals, were net buyers, with net purchases of USD 182.72 million, USD 26.69 million, and USD 26.34 million respectively. However, other domestic participants, such as Banks/DFI, Other Organizations, Brokers, and Insurance Companies, were major net sellers, with respective divestments of USD 20.68 million, USD 17.24 million, USD 5.82 million, and USD 4.83 million.

In terms of local sector performance, the top gainers during the period included Commercial Banks (+32.40%), Fertilizer (+30.32%), Oil and Gas Exploration Companies (+22.12%), Food and Personal care products (+12.54%), and Power Generation and Distribution (+8.54%). In contrast, sectors that experienced declines were Technology (-13.03%), Textile Composite (-1.59%), and All other sectors (-1.33%).

The equity market outlook necessitates a cautious approach, given the prevailing economic and political uncertainties. While pockets of opportunity exist, a balanced perspective is essential. Macroeconomic conditions, though showing signs of stabilization, require continuous monitoring. Stock valuations, while currently attractive, should be evaluated in the context of potential risks. Corporate earnings, while generally positive, are not immune to inflationary pressures and exchange rate volatility. Political dynamics remain a key source of uncertainty, potentially impacting market sentiment. Furthermore, the looming threat of tariffs from the USA, Pakistan's largest export destination, adds another layer of complexity. Such tariffs could have unforeseen and potentially significant repercussions for the Pakistani economy, impacting export revenues, business confidence, and investment flows.

FIXED INCOME REVIEW

Since the SBP has started lowering policy rate in June 2024, the yields on government securities have seen a substantial reduction in both primary and secondary markets. This environment has generated heightened interest from both domestic and foreign investors seeking attractive returns on government debt securities, despite the allure of a robust equity market.

During the period, SBP conducted a total of thirteen (25) Market Treasury Bills (MTB) auctions, where the Government managed to raise PKR 13.209 trillion against the auction target of PKR 13.508 trillion. Notably, the weighted average yields for 3, 6, and 12-month MTB were 14.30%, 14.61%, and 14.14% respectively, significantly down by 663 bps, 597 bps, and 582 bps as compared to 20.93%, 20.58%, and 19.95% during the same period last year.

To further address the need for liquidity, SBP also conducted three (21) auctions of fixed-rate Pakistan Investment Bonds (PIB) and was successful in raising PKR 8.159 trillion. The weighted average yield for 3 and 5 years PIB decreased by 345 bps and 9 bps to 15.88% and 15.10%, respectively, as compared to 19.33% and 15.19% during the same period last year. Whereas, weighted average yield for 10 year PIB increased by 89 bps to 14.11% as compared to 13.22% in the same period last year.

In the market for Shariah Compliant instruments, a total of three (6) auctions were held for GOP Ijara Sukuk through the Pakistan Stock Exchange. These auctions, covering Variable Rental Rate (VRR), Fixed Rental Rate (FRR), and Fixed Rate Discounted (FRD) instruments, successfully raised PKR 400.50 billion, against the target of PKR 500 billion.

Looking ahead to the auction target calendars for January through March 2025, the State Bank of Pakistan aims to raise PKR 2.20 trillion by issuing 3 to 12-month MTB against the maturing amount of PKR 3.446 trillion. Additionally, the SBP targets to raise PKR 1.050 billion through 2 to 15-year fixed-rate PIB whereas, PKR 2.000 trillion is targeted to be raised through 2 to 10-year floating-rate PIB. Moreover, the Pakistan Stock Exchange issued a notice announcing auctions for the sale of GOP Ijara Sukuk, with the target of raising PKR 425 billion in the one upcoming auction during January 2025.

FUTURE OUTLOOK

The successful negotiation of external financial support marked a turning point, but the subsequent economic landscape has presented new dynamics. While initial credit rating upgrades reflected optimism, recent developments require a reassessment. Challenges persist, notably headwinds include weak momentum, especially in manufacturing, low consumer confidence, and the persistence of a negative energy price shock which can explain the lower expectation of GDP growth by IMF to 3% instead of 3.4%. The focus has now shifted to stimulating the economy as reflected by monetary easing stance of SBP and M2 hitting Rs. 34.9 trillion and Cash in Circulation reaching 9.4 trillion. Investors are closely monitoring these evolving circumstances, particularly the IMF review in mid of Feb 2025.

The Monetary Policy Committee embarked on a monetary easing stance in June 2024 and since then has reduced the policy rate by a substantial 900 bps to 13.0%, down from a historical high of 22%. This was in response to better than earlier anticipated decline in inflation which dropped to 4.1% YoY in December 2024, coming out of peak inflation (YoY 37.97% in May 2023) the trend is in decline and it is a very positive development and shows the progress of governments' austerity and economic reforms

This pace of disinflation can be attributed to the impact of contained demand, reinforced by improved supply chain for essential food items, ongoing fiscal and monetary consolidation efforts, favorable global commodity prices, delays in upward adjustments in administered energy prices, and a favorable base effect. While inflation is on a downward trend and is expected to continue this trajectory, it remains vulnerable to risks such as the timing and magnitude of future adjustments in administered energy prices, volatility in global commodity markets, and potential new taxation measures to address revenue shortfalls. The central bank projects that average inflation for FY25 will fall below the previously estimated range of 11.5% to 13.5%. However, this outlook is contingent upon achieving targeted fiscal consolidation and the timely realization of anticipated external inflows.

While potential inflows from a larger IMF program and other sources could bolster investor confidence, the current economic landscape presents a more nuanced picture. Actual GDP growth has significantly underperformed, registering a concerning 0.92%. This stark contrast casts a shadow over optimistic projections. Furthermore, fiscal pressures are mounting, as evidenced by the Federal Board of Revenue (FBR) missing its December 2024 target by a substantial PKR 386 billion. This shortfall raises concerns about meeting fiscal targets, especially with the crucial IMF review expected in mid-February 2025. The significant revenue shortfall and the much lower-than-projected GDP growth pose substantial downside risks. Coupled with lingering political uncertainty, these factors create a challenging environment and could significantly impact market performance. The path ahead requires careful navigation to address these pressing fiscal and growth concerns.

For and on behalf of the board

Imran Motiwala	**Khalid Mahmood**
Chief Executive Officer	Chairman

Karachi:

FUND INFORMATION

AKD Aggressive Income 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
Apna Microfinance Bank Limited
Askari Bank Limited
Bank Al Falah Limited
Bank Al Habib Limited
Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Mobilink Microfinance Bank Limited
NRSP Microfinance Bank Limited
U Microfinance Bank Limited

Rating-AKDAIF
PACRA: A+(f)

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.

Auditors
M/s BDO Ebrahim & Co.
Chartered Accountants 2nd
Floor, Block- C, Lakson Square
Buiding No.1, Karachi-74200

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

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TRUSTEE REPORT TO THE UNIT HOLDERS

AKD AGGRESSIVE INCOME 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 Aggressive Income 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, 2024 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 management fee, fee payable to Securities and Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iii) 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, 2024.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, February 28, 2025

FINANCIAL STATEMENT OF
AKD AGGRESSIVE INCOME FUND
FOR THE SIX-MONTH PERIOD ENDED
DECEMBER 31, 2024

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Sarwar Shaheed Road
Karachi-74200
Pakistan

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF AKD AGGRESSIVE INCOME FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AKD AGGRESSIVE INCOME FUND** ("the Fund") as at December 31, 2024 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement, and notes to the condensed interim financial statements for the six-month period then ended ((here-in-after referred to as "the interim financial statements"). AKD Investment Management Limited (the "Management Company") is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements 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 statements 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 statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial statements of the Fund for the six-month period ended December 31, 2023 and the financial statements for the year ended June 30, 2024 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated May 07, 2024 and December 20, 2024, respectively.

The figures for the quarter ended December 31, 2024 and December 31, 2023 included in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and accordingly we do not express a conclusion on them.

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

KARACHI

DATED: 24 APR 2025

UDIN: RR202410067nDIOoVG48

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2024

	Note	December 31, 2024 (Un-Audited)	June 30, 2024 (Audited)
		(Rupees in '000)	
ASSETS			
Bank balances	4	30,037	321,083
Investments	5	778,103	410,891
Mark-up receivable	6	787	7,953
Deposits, prepayments and other receivables	7	6,746	7,031
Total assets		815,673	746,958
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	8	1,451	1,246
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	59	50
Payable to the Securities and Exchange Commission of Pakistan	10	50	45
Accrued expenses and other liabilities	11	6,788	5,895
Payable against redemption of units		3,244	25
Unclaimed dividend		15,022	15,022
Total liabilities		26,614	22,283
NET ASSETS		789,059	724,675
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		789,059	724,675
CONTINGENCIES AND COMMITMENTS	12		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		14,033,099	14,065,848
		(Rupees)	
NET ASSETS VALUE PER UNIT		56.2284	51.5202

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer | Chief Financial Officer | Director

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE SIX MONTH PERIOD AND QUARTER ENDED DECEMBER 31, 2024

	Note	Six month period December 31, 2024	Six month period December 31, 2023	Quarter ended December 31, 2024	Quarter ended December 31, 2023
		(Rupees in '000)			
INCOME					
Realised gain on sale of investments classified as 'financial assets at fair value through profit or loss'		4,633	9,780	1,311	3,662
Mark-up on bank deposits		28,731	11,097	20,893	7,294
Income / (loss) from:					
Margin Trade System		240	487	-	-
Government securities		13,259	29,613	367	11,746
Term finance certificates and sukuk certificates		8,529	16,526	(2,594)	8,574
Commercial papers		(507)	9,402	(4,294)	6,430
Dividend income		-	2,100	(466)	-
		54,885	79,005	15,217	37,706
Net unrealised gain / (loss) on re-measurement of investment classified as 'financial assets at fair value through profit or loss'		12,786	(4,395)	7,471	(6,500)
Unrealised gain / (loss) on forward contracts		2,156	-	2,156	(1,020)
Total income		69,827	74,610	24,845	30,186
EXPENSES					
Remuneration of AKD Investment Management Limited - Management Company	8.1	6,418	5,175	3,342	2,464
Sindh sales tax on remuneration of Management Company	8.2	938	673	502	321
Allocated expenses by the Management Company	8.3	887	1,380	386	657
Remuneration of Central Depository Company of Pakistan Limited-Trustee	9.1	287	259	147	123
Sindh sales tax on remuneration of Trustee	9.2	42	40	22	17
Fee to the Securities and Exchange Commission of Pakistan	10	287	259	147	123
Securities transaction expense		543	710	397	186
Auditor's remuneration		235	235	117	118
Bank and settlement charges		137	119	123	77
Fees and subscriptions		121	393	61	171
Legal and professional charges		109	214	54	107
Total expenses		10,004	9,457	5,297	4,364
Net income for the period before taxation		59,823	65,153	19,548	25,822
Taxation	14	-	-	-	-
Net income for the period after taxation		59,823	65,153	19,548	25,822
Allocation of net income for the period					
Net income for the period after taxation		59,823	65,153	19,548	25,822
Income already paid on units redeemed		(47)	(5,320)	(47)	(5,320)
		59,776	59,833	19,500	20,502
Accounting income available for distribution:					
- Relating to capital gain		19,575	9,780	10,938	3,662
- Excluding capital gain		40,201	50,053	8,562	16,840
		59,776	59,833	19,500	20,502

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTH PERIOD AND QUARTER ENDED DECEMBER 31, 2024

	Six months period ended December 31,		Quarter ended December 31,	
	2024	2023	2024	2023
	(Rupees in '000)			
Net income for the period	59,823	65,153	19,548	25,822
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	59,823	65,153	19,548	25,822

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2024

	Six month period ended December 31, 2024			Six month period ended December 31, 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	690,767	33,908	724,675	624,078	30,149	654,227
Issuance of 159,610 units (2023: 4,242,227 units)						
- Capital value (at net asset value per unit at beginning of the period)	8,223	-	8,223	216,623	-	216,623
- Element of income	3,536	-	3,536	8,972	-	8,972
Total proceeds on issuance of units	11,759	-	11,759	225,595	-	225,595
Redemption of 192,359 units (2023: 5,047,268 units)						
- Capital value (at net asset value per unit at beginning of the period)	(9,910)	-	(9,910)	(257,731)	-	(257,731)
- Element of loss	2,759	(47)	2,712	(8,378)	(5,320)	(13,698)
Total payments on redemption of units	(7,151)	(47)	(7,198)	(266,109)	(5,320)	(271,429)
Total comprehensive income for the period	-	59,823	59,823	-	65,153	65,153
Interim cash distribution declared @ Nil per unit (2023: July 05, 2023 @ Rs. 0.16899)	-	-	-	-	(2,047)	(2,047)
Refund of capital	-	-	-	(111)	-	(111)
Net assets at end of the period	695,375	93,684	789,059	583,453	87,935	671,388

	2024	2023
Undistributed income brought forward		
- Realised income	37,415	105,105
- Unrealised loss	(3,507)	(74,956)
	33,908	30,149
Accounting income available for distribution		
- Relating to capital gains	19,575	9,780
- Excluding capital gains	40,201	50,053
	59,776	59,833
Interim cash distribution declared @ Nil per unit (2023: July 05, 2023 @ Rs. 0.16899)	-	(2,047)
Undistributed income carried forward	93,684	87,935
Undistributed income carried forward		
- Realised income	80,898	92,330
- Unrealised income / (loss)	12,786	(4,395)
	93,684	87,935

	---(Rupees)---	---(Rupees)---
Net assets value per unit at beginning of the period	51.5202	51.2326
Net assets value per unit at end of the period	56.2284	56.1140

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

AKD AGGRESSIVE INCOME FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2024

	Note	Six month period ended December 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		59,823	65,153
Adjustments for non cash items			
Capital gain on sale of investments		(4,633)	-
Net unrealised (gain) / loss on re-measurement of Investment classified as 'financial assets at fair value through profit or loss'		(12,786)	4,395
Unrealised gain on forward contract		(2,156)	-
		40,248	69,548
(Increase) / decrease in assets			
Investments		(103,847)	(2,045)
Mark-up receivable		7,166	(7,404)
Deposits, prepayments and other receivables		285	7,595
		(96,396)	(1,854)
Increase / (decrease) in liabilities			
Payable to AKD Investment Management Limited - Management Company		205	253
Payable to Central Depository Company of Pakistan Limited - Trustee		9	(7)
Payable to Securities and Exchange Commission of Pakistan		5	(93)
Accrued expenses and other liabilities		892	(11,985)
Payable against redemption of units		3,219	-
		4,331	(11,832)
Net cash (used in) / generated from operating activities		(51,816)	55,862
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		11,758	225,594
Amount paid against redemption of units		(7,198)	(271,540)
Dividend paid		-	(2,047)
Net cash generated from / (used in) financing activities		4,560	(47,993)
Net (decrease) / increase in cash and cash equivalents		(47,256)	7,869
Cash and cash equivalents at the beginning of the period		321,083	108,809
Cash and cash equivalents at the end of the period	15	273,827	116,678

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer | **Chief Financial Officer** | **Director**

AKD AGGRESSIVE INCOME FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 AKD Aggressive Income Fund (the Fund) was established under a Trust Deed, dated September 11, 2006, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 02, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulation). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The Fund commenced its operations on March 23, 2007.

During the year ended June 30, 2021, the Trust Act, 1882, was repealed due to the Promulgation of the Provincial Trust Act, namely "Sindh Trusts Act, 2000" (the Sindh Trust Act). Accordingly, on August 15, 2021, the above-mentioned Trust Deed was registered under the Sindh Trust Act, on August 23, 2021.

The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

1.2 The Fund is categorised as an open-ended Aggressive Fixed Income Scheme as per circular 7 of 2009 by SECP, listed on the Pakistan Stock Exchange Limited (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

1.3 The principal activity of the Fund is to make investments in government securities, deposits with banks, money market placements, deposits, certificate of deposits (COD), certificate of mushrakas (COM), commercial paper, reverse repo, term deposit receipts, term finance certificates / sukuk certificates, spread transactions and transactions under margin trading system.

1.4 The Management Company has been assigned a quality rating of 'AM3++' by the Pakistan Credit Rating Agency Limited (PACRA) on June 27, 2024 ('AM3++' on June 27, 2023). The Fund has been given a stability rating of 'A+ (f)' on September 09, 2024 ('A+ (f)' on September 09, 2023).

1.5 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.

2. BASIS OF PREPARATION

2.1. Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting 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 along with part VIIIA of the repealed Companies Ordinance 1984; and
- the 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 the requirements of the Trust Deed.

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

2.1.2 The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 'Interim Financial Reporting' (IAS-34). These condensed interim financial statements 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 audited financial statements of the Fund for the year ended June 30, 2024.

2.1.3 These condensed interim financial statements are being submitted to the unit holders as required under Regulation 38 (2)(f) of the NBFC Regulation.

2.1.4 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statuary auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the six month period ended December 31, 2024.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted for the preparation of the condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2024.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan 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. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty are the same as those applied to the financial statements as at and for the year ended June 30, 2024.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2024.

3.3 There are certain amendments to the published accounting and reporting standards mandatory for the fund's accounting period beginning on July 01, 2024. However, these do not have any material impact on the Fund's financial statements and, therefore, have not been detailed in these condensed interim financial statements.

3.4 There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 01, 2025. However, the new standards, interpretations and amendments to the approved accounting will not have any material impact on the Fund's financial statements in the period of adoption and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2024 (Un-Audited)	June 30, 2024 (Audited)
		-------- (Rupees in '000) --------	

4. BANK BALANCES

	Note	December 31, 2024	June 30, 2024
Saving accounts	4.1	28,790	321,008
Current accounts		1,247	75
		30,037	321,083

4.1 These carry mark-up rates ranging from 13.5% to 19% per annum (June 30, 2024: 18% to 20.5% per annum).

5. INVESTMENTS

	Note	December 31, 2024 (Un-Audited)	June 30, 2024 (Audited)
		------ (Rupees in '000) ------	
At fair value through profit or loss			
- Term Finance Certificates	5.1	32,061	103,428
- Sukuk certificates	5.2	80,476	92,848
- Market treasury bills	5.3	490,008	144,615
- Pakistan Investment Bonds	5.4	5,981	-
- Commerial Papers	5.5	82,417	
- Listed equity securities (spread transactions)		87,159	-
		778,103	340,891
At amortised cost			
-Short term sukuk (STS)		-	70,000
		778,103	410,891

5.1 Term finance certificates

Name of Investee Company	Redeemed Face value per certificate	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at December 31, 2024	Balance as at December 31, 2024			Market value as a percentage of	
						Carrying value	Market value	Gain / (loss)	Investments	Net assets
	--(Rupees)--	----Number of certificates----				---- (Rupees in '000) ----			---- (%) ----	
Technology & Communication										
TPL Corporation Limited	100,000	400	-	-	400	38,428	29,333	(9,095)	3.77	3.72
Real Estate										
TPL Properties Limited - TFC	1,000,000	65	-	-	65	-	-	-	-	-
As at December 31, 2024						38,428	29,333	(9,095)		
As at June 30, 2024						106,137	103,428	(2,709)		

5.1.1 Significant terms and conditions of Term Finance Certificate which are not provided or impaired are as follows:

Name of the Investee Company	Face value per certificate	Redeemed face value per	Mark-up rate	Maturity
	------ (Rupees) ------			
TPL Corporation Limited	100,000	100,000	3 months + 2.5%	June 28, 2027

The tenor of the Term Finance Certificates (TFCs) of TPL Corporation Limited is 5 years and carries mark up at the rate 3 months KIBOR plus 2.5% per annum and will be matured on **June 28, 2027**.

5.2 Sukuk certificates

Name of Investee Company	Redeemed Face value per certificate	As at July 1, 2024	Purchased during the period	Redeemed during the period	As at December 31, 2024	Balance as at December 31, 2024			Market value as a percentage of	
						Carrying value	Market value	Gain / (loss)	Investments	Net assets
	--(Rupees)--	----Number of certificates----				---- (Rupees in '000) ----			---- (%) ----	
Unlisted										
Power generation and distribution										
Hub Power Holdings Limited - (note 5.2.1)	75,000	580	-	-	580	-	-	-	-	-
Technology and Communication										
TPL Trakker Limited - (note 5.2.2)	388,888	30	-	-	30	8,363	8,446	83	1.09	1.07
Engineering										
Mughal Iron & Steel Industries Limited - (note 5.2.3)	437,500	15	-	-	15	4,727	4,701	(25)	0.60	0.60
Mughal Iron & Steel Industries Limited - (note 5.2.4)	1,000,000	30	-	-	30	30,000	30,000	-	3.86	3.80
New Allied Electronics Industries (Private) Limited - (note 5.2.5)	313	96,000	-	-	96,000	-	-	-	-	-
Food										
AT-TAHUR LIMITED STS -1		-	40,000	-	40,000	40,000	40,000	-	5.14	5.07
As at December 31, 2024						83,090	83,148	58		
As at **June 30, 2024**						93,578	92,848	(731)		

5.2.1 These sukuk certificates issued on November 12, 2020, which will mature on November 12, 2025. It carries mark up at the rate 6-month KIBOR plus 2.5% per annum.

5.2.2 The tenor of these sukuk certificates is 5 years and carries mark up at the rate 3 months KIBOR plus 3.00% per annum and will be matured on March 30, 2026.

5.2.3 The tenor of these sukuk certificates is 5 years and carries mark up at the rate 3 months KIBOR plus 1.30% per annum and will be matured on March 02, 2026.

5.2.4 The tenor of these sukuk certificates is upto 15 months and carries mark up at the rate 3 months KIBOR plus 1.45% per annum.

5.2.5 These represents defaulted amount of principal and mark-up due on the scheduled quarterly redemption dates. Hence, the fund has fully provided for the amount of the investment in accordance with the requirements of Circular No. 1 of 2009 dated January 6, 2009.

5.3 **Government securities: Market Treasury Bills**

Name of Investee Company	Face Value				Balance as at December 31, 2024			Market value as a percentage of	
	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at December 31, 2024	Carrying Value	Market value	Gain / (loss)	Investments	Net assets
	(Rupee in '000)							(%)	
Market Treasury Bills - 3 months	-	400,000	150,000	250,000	243,851	243,790	(61)	31.33	30.90
Market Treasury Bills - 12 months	110,000	1,656,000	1,470,000	296,000	104,429	104,382	(47)	13.41	13.23
Market Treasury Bills - 12 months		-	-	-	-	-	-	0.00	0.00
Market Treasury Bills - 06 months	50,000	455,000	270,000	235,000	141,895	141,860	(35)	18.23	17.98
As at December 31, 2024					490,174	490,032	(143)		
As at June 30, 2024					144,683	144,615	(68)		

5.4 **Government Securities: Pakistan Investment Bonds**

Name of Investee Company	Face Value				Balance as at December 31, 2024			Market value as a percentage of	
	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at December 31, 2024	Carrying Value	Market value	Gain / (loss)	Investments	Net assets
Pakistan Investment Bonds - 2 Years	-	1,000	-	1,000	79,964	82,819	2,855	10.64	10.50
As at December 31, 2024					79,964	82,819	2,855		
As at June 30, 2024					-	-	-		

5.5 **Government Securities: Commerial Papers**

Name of Investee Company	Face Value				Balance as at December 31, 2024			Market value as a percentage of	
	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at December 31, 2024	Carrying Value	Market value	Gain / (loss)	Investments	Net assets
GOP Ijara Sukuk - 01 Years	-	75,000	70,030	4,970	4,546	4,688	143	0.60	0.59
As at December 31, 2024					4,546	4,688	143		
As at June 30, 2024					-	-	-		

	Note	December 31, 2024 (Un-Audited)	June 30, 2024 (Audited)
		----------- (Rupees in '000) -----------	

6. MARK-UP RECEIVABLE

Mark-up receivable on:			
- Term finance and sukuk certificates		475	4,371
- Bank deposits		312	3,582
		787	7,953

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposits with			
- National Clearing Company of Pakistan Limited (NCCPL)		2,750	2,750
- Central Depository Company of Pakistan Limited		100	100
Prepaid listing fee		9	-
Advance tax		226	226
Other receivable		3,661	3,955
		6,746	7,031

8. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management remuneration	8.1	749	890
Sindh sales tax	8.2	565	116
Expenses allocated by the Management Company	8.3	137	240
		1,451	1,246

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to an amount not exceeding the maximum rate of the management fee as disclosed in the offering document subject to the total expense ratio limit. The maximum limit disclosed in the offering document is 2.00% per annum of average annual net assets. During the period, the fee is being charged at the rate of 1.50% to 1.70% of the average net assets.

8.2 This represents Sindh Sales Tax levied at the rate of 15% (June 30, 2024: 13%) on the remuneration of the Management Company.

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company, based on its own discretion while keeping in view the overall return as the total expense ratio limit as defined under NBFC Regulations, 2008, has charged its fees.

	Note	December 31, 2024 (Un-Audited)	June 30, 2024 (Audited)
		(Rupees in '000)	

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	December 31, 2024	June 30, 2024
Trustee remuneration	9.1	50	44
Sales tax payable on trustee remuneration	9.2	9	6
		59	50

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and as per the tariff specified therein, based on 0.075% (June 30, 2024: 0.075%) of the daily net assets value of the Fund.

9.2 This represents Sindh Sales Tax levied on the Services Act, 2011, which has been charged at the rate of 15% (June 30, 2024: 13%) on Trustee remuneration.

10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

	Note	December 31, 2024	June 30, 2024
Fee payable to SECP	10.1	50	45

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the SECP as a revised amount equal to 0.075% (June 30, 2024: 0.075%) of average annual net assets of the Fund as per S.R.O 592 (1) / 2023 dated May 17, 2023.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	December 31, 2024	June 30, 2024
Auditor's remuneration		373	479
National Clearing Company of Pakistan Limited - clearing charges payable		449	341
Transaction charges payable		543	-
Withholding and capital gain tax payable		1,006	440
Advertisement expense payable		112	-
Rating and annual listing fee payable		158	-
Federal excise duty on management fee	11.1	4,141	4,141
Others		6	494
		6,788	5,895

11.1 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence a petition was collectively filed by the Mutual Fund Association of Pakistan (MUFAP) with the Honorable Sindh High Court (the Court) on September 04, 2013.

The Court through its order dated June 02, 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia declared that Federal Excise Act, 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution of Pakistan (the Constitution) from July 01, 2011. However, the declaration made by the Court, as directed, will have effect in the manner prescribed in the judgment. The Court in its decision dated July 16, 2016, in respect of a constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

The Sindh Revenue Board of Pakistan and the Federal Board of Revenue have filed appeals before the Honourable Supreme Court of Pakistan against the Court's decision dated June 02, 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from July 01, 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Honorable Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 4.14 million. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.2951 (June 30, 2024: Rs. 0.2944) per unit.

12. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2024 (June 30, 2024: Nil).

13. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2025, as reduced by accumulated losses and capital gains (whether realised or unrealised) to its unit holders.

Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders.

14. TOTAL EXPENSE RATIO

Total expense ratio of the Fund for the period ended December 31, 2024 is 2.61% (December 31, 2023: 2.46%) which includes 0.33% (December 31, 2023: 0.28%) representing government levies on the Fund such as sales taxes, fees to SECP etc. This ratio is within the maximum limit of 2.50% prescribed under the NBFC Regulations 60(5) for a Collective Investment Scheme (CIS) categorised as an "Aggressive Fixed Income Scheme".

	Note	December 31, 2024 (Un-Audited)	December 31, 2023 (Un-Audited)
		-------- (Rupees in '000) --------	
15. CASH AND CASH EQUIVALENTS			
Bank balances	4	30,037	116,678
Market treasury bills (having original maturity upto 3 months)	5.3	243,790	-
		273,827	116,678

16. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

16.1 Related parties / connected persons include AKDIML being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding ten percent or more units of the Fund.

16.2 The transactions with connected persons / related parties are in the normal course of business, at contractual terms determined in accordance with the market rates.

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

16.4 The details of significant transactions carried out by the Fund with related parties / connected persons and balances with them at the end of the reporting period are as follows:

	Six month period ended December 31, 2024 (Un-Audited)	Six month period ended December 31, 2023 (Un-Audited)
	-------- (Rupees in '000) --------	
16.4.1 Details of transactions with connected persons / related parties are as follows:		
Transaction during the period:		
AKD Investment Management Limited - Management Company		
Remuneration of the Management Company	6,418	5,175
Sindh sales tax on remuneration of the Management Company	938	673
Allocated expenses by the Management Company	887	1,380
Central Depository Company of Pakistan		
Trustee remuneration payable	287	259
Central Depository System charges	-	50
Sindh Sales Tax payable on trustee remuneration	42	40
AKD Securities Limited - Brokerage House		
Brokerage Paid	-	446
National Bank of Pakistan - Employees Pension Fund		
Issue of Nil (2023: 35,681) units	-	1,822
Dividend paid	-	1,822

	December 31, 2024 (Un-Audited)	June 30, 2024 (Audited)
16.4.2 Balance outstanding at the period / year end	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Management Company		
Management remuneration payable	749	890
Sindh Sales tax	565	116
Federal excise duty	4,141	4,141
Expense allocated by Management Company	137	240

	December 31, 2024 (Un-Audited)	June 30, 2024 (Audited)
	----------- (Rupees in '000) ----------	
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	50	44
Sindh Sales Tax payable on trustee remuneration	100	6
Security deposits	100	100
AKD Securities Limited		
Brokerage Paid	506	(894)
Unit holder holding 10% or more of the units in issue		
National Bank of Pakistan Employees Pension Fund		
Outstanding units: 13,022,538 units (June 30, 2024: 13,022,537 units)	732,236	670,924

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

- Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following tables show the carrying amounts and fair values of financial assets and financial liabilities held as at December 31, 2024 and June 30, 2024, including their levels in the fair value hierarchy:

	(Un-Audited) As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
	---- (Rupees in '000) ----			
ASSETS				
- Term Finance Certificates	-	32,061	-	32,061
- Sukuk Certificates	-	80,476	-	80,476
- Government securities - Market treasury bills	-	490,008	-	490,008
- Government securities - Pakistan Investment Bonds	-	5,981	-	5,981
- Government Securities - Commerial Papers	-	82,417	-	82,417
- Listed equity securities (spread transactions)	87,159	-	-	87,159
	87,159	690,944	-	778,103

	(Audited) As at June 30, 2024			
	Level 1	Level 2	Level 3	Total
	---- (Rupees in '000) ----			
ASSETS				
Term finance certificates	-	103,428	-	103,428
Sukuk certificates	-	92,848	-	92,848
Government securities	-	144,615	-	144,615
	-	340,891	-	340,891

17.1 The fair value of the assets and liabilities are approximate to carrying amounts.

17.2 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in Pakistan Investment Bonds and Market Treasury Bills Fund uses rates which are derived from PKFRV / PKRV rates at reporting date per certificate multiplied by the number of certificates held as at period end and for the investment in respect of Corporate Sukuk Bonds and Term Finance Certificates, Fund uses the rates prescribed by MUFAP.

17.3 Transfers during the period

No transfer were made between various levels of fair value hierarchy during the period.

18. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these condensed interim financial statements during the current period.

19. GENERAL

19.1 The figures have been rounded off to the nearest thousand rupees unless stated otherwise.

20. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements was authorised for issue on 28 FEB 2025 by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**