

Funds Managed by:
AKD Investment Management Ltd.

Quarterly Report
March 31, 2021
(Un-audited)



quarterly report



Partner with AKD
Profit from the Experience



**AKD Investment
Management Ltd.**

MANAGEMENT COMPANY

216-217, Continental Trade Centre, Block-8,
Clifton, Karachi-74000

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman
Mr. Abdul Karim

Director & Chief Executive Officer
Mr. Imran Motiwala

Director
Ms. Anum Dhedhi
Ms. Aysha Ahmed
Mr. Ali Wahab Siddiqui
Mr. Hasan Ahmed
Mr. Saim Mustafa Zuberi

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Muhammad Munir Abdullah

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)
Mr. Hasan Ahmed (Member)
Mr. Saim Mustafa Zuberi (Member)
Ms. Tayyaba Masoom Ali (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

Ms. Aysha Ahmed (Chairman)
Mr. Abdul Karim (Member)
Mr. Imran Motiwala (Member)
Ms. Anum Dhedhi (Member)
Mr. Saim Mustafa Zuberi (Member)
Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING

AKD Investment Management Limited
AM3++ (AM Three Plus Plus) issued by PACRA

**CORPORATE
INFORMATION**

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

AKD Fund shall continuously strive to:

- *Keep primary focus on investing clients' interest*
- *Achieve highest standards of regulatory compliance and good governance*
- *Prioritize risk management while endeavoring 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 superior 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), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), AKD Islamic Stock Fund (AKDISSF), and Golden Arrow Stock Fund (GASF) – (*Formerly: Golden Arrow Selected Stocks Fund Limited*) is pleased to present its nine months report along with the Funds' unaudited financial statements for the period ended March 31, 2021.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 9MFY21, the return of AKD Opportunity Fund stood at 71.89% compared to the benchmark KSE-100 Index return of 29.53%. During 3QFY21, the return of AKDOF stood at 6.93% compared to the benchmark KSE-100 index return of 1.90%. For 2QFY21, the return of AKDOF stood at 11.48% compared to the benchmark KSE-100 index return of 7.85%.

Golden Arrow Stock Fund (*Formerly: Golden Arrow Selected Stocks Fund Limited*)

For the 9MFY21, the return of Golden Arrow Stock Fund (*Formerly: Golden Arrow Selected Stocks Fund Limited*) stood at 83.06% compared to the benchmark KSE-100 Index return of 29.53%. During 3QFY21, the return of GASF stood at 14.50% compared to the benchmark KSE-100 index return of 1.90%. For 2QFY21, the return of GASF stood at 15.30% compared to the benchmark KSE-100 index return of 7.85%.

AKD Index Tracker Fund (AKDITF)

For the 9MFY21, the return of AKD Index Tracker Fund stood at 27.22% compared to the benchmark KSE-100 Index return of 29.53%. During 3QFY21, the return of AKDITF stood at 1.50% compared to the benchmark KSE-100 index return of 1.90%. For the 2QFY21, the return of AKDITF stood at 7.31% compared to the benchmark KSE-100 index return of 7.85%.

AKD Cash Fund (AKDCF)

For the 9MFY21, the annualized return of AKD Cash Fund stood at 6.25% compared to the benchmark return of 6.68%. During 3QFY21, the return of AKDCF stood at 6.03% compared to the benchmark return of 6.63%. For the 2QFY21, the return of AKDCF stood at 6.01% compared to the benchmark return of 6.63%.

AKD Aggressive Income Fund (AKDAIF)

For the 9MFY21, the annualized return of AKD Aggressive Income Fund stood at 6.34% compared to the benchmark return of 7.66%. During 3QFY21, the return of AKDAIF stood at 7.42% compared to the benchmark return of 7.97%. For the 2QFY21, the return of AKDAIF stood at 6.51% compared to the benchmark return of 6.67%.

AKD Islamic Income Fund (AKDISIF)

For the 9MFY21, the annualized return of AKD Islamic Income Fund stood at 6.59% compared to the benchmark return of 3.72%. During 3QFY21, the return of AKDISIF stood at 6.33% compared to the benchmark return of 3.29%. For 2QFY21, the return of AKDISIF stood at 5.09% compared to the benchmark return of 3.44%.

AKD Islamic Stock Fund (AKDISSF)

For the 9MFY21, the return of AKD Islamic Stock Fund stood at 50.88% compared to the benchmark KMI-30 Index return of 32.81%. During 3QFY21, the return of AKDISSF stood at 8.06% compared to the benchmark KMI-30 index return of 2.63%. For the 2QFY21, the return of AKDISSF stood at 6.09% compared to the benchmark KMI-30 index return of 9.93%.

MACRO PERSPECTIVE:

Pakistan Economy witnessed a strong rebound during the nine months of fiscal year 2021 on the back of growth in Large Scale Manufacturing Index, which showed a growth of 7.45%YoY during 8MFY21 as compared to same period last year. Net collections by Federal Board of Revenue (FBR) surpassed the target owing to improvement in business activities. Moreover, better external account numbers provided fiscal space for appreciation of local currency against greenback.

Major contributions towards LSM growth came from Food, Beverages & Tobacco (weight 12.40%), Non Metallic Mineral Products (weight 5.40%), and Pharmaceuticals (weight 3.60%) which increased by 15.75%, 20.77%, and 12.09% respectively. However, some of the increase was eroded by negative contribution from Electronics (weight 2.0%), and Leather Products (weight 0.90%), which decreased by 24.36%, and 40.49% respectively during July-February FY21.

During the period under review, the external account turned positive after witnessing consecutive current account deficits since 4QFY15, resulted in strengthening of local currency by 10.01% since year ended FY20. During nine months of FY21, external account of the country clocked in at a surplus of USD 0.959 billion (0.45% of GDP) as compared to a deficit of USD 4.147 billion (2.07% of GDP) recorded during the same period last year. Improvement in external account can be attributed to a 26.22%YoY surge in workers' remittances we suspect from laid offs and to constraints through informal channels after closure of international flights. The Exports of Goods & Services surged by 1.97%YoY to USD 23.07 billion owing to improvement in exports of textile products. Imports of Goods & Services increased by 4.23%YoY to USD 43.09 billion due to rise in international commodity prices coupled with import of capital goods i.e Plant and Equipment and raw material.

During the 9MFY21, Pakistan was able to attract only USD 1.395 billion in gross FDI as compared to USD 2.150 billion in SPLY, exhibiting a decrease of 35.13% YoY. Portfolio Investment witnessed net an outflow of USD 265.2 million as compared to outflow of USD 103.6 million during SPLY. Moreover, investment in debt securities also turned negative to USD 3.50 million from positive USD 331.40 million owing to a decrease in interest rates. Net open position by foreign investors stood at USD 3.03 billion,

USD 0.38 billion, and USD 0.345 billion in Equity, T-Bills, and PIBs respectively as compared to USD 2.73 billion, USD 0.59 billion, and USD 0.096 billion respectively at the end of FY20.

Total liquid foreign exchange reserves of Pakistan stood at USD 20.84 billion by March 2021 (USD 13.67 billion net reserves with State Bank of Pakistan and USD 7.16 billion net reserves with banks) as compared to USD 17.10 billion in SPLY.

On the fiscal front, the Federal Board of Revenue (FBR) made net revenue collection of PKR 3,394 billion during first nine months of FY21, exceeding its target of PKR 3,287 billion by PKR 107 billion. Net revenue collection surged by 10.34%YoY as compared to PKR 3,076 billion recorded during SPLY owing to faster recovery in the economy. During the period under review, refunds of PKR 177 billion were issued compared to PKR 102 billion for the SPLY. Government is expected to achieve its collection target of PKR 4.69 trillion for FY21, up by 17.3% as compared to FY20 collection of PKR ~4.00 trillion.

As per the Pakistan Bureau of Statistics (PBS), National Consumer Price Index (NCPI) for March 2021 stood at 9.05%YoY which pulled down the average inflation for 9MFY21 to 8.34% as compared to 11.53% SPLY. This significant increase in monthly inflation was primarily due to an increase in prices of Food and Non-alcoholic Beverages (weight 34.58%) by 11.58%YoY.

EQUITY REVIEW:

During nine months of fiscal year 2021, local market continued to make gains where the benchmark KSE-100 index surged by 10,165 points, showing an increase of 29.53%, to close at 44,588 points level. On sequential basis, index surged by 832 points during 3QFY21, an increase of 1.90%QoQ as compared to an increase of 7.85%QoQ witnessed during 2QFY21. Local bourse witnessed healthy participation during the period under review as average daily turnover surged by 1.46x to 483.46 million shares as compared to 196.34 million shares recorded during FY20. Average daily traded value also surged by 59.57% to PKR 18.74 billion as compared to PKR 7.22 billion recorded during FY20. Investor interest was concentrated in second and third tier stocks, with KSE-100 contribution to total volumes decreasing to 55.77% from 68.92% recorded during FY20.

Market participants hailed positive macro developments giving little attention to political noise and rising Covid infection ratio. Some of the key triggers were, (1) country selling USD 2.5 billion in three-tranche Euro bonds, (2) receipt of USD 499 million IMF tranche, (3) PM winning vote of confidence from parliament (4) Current Account Surplus of USD 0.88 billion during 8MFY21 resulting in appreciation of local currency by 10.01%, (5) FBR collection +10.34% during nine months of FY2021, exceeding target of by PKR 107 billion, (6) LSM posted growth of 7.45% YoY during July-February FY21, (7) Roshan Digital Account (RDA) received an exuberant response with a deposit of USD 800 million in six months, (8) monthly remittances sustaining USD 2.0 billion mark for 10 consecutive months, and (9) FATF extending action timeline till Jun'21 to complete action plan.

Foreign investors remained net sellers for sixth consecutive quarter with a net outflow of USD 16.48 million. During 9MFY21 Individuals, Companies and Insurance companies were the major net buyers with net inflows of USD 248.13 million, USD 117.83 million, and USD 52.98 million respectively.

However, Banks/DFI and Broker Proprietary Trading were the net sellers with a net outflow of USD 90.56 million and USD 35.23 million respectively.

There was a major outperformance witnessed in different sectors during 9MFY21 which helped the KSE-100 Index maintain its momentum. Sector wise market capitalization i.e. Cement, Commercial Banks, Technology and Communication, Chemicals, and Refinery increased by 54.2%, 17.8%, 129.5%, 31.7%, and 168.5%, respectively. In terms of valuation, KSE-100 Index closed at FY21 Price to Earnings Multiple of 5.92x, 56% discount compared to MSCI Emerging Market P/E of 13.44x, offering a healthy dividend yield of 6.45%.

MONEY MARKET REVIEW:

During 9MFY21, nineteen (19) MTB auctions were conducted, where the State Bank of Pakistan (SBP) managed to raise PKR 9.83 trillion cumulatively. Weighted average yield of 3 months, 6 months, and 12 months MTB were 7.08%, 7.19%, and 7.32%, respectively as compared to 13.38%, 13.35%, and 13.27% for same period last year. It is pertinent to note that the yield curve has been on an increasing trend since touching its low of 6.43%, 6.47%, and 6.55% for 3 months, 6 months, and 12 months MTB, respectively in July 2020 auction, depicting an upward slope in the yield curve within short tenure paper as well. Additionally, upward sloping yield curve for recent MTB auctions further suggests future increase in the interest rates.

To further address demand for liquidity, the SBP conducted nine (9) auctions of fixed rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 473.92 billion cumulatively during 9MFY21. The weighted average yield of 3 years, 5 years, 10 years, and 20 years fixed rate PIBs were 8.29%, 8.76%, 9.29%, and 10.51% respectively, as compared to 12.56%, 12.11%, 11.87%, and 11.08% during same period last year. Moreover, SBP conducted auction for 30 years fixed rate PIBs during 3QFY21, however no bids were received. The Monetary Policy Committee (MPC) announced four (4) Monetary Policy Statements in 9MFY21, where the Committee maintained the policy rate at 7% amid the Covid-19 pandemic with an aim to cushion the slowdown in growth rate while maintaining its inflation outlook and financial stability. The SBP conducted 67 Open Market Operations (OMO) in 9MFY21 of different maturities, in which it injected an average amount of PKR 669.36 billion per OMO at an average cut-off yield of 7.04%, and mopped up an average amount of PKR 45.59 billion per OMO at an average cut-off yield of 6.91%.

As per the auction target calendar for April – June 2021, the SBP targets to raise PKR 4.70 trillion by issuing 3 months, 6 months, and 12 months MTB against maturity amount of PKR 4.03 trillion. Moreover, SBP targets to raise PKR 375 billion by issuing 3 - 30 years fixed rate PIBs during the period.

FUTURE OUTLOOK:

Going into the fourth quarter of FY2021, the market is expected to follow Budget related news for the fiscal year 2022 along with FATF related news where deadline for compliance had been extended till June 2021. Any Fresh tax imposed may hinder the growth and sentiments of the local market. Pakistan

has committed with IMF to implement PKR 1.272 trillion fresh taxes, PKR 176 billion on salaried class alone, in the upcoming budget FY2021.

IMF has upward revised the estimated growth for FY21 to 1.5% where inflation and current account deficit are expected to clock in at 8.70% and 1.50% of GDP respectively during FY21. IMF has projected the economic growth rate of 4.0% for FY22, which is to reach 5.0% by FY26. The Fund estimates inflation and current account deficit to clock in at 8.0% and 1.80% of GDP during FY22.

With the upcoming result season, near term market performance will largely be guided by earning reads. The benchmark KSE – 100 index is likely to remain in the bull-run trajectory due to upward revision in valuation multiples. We reiterate our stance for positive market outlook based on (i) Expected growth in GDP owing to robust earnings profile (ii) enticing Price to Earnings multiple of 6.1x, (iii) healthy dividend yield of 6.19%, (iv) low profit rate on other asset classes, and (v) increase inflow of funds.

Recent inflows of USD 2.5 billion coupled with a rollover of USD 2.0 billion repayment by UAE along with Government's initiatives for attracting investments from Non-Resident Pakistanis (NRPs) are expected to bode well for the USD PKR parity. Reportedly, Roshan Digital Account has attracted deposits of more than USD 1 billion in more than one hundred thousand accounts as of April 24th, 2021. The RDA initiative is expected to attract USD 1.5 billion during FY21. The new initiative allows Pakistani diaspora to invest in equity market and will bring fresh liquidity to the capital market.

As far as fixed income is concerned, in the latest Monetary Policy Meeting held during March 2021, the Monetary Policy Committee has kept the policy rate at 7.0%, deviating from its policy-setting framework to support economic recovery. The MPC has indicated to keep interest rates stable in the near term where the Central Bank has indicated a shift from stability to growth. Additionally, recent money market auctions on April 21, 2021 by SBP have shown yields of issuances coming down by up to 10 bps, which may lead the market to believe that stability of interest rates and even a potential rate cut may be on the horizon in the next MPC meeting scheduled for May 2021.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim Memon
Chairman

Karachi: April 30, 2021

AKD Aggressive Income Fund



MANAGEMENT COMPANY

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

TRUSTEE

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

BANKERS

Apna Microfinance Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Moblink Microfinance Bank Limited
MCB Bank Limited
NRSP Microfinance Bank Limited
Summit Bank Limited
Telenor Microfinance Bank Limited
U Microfinance Bank Limited

AUDITORS

Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU Shakrah-e-Faisal,
Karachi-75350

LEGAL ADVISER

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

REGISTRAR

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

DISTRIBUTORS

AKD Investment Management Limited.
Investomate (Pvt.) Limited
Investlink Advisor (Private) Limited

RATING

AKD Aggressive Income Fund
PACRA: A(f)

FUND MANAGER'S REPORT

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

Open – End Aggressive Fixed Income Scheme.

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

AKD Aggressive Income Fund (AKDAIF) is a dedicated fund that focuses primarily on fixed income securities and instruments. The objective of AKDAIF is to offer investors a convenient vehicle to invest in a diversified portfolio of fixed income securities / instruments that provide consistent returns with concern for preservation of capital over the longer term.

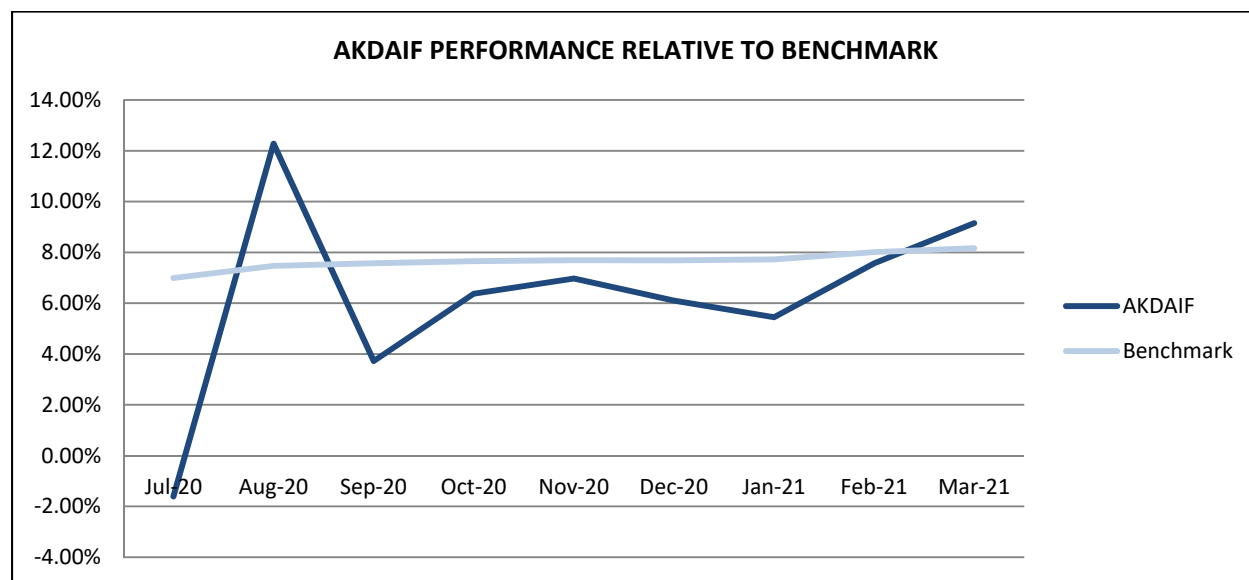
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 9MFY21, the return of AKD Aggressive Income Fund stood at 6.34% as compared to the benchmark return of 7.66%.

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

1 Year KIBOR

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



Monthly yield (annualized)	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
AKDAIF	-1.61%	12.28%	3.72%	6.37%	6.97%	6.10%	5.45%	7.57%	9.15%
Benchmark	6.99%	7.47%	7.57%	7.65%	7.69%	7.68%	7.72%	8.01%	8.16%

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

AKD Aggressive Income Fund is an Open - End Aggressive Fixed Income Scheme; the returns of the fund are generated through investment in T-bills, PIBs, Margin Trading System, Spread transaction, and corporate debt instruments.

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

Asset Allocation (% of Total Asset)	31-Mar-21	31-Dec-20
Cash and Cash Equivalent	33.44%	7.16%
T-bills having more than 90 days maturity	-	19.38%
Pakistan Investment Bonds	-	-
Placement with Banks, DFIs, and NBFCs	-	-
TFCs / SUKUK	37.02%	35.76%
Commercial Papers	-	2.52%
Spread Transactions (Cost)	25.24%	13.69%
Margin Trading System	1.17%	16.27%
Other Assets including Receivables	3.13%	5.22%

viii) **Non-Compliant Investment**

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-----						
Silk Bank Limited	TFC	87,424	Nil	87,424	10.99%	10.30%

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

9MFY21 Return (annualized)	6.34%
Benchmark Return (annualized)	7.66%

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

Net Asset Value			NAV per Unit	
31-Mar-21	31-Dec-20	Change	31-Mar-21	31-Dec-20
(Rupees in '000)			(Rs.)	
795,696	753,906	5.54%	53.49	52.53

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

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compared to same period last year. Net collections by Federal Board of Revenue (FBR) surpassed the target owing to improvement in business activities. Moreover, better external account numbers provided fiscal space for appreciation of local currency against greenback.

Major contributions towards LSM growth came from Food, Beverages & Tobacco (weight 12.40%), Non Metallic Mineral Products (weight 5.40%), and Pharmaceuticals (weight 3.60%) which increased by 15.75%, 20.77%, and 12.09% respectively. However, some of the increase was eroded by negative contribution from Electronics (weight 2.0%), and Leather Products (weight 0.90%), which decreased by 24.36%, and 40.49% respectively during July-February FY21.

During the period under review, the external account turned positive after witnessing consecutive current account deficits since 4QFY15, resulted in strengthening of local currency by 10.01% since year ended FY20. During nine months of FY21, external account of the country clocked in at a surplus of USD 0.959 billion (0.45% of GDP) as compared to a deficit of USD 4.147 billion (2.07% of GDP) recorded during the same period last year. Improvement in external account can be attributed to a 26.22%YoY surge in workers' remittances we suspect from laid offs and to constraints through informal channels after closure of international flights. The Exports of Goods & Services surged by 1.97%YoY to USD 23.07 billion owing to improvement in exports of textile products. Imports of Goods & Services increased by 4.23%YoY to USD 43.09 billion due to rise in international commodity prices coupled with import of capital goods i.e Plant and Equipment and raw material.

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To further address demand for liquidity, the SBP conducted nine (9) auctions of fixed rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 473.92 billion cumulatively during 9MFY21. The weighted average yield of 3 years, 5 years, 10 years, and 20 years fixed rate PIBs were 8.29%, 8.76%, 9.29%, and 10.51% respectively, as compared to 12.56%, 12.11%, 11.87%, and 11.08% during same period last year. Moreover, SBP conducted auction for 30 years fixed rate PIBs during 3QFY21, however no bids were received. The Monetary Policy Committee (MPC) announced four (4) Monetary Policy Statements in 9MFY21, where the Committee maintained the policy rate at 7% amid the Covid-19 pandemic with an aim to cushion the slowdown in growth rate while maintaining its inflation outlook and financial stability. The SBP conducted 67 Open Market Operations (OMO) in 9MFY21 of different maturities, in which it injected an average amount of PKR 669.36 billion per OMO at an average cut-off yield of 7.04%, and mopped up an average amount of PKR 45.59 billion per OMO at an average cut-off yield of 6.91%.

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FUTURE OUTLOOK:

Going into the fourth quarter of FY2021, the market is expected to follow Budget related news for the fiscal year 2022 along with FATF related news where deadline for compliance had been extended till June 2021. Any Fresh tax imposed may hinder the growth and sentiments of the local market. Pakistan has committed with IMF to implement PKR 1.272 trillion fresh taxes, PKR 176 billion on salaried class alone, in the upcoming budget FY2021.

IMF has upward revised the estimated growth for FY21 to 1.5% where inflation and current account deficit are expected to clock in at 8.70% and 1.50% of GDP respectively during FY21. IMF has projected the economic growth rate of 4.0% for FY22, which is to reach 5.0% by FY26. The Fund estimates inflation and current account deficit to clock in at 8.0% and 1.80% of GDP during FY22.

With the upcoming result season, near term market performance will largely be guided by earning reads. The benchmark KSE – 100 index is likely to remain in the bull-run trajectory due to upward revision in valuation multiples. We reiterate our stance for positive market outlook based on (i) Expected growth in GDP owing to robust earnings profile (ii) enticing Price to Earnings multiple of 6.1x, (iii) healthy dividend yield of 6.19%, (iv) low profit rate on other asset classes, and (v) increase inflow of funds.

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As far as fixed income is concerned, in the latest Monetary Policy Meeting held during March 2021, the Monetary Policy Committee has kept the policy rate at 7.0%, deviating from its policy-setting framework to support economic recovery. The MPC has indicated to keep interest rates stable in the near term where the Central Bank has indicated a shift from stability to growth. Additionally, recent money market auctions on April 21, 2021 by SBP have shown yields of issuances coming down by up to 10 bps, which may lead the market to believe that stability of interest rates and even a potential rate cut may be on the horizon in the next MPC meeting scheduled for May 2021.

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

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

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

There were no unit splits during the period.

xiv) Breakup of unit holding by size:

Range (Units)	No. of Investors
0.1 - 9,999	69
10,000 - 49,999	21
50,000 - 99,999	3
100,000 - 499,999	14
500,000 and above	2
	109

xv) Disclosure of circumstances that materially affect any interest 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 commissions have been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

AKD AGGRESSIVE INCOME FUND

**Financial statements
For the nine months period ended
March 31, 2021**

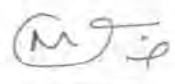
AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2021

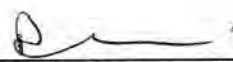
	Note	(Un-audited) March 31 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2020 -----
ASSETS			
Bank balances	5	32,716	8,265
Investments	6	777,304	657,804
Profit receivable		7,472	10,238
Receivable against Margin Trade System (MTS)		9,960	-
Deposits, prepayments and other receivable	7	21,263	2,928
Total assets		848,715	679,235
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	8	5,623	5,170
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	86	47
Payable to the Securities and Exchange Commission of Pakistan	10	111	123
Accrued and other liabilities	11	40,910	15,123
Unclaimed dividend		6,289	6,289
Total liabilities		53,019	26,752
Net assets		795,696	652,483
Unit holders' fund (as per statement attached)		795,696	652,483
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue	13	14,876,289	12,779,109
		----- (Rupees) -----	
Net assets value per unit		53.4875	51.0586

The annexed notes from 1 to 18 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 AGGRESSIVE INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2021

		For the nine months period ended March 31,		For the quarter ended March 31,	
	Note	2021	2020	2021	2020
		(Rupees in '000)			
Income					
Income from spread transactions - net		6,372	30	4,968	30
Capital (loss) / gain on sale of investments - net		(1,918)	6,583	(59)	5,844
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'at fair value through profit or loss'	6.7	(1,121)	3,096	(519)	4,695
Unrealized appreciation on remeasurement of listed equity securities sale in future - spread transactions	6.7	(2,123)	-	(13,002)	-
Net unrealised diminution on remeasurement of future contracts		3,281	-	14,012	-
Profit on bank deposits		1,327	1,631	645	463
Income from Margin Trade System (MTS)		2,595	-	1,872	-
Income from government securities		19,511	34,056	4,372	12,613
Income from term finance certificates and sukuk certificates		16,543	23,470	7,179	6,589
Income from term deposit receipts		-	393	-	-
Income from commercial papers		1,515	3,207	33	2,146
Income from Pakistan Investment Bonds		2,695	-	-	-
Income on letter of placements		-	37	-	12
Dividend income		184	-	-	-
Total income		48,861	72,503	19,501	32,392
Expenses					
Remuneration of AKD Investment Management Limited - Management Company	8.1	8,322	6,748	2,850	2,371
Sindh sales tax on the remuneration of Management Company	8.2	1,082	877	371	308
Expenses allocated by management company	8.3	832	450	285	158
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	416	337	142	119
Sindh sales tax on the remuneration of Trustee	9.2	67	44	32	15
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	111	90	38	32
Brokerage and settlement charges		1,201	177	829	94
Auditors' remuneration		322	294	106	93
Bank charges		80	63	31	28
Fees and subscriptions		785	277	376	83
Legal and professional		243	391	80	124
Printing and related costs		113	113	36	37
Provision against Sindh Workers' Welfare Fund	11.1	706	1,253	287	579
Total expenses		14,280	11,114	5,463	4,041
Net income for the period before taxation		34,581	61,389	14,038	28,351
Taxation	14	-	-	-	-
Net income for the period after taxation		34,581	61,389	14,038	28,351
Allocation of net income for the period					
Net income for the period after taxation		34,581	61,389	14,038	28,351
Income already paid on units redeemed		(1,273)	(1,886)	(391)	(1,171)
		33,308	59,503	13,647	27,180
Accounting income available for distribution:					
Relating to capital gain		3,281	3,096	14,012	4,695
Excluding capital gain		30,027	56,407	(365)	22,485
		33,308	59,503	13,647	27,180

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

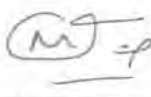
AKD AGGRESSIVE INCOME FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2021

	For the nine months ended March 31,		For the quarter ended March 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income for the period after taxation	34,581	61,839	14,038	28,351
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>34,581</u>	<u>61,839</u>	<u>14,038</u>	<u>28,351</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
 (Management Company)


 Chief Executive Officer


 Chief Financial Officer

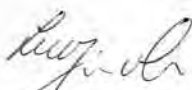

 Director

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	For the nine months ended March 31, 2021			For the nine months ended March 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	624,257	28,226	652,483	530,008	29,025	559,033
Issue of units 6,819,060 (2020: 2,287,811) units						
- Capital value (at net asset value per unit at the beginning of period)	348,172	-	348,172	116,955	-	116,955
- Element of income	8,614	-	8,614	5,329	-	5,329
Total proceeds on issuance of units	356,786	-	356,786	122,284	-	122,284
Redemption of units 4,721,880 (2020: 1,544,710) units						
- Capital value (at net asset value per unit at the beginning of period)	241,093	-	241,093	78,967	-	78,967
- Amount paid out of element of income relating to net income for the year after taxation	-	1,273	1,273	-	1,886	1,886
- Element of income	5,788	-	5,788	1,383	-	1,383
Total payments on redemption of units	246,881	1,273	248,154	80,350	1,886	82,236
Total comprehensive income for the period	-	34,581	34,581	-	61,389	61,389
Net assets at end of the period	734,162	61,534	795,696	571,942	88,528	660,470
Undistributed income brought forward						
- Realised		26,869			34,509	
- Unrealised		1,357			(5,484)	
		28,226			29,025	
Accounting income available for distribution						
- Relating to capital gains		3,281			3,096	
- Excluding capital gains		30,027			56,407	
		33,308			59,503	
Undistributed income carried forward		61,534			88,528	
Undistributed income carried forward						
- Realised income		61,497			85,432	
- Unrealised loss		37			3,096	
		61,534			88,528	
Net assets value per unit at beginning of the period		51.0586			51.1211	
Net assets value per unit at end of the period		53.4875			56.5540	

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer

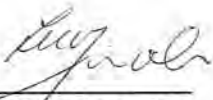

Director

AKD AGGRESSIVE INCOME FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2021

	For the period ended March 31		For the quarter ended March 31	
Note	2021	2020	2021	2020
	----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	34,581	61,389	14,038	28,351
Adjustments for non cash items				
Dividend income	(184)	-	-	-
Unrealised appreciation / diminution in fair value of investments classified as 'financial at fair value through profit or loss' - net	1,121	(3,096)	519	(4,695)
Unrealized appreciation on remeasurement of listed equity securities sale in future - spread transactions	2,123	-	13,002	-
Capital Gain on sale of Investment		(6,583)		(5,844)
Unrealised diminution on future contracts	(3,281)	-	(14,012)	-
Provision against Sindh Workers' Welfare Fund	706	1,253	287	579
	35,066	52,963	13,834	18,391
Increase in assets				
Profit receivable	2,766	168	(1,569)	3,903
Deposits, prepayments and other receivable	(18,335)	(3,381)	2,794	(3,164)
Receivable against Margin Trade System (MTS)	(9,960)	-	117,319	-
	(25,529)	(3,213)	118,544	739
Increase / (decrease) in liabilities				
Payable to AKD Investment Management Limited - Management Company	453	(8)	224	218
Payable to the Central Depository Company of Pakistan Limited - Trustee	39	(45)	24	3
Payable to the Securities and Exchange Commission of Pakistan	(12)	(391)	38	32
Accrued and other liabilities	25,081	(1,581)	24,074	1,424
Unclaimed dividend	-	-	-	-
	25,561	(2,025)	24,360	1,677
Dividend received	184	-	-	-
Investments - net	(42,440)	(126,118)	(67,718)	69,573
Net cash (used in) / generated from operating activities	(7,158)	(78,393)	89,020	90,380
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received against issuance of units	356,786	122,284	140,337	43,839
Amount paid against redemption of units	(248,154)	(82,236)	(112,585)	(28,239)
Net cash generated from / (used in) financing activities	108,632	40,048	27,752	15,600
Net increase / (decrease) in cash and cash equivalents	101,474	(38,345)	116,772	105,980
Cash and cash equivalents at beginning of the period	28,126	342,409	12,828	198,084
Cash and cash equivalents at end of the period	5.2 129,600	304,064	129,600	304,064

The annexed notes from 1 to 18 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 AGGRESSIVE INCOME FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Aggressive Income Fund (the Fund) was established under a Trust Deed executed between AKD Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the trust deed on September 11, 2006 and it was executed on October 2, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced operations from March 23, 2007.

The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules, through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block 8, Clifton, Karachi, in the province of Sindh.

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

The Fund is classified as an 'Aggressive Fixed Income Scheme'. The principal activity of the Fund is to make investments in government securities, cash in bank account, 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.

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 Pakistan Credit Rating Agency Limited (PACRA) has maintained Asset Manager rating of "AM3++" to the Management Company dated February 8, 2021. PACRA has also assigned fund stability rating of "A(f)" to the Fund dated March 04, 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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:

- 2.1.1** - 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
- 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 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2020.
- 2.1.3** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

2.2 Basis of measurement

This financial information has been prepared under the historical cost convention, except that investments are measured at fair value.

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the fund and has been rounded off to the nearest thousand rupees, unless otherwise specified.

3. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of audited financial statements of the Fund as at and for the year ended June 30, 2020, except otherwise disclosed below.

3.2 The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended June 30, 2020.

3.3 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

3.4 Spread transactions (ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in ready market is classified as 'at fair value through profit or loss' and carried on the Statement of Assets and Liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the Income Statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the Income Statement in accordance with the requirements of International Accounting Standard IFRS 09 "Financial Instruments."

3.5 Securities with Margin Trading System (MTS)

Securities purchased under margin financing are included as 'receivable against Margin Trading System (MTS)' at the fair value of consideration given. All MTS transactions are accounted for on the settlement date. Income on MTS is calculated on outstanding balance at agreed rates and recorded in the Income Statement. Transaction costs are expensed in the Income Statement.

4. FINANCIAL RISK MANAGEMENT

The Fund's risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2020.

5. BANK BALANCES	Note	(Unaudited) March 31, 2021	(Audited) June 30, 2020
		----- (Rupees in '000) -----	
In savings account	5.1	32,649	8,199
In current account		67	67
		<u>32,716</u>	<u>8,265</u>

5.1 Mark-up rates on these accounts range between 5.00% - 6.50% per annum (June 30, 2020: 5.00% - 6.50% per annum).

5.2 Cash and cash equivalents	Note	(Unaudited) March 31, 2021	(Audited) June 30, 2020
		----- (Rupees in '000) -----	
Bank balances	5	32,716	8,265
Market treasury bills (having original maturity upto 3 months)	6.3	96,884	19,861
		<u>129,600</u>	<u>28,126</u>

6.

INVESTMENTS

At fair value through profit or loss

- Debt securities - Term finance certificates
- Debt securities - Sukuk certificates
- Market treasury bills
- Equity securities for spread transactions
- Pakistan Investments Bond

At amortised cost

- Commercial paper

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
Note	----- (Rupees in '000) -----	
6.1	162,304	163,201
6.2	151,844	-
6.3	251,106	438,991
6.5	212,060	-
6.4	-	-
	<u>777,304</u>	<u>602,192</u>
6.6	-	55,612
	<u>777,304</u>	<u>657,804</u>

6.1 Debt securities - Term Finance Certificates

Name of Investee Company	Face value per certificate (Rupees)	Number of certificates			Balance as at March 31, 2021			Market value as a percentage of			Investment as percentage of total size
		As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021	Carrying value	Market value	Unrealised appreciation/ (diminution) as at March 31, 2021	Investments	Net assets	
(Rupees in '000) ----- (%) -----											
Term finance certificates - listed											
Commercial Banks											
Summit Bank Limited - (note 6.1.2)	5,000	5,000	-	-	5,000	24,925 (24,925)	-	-	-	-	-
Less: provision for impairment											
Technology & Communication											
Worldcall Telecom Limited- (note 6.1.3)	5,000	20,000	-	-	20,000	34,235 (34,235)	-	-	-	-	-
Less: provision for impairment											
Cement											
Dewan Cement Limited - (note 6.1.4)	5,000	20,000	-	-	20,000	100,000 (100,000)	-	-	-	-	-
Less: provision for impairment											
Miscellaneous											
Pace Pakistan Limited- (note 6.1.5)	5,000	115	-	-	115	574 (574)	-	-	-	-	-
Less: provision for impairment											
Term finance certificates - unlisted											
Commercial Banks											
Silk Bank Limited	5,000	20,000	-	-	20,000	89,693	87,424	(2,269)	11.25	10.99	5.00
The Bank of Punjab	100,000	750	-	-	750	73,472	74,880	1,408	9.63	9.41	3.00
Total - March 31, 2021						163,165	162,304	(861)			
Total - June 30, 2020						164,354	163,201	(1,153)			

Significant terms and conditions of term finance certificate are as follows:

Name of security	Face value per certificate (Rupees)	Redeemed face value per certificate (Rupees)	Mark-up rate (per annum)	Maturity	Rating
Silk Bank Limited	5,000	4,998	6 month KIBOR + 1.85%	August 10, 2025	BBB+
The Bank of Punjab	100,000	99,840	6 month KIBOR + 1%	December 23, 2026	AA-

6.4 Pakistan Investment Bonds

Name of security	Face Value				Balance as at March 31, 2021			Market value as a percentage of	
	At July 1, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021	Carrying Value	Market value	Unrealised appreciation/ (diminution)	Investments	Net assets
(Rupee in '000)									
Pakistan Investment Bonds- 5 year	-	150,000	150,000	-	-	-	-	-	-
Total - March 31, 2021	-	-	-	-	-	-	-	-	-
Total - June 30, 2020	-	-	-	-	-	-	-	-	-

Pakistan Investment Bonds- 5 year

Total - March 31, 2021

Total - June 30, 2020

6.5 Listed equity securities - spread transactions

Name of Investee Company	Number of Shares				At March 31, 2021				Market value as a percentage of	
	At July 1, 2020	Purchased during the period	Sold during the period	As at March 31, 2021	Carrying value	Market value	Unrealised appreciation/ (diminution)	Investments	Net assets	Investment as percentage of paid up capital of investee company
(Rupees in '000)										
Face value of Rs. 10 per share										
Amreli Steels Limited	-	60,500	60,500	-	6,599	6,413	(186)	0.83	0.81	0.04
Aisha Steel Mills Limited	-	270,000	-	270,000	-	-	-	-	-	-
Altock Refinery Limited	-	193,500	193,500	-	-	-	-	-	-	-
Byco Petroleum Pakistan Limited	-	1,085,000	-	-	-	-	-	-	-	-
Descon Oxychem Limited	-	13,000	13,000	-	-	-	-	-	-	-
Engro Fertilizers Limited	-	46,000	46,000	-	-	-	-	-	-	-
Ghandhara Industries Limited	-	125,500	125,500	-	-	-	-	-	-	-
Ghandhara Nissan Limited	-	500	500	-	-	-	-	-	-	-
Ghani Global Holdings Limited	-	780,500	780,500	-	18,324	18,435	111	2.37	2.32	0.51
The Hub Power Company Limited	-	34,000	34,000	-	-	-	-	-	-	-
International Steels Limited	-	44,000	44,000	-	3,811	3,766	(45)	0.48	0.47	0.01
Maple Leaf Cement Factory Limited	-	326,000	243,000	83,000	3,891	3,718	(173)	0.48	0.47	0.01
NeSol Technologies Limited	-	290,000	166,000	124,000	29,993	25,302	(4,691)	3.26	3.18	0.14
Nishat Mills Limited	-	41,500	41,500	-	-	-	-	-	-	-
Nishat Chunian Limited	-	125,500	125,500	-	6,024	5,786	(238)	0.74	0.73	0.05
National Refinery Limited	-	39,000	39,000	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	-	61,000	61,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	240,500	240,500	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	651,000	651,000	-	-	-	-	-	-	-
The Searle Company Limited	-	65,500	65,500	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	13,000	13,000	-	-	-	-	-	-	-
TRG Pakistan Limited	-	3,204,500	2,709,500	495,000	71,025	74,428	3,403	9.58	9.35	0.09
United Bank Limited	-	122,500	122,500	-	-	-	-	-	-	-
Unity Foods Limited	-	3,946,000	1,451,000	2,495,000	74,506	74,202	(304)	9.55	9.33	0.25
Total - March 31, 2021					214,173	212,050	(2,123)			
Total - June 30, 2020					-	-	-			

Total - March 31, 2021

Total - June 30, 2020

Preference Shares

Security Leasing Corporation Limited	3,445,350	3,445,350	-	-	-	-	-	-	-	-
Less: Provision for impairment	-	-	-	-	-	-	-	-	-	-
Total - March 31 2021										
Total - June 30 2020										

6.5.1

In view of its adverse financial position, Security Leasing Corporation Limited had deferred the payment of 3rd redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2009 and 4th redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2010. As per the terms of the preference shares, the preference shareholders have preference over ordinary shareholders in the event of liquidation of the Company. The management has fully provided for its investment during the year ended June 30, 2018.

6.1.2

The Term Finance Certificates (TFCs) of Summit Bank Limited (SBL) had an original maturity of October 27, 2018. An extra ordinary general meeting was called on November 19, 2018, where in it was resolved that the maturity date of these certificates be extended for one year (i.e October 27, 2019) on the existing terms and conditions. Since SBL defaulted on timely payment of its final instalment, the management company has made 100 percent provision amounting to Rs. 24,925 million against the defaulted instalment in line with the requirement of Circular 33 dated October 24, 2012. Furthermore, profit on instalment due amounting to Rs. 1.23 million has also been suspended.

6.1.3

The Term Finance Certificates (TFCs) of Worldcell Telecom Limited (WTL) had an original maturity of October 07, 2013. WTL had defaulted on timely repayment of principal, therefore, the TFC has been classified as non-performing by Mutual Funds Association of Pakistan w.e.f November 8, 2012. Accordingly the outstanding investment had been fully provided.

6.1.4

The Fund had advanced an amount of Rs. 100 million in respect of Pre-IPO placement of Dewan Cement Limited (DCL) under an agreement, which required public offering to be completed within 270 days of the date of agreement (which was January 9, 2008). Dewan Cement Limited (DCL) failed to complete the public offering within the said time period and had also defaulted in payment of principal and profit for the said period. As a matter of prudence, the Fund had made provision for the amount of the investment in accordance with the provisioning criteria specified in Circular No. 1 of 2009 dated January 5, 2009 issued by the SECP.

6.1.5

The Term Finance Certificates (TFCs) of Pace (Pakistan) Limited (PPL) had an original maturity of October 07, 2013. PPL had defaulted on timely repayment of principal, therefore, the TFC has been classified as non-performing by Mutual Funds Association of Pakistan w.e.f September 5, 2011. Accordingly the outstanding investment had been fully provided.

6.2

Debt securities - Sukuk Certificates

Name of Investee Company	Face value per certificate (Rupees)	Number of certificates				Balance as at March 31, 2021				Market value as a percentage of			Investment as percentage of total size
		As at July 1, 2020	Purchased during the period	Redeemed during the period	As at March 31, 2021	Carrying value	Market value	Unrealised appreciation/ (diminution) as at March 31, 2021	Investments	Net assets			
Sukuks certificates - unlisted													
Hub Power Holdings Limited (note 6.2.1)	100,000	-	750	-	750	61,844	61,844	-	7.96	7.77		1.25	
TPL Trakker Limited (note 6.2.2)	1,000,000	-	75	-	75	75,000	75,000	-	9.65	9.43		0.03	
Mughal Iron & Steel Industries Limited (note 6.2.3)	1,000,000	-	15	-	15	15,000	15,000	-	1.93	1.89		0.03	
New Allied Electronic Industries (Pvt) Limited (Note 6.2.4)	313	96,000	-	-	96,000	30,000	-	-	-	-		-	
Less: provision for impairment						(30,000)	-	-	-	-		-	
Total - March 31, 2021						151,844	151,844	-					
Total June 30, 2020						-	-	-					

6.2.1 The Hub Power Holdings Limited issued sukuk certificates on November 12, 2020, which will be matured on November 12, 2025. It carries mark up at the rate 6-month KIBOR plus 2.5% per annum.

6.2.2 The Fund has advanced an amount of Rs 55 million in respect of Pre-IPO placement of TPL Trakker Limited. The tenor of the sukuk is 5 years and has been mark up at the rate 3 months KIBOR plus 3.00% per annum.

6.2.3 The Mughal Iron & Steel Industries Limited issued sukuk certificates on March 02, 2021, which will be matured on March 01, 2026. It carries mark up at the rate 3-month KIBOR plus 1.30% per annum.

6.2.3 New Allied Electronics Industries (Private) Limited defaulted on the amount of principal and mark-up due on the scheduled redemption dates i.e. October 25, 2008, January 25, 2009, April 25, 2009, July 25, 2009, October 25, 2009, January 25, 2010 and April 25, 2010. Hence, the Fund had been fully provided for the amount of the investment in accordance with the requirements of Circular No. 1 of 2009 dated January 6, 2009.

6.3

Market treasury bills

Tenor	Face Value				Balance as at March 31, 2021				Market value as a percentage of	
	At July 1, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021	Carrying Value	Market value	Unrealised appreciation/ (diminution) as at March 31, 2021	Investments	Net assets	
(Rupees in '000)										
Market treasury bills - 12 months (note 6.3.1)	440,000	251,300	536,300	155,000	154,479	154,222	(257)	19.84	19.38	
Market treasury bills - 6 months	-	12,000	12,000	-	-	-	-	-	-	
Market treasury bills - 3 months	20,000	1,049,000	971,000	98,000	96,887	96,884	(3)	12.46	12.18	
Total March 31, 2021					251,366	251,106	(260)			
Total June 30, 2020					436,481	438,991	2,510			

6.3.1 On August 12, 2020, September 23, 2020 and September 25, 2020, October 21, 2020 and December 12, 2020 the Fund transferred Market Treasury Bills of Rs 150 million (face value) into National Clearing Company Limited (NCCPL) Exposure margin account maintained with Bank Al-Falah Limited in respect of Exposure Margin and Mark-to-Market losses in Ready Market, DFC Market and MTS Market.

Name of Investee Company	Rate of return per annum	(Face value)				Maturity	Rating	Carrying value as percentage of	
		As at July 01, 2020	Purchased during the year	Matured / sold during the year	As at March 31, 2021			Investments	Net assets

(Rupees in '000)

TPL Trakker Limited	16.0%	55,612	-	55,612	-	July 14, 2020	A1	-	-
TPL Trakker Limited	9.2%	-	19,681	19,681	-	January 10, 2021	A1	-	-

Total - March 31, 2021

Total - June 30, 2020

55,612	55,612
--------	--------

6.7 Net unrealised appreciation / (diminution) on re-measurement of investments classified as at 'fair value through profit or loss'

Market value of investments

565,254	602,192
566,375	(600,835)
(1,121)	1,357

(Unaudited) (Audited)
March 31, 2021 June 30, 2020
(Rupees in '000)**Net unrealised (diminution) on re-measurement of listed equity securities sales in future - spread transaction**

Market value of investments

212,050	-
214,173	-
(2,123)	-

6.8**Details of Non-compliant Investment**

The Securities and Exchange Commission of Pakistan (SECP), vide its circular no. 16 dated July 7, 2010 has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the collective investment schemes or with the investment requirements of their constitutive documents.

Name of non compliant investment	Note	Issue date	Type of investment	Value of investment	Provision held if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
(Rupees in '000)								
Non-compliance under NBFC Regulation 55 (5)	6.1	August 10, 2017	Term Finance Certificate	87,424	-	87,424	10.99%	10.30%
Silk Bank Limited TFC								

	Note	(Unaudited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE			
Security deposits with			
- National Clearing Company of Pakistan Limited		2,750	2,750
- Central Depository Company of Pakistan Limited		100	100
Prepaid annual listing fee of PSX		7	-
Prepaid annual listing fee of NCCPL		136	-
Security Margin Deposit		20	-
Receivable against future contracts settlement		3,279	-
Receivable against conversion		14,875	-
Advance tax		96	78
		<u>21,263</u>	<u>2,928</u>

	Note	(Unaudited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
8. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee	8.1	1,015	818
Sindh Sales Tax on Management fee	8.2	132	106
Expenses allocated by the Management Company	8.3	287	57
Federal excise duty on Management fee		4,141	4,141
Other		48	48
		<u>5,623</u>	<u>5,170</u>

- 8.1 The remuneration to the Management Company is been charged at 1.5% of the daily average net assets value and is payable in arrears.
- 8.2 Sindh sales tax at the rate of 13% on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.
- 8.3 The Management Company has charged expenses at the rate of 0.15% (June 30, 2020: 0.1%) per annum of the average annual net assets of the Fund under the Regulation 60 of the NBFC Regulations and SECP vide SRO 639 dated June 20, 2019.

	Note	(Unaudited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
9. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	9.1	51	41
Settlement charges payable to the trustee		25	1
Sindh Sales Tax on trustee fee & CDS Charges	9.2	10	5
		<u>86</u>	<u>47</u>

- 9.1 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.
- 9.2 Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.

	Note	(Unaudited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable to SECP	10.1	<u>111</u>	<u>123</u>

- 10.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, all Collective Investment Schemes are required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02 percent of the average annual net assets of the scheme.

	Note	(Unaudited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
11. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration		229	336
National Clearing Company of Pakistan Limited clearing charges payable		84	25
Withholding tax payable		22	9,623
Provision against Sindh Workers Welfare Fund	11.1	5,420	4,714
Payable against spread transaction		-	-
Others		35,155	425
		<u>40,910</u>	<u>15,123</u>

- 11.1 There is no change in the status of the SWWF as reported in the audited annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in this condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2021 would have been higher by Re. 0.364 per unit (June 30, 2020 Re. 0.3688 per unit).

	(Unaudited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
12. CONTINGENCIES AND COMMITMENTS		
12.1 Contingents		
There were no contingencies as at March 31, 2021 and June 30, 2020.		
12.2 Commitments		
Marginal Trading System (MTS) transactions entered into by the fund in respect of which the purchase transactions have not been settled	<u>-</u>	<u>-</u>
Marginal Trading System (MTS) transactions entered into by the fund in respect of which the released transactions have not been settled	<u>307</u>	<u>-</u>
Future sale transactions of equity securities entered into by the fund in respect of which the sale transactions have not been settled as at period end - spread transactions	<u>217,597</u>	<u>-</u>

13. TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2020 to March 31, 2021 is 2.57% (June 30, 2020: 2.44%) and this includes 0.38% (June 30, 2020: 0.50%) representing government levies, Sindh Worker's Welfare Fund, SECP fee etc.

14. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute the income earned by the Fund during the year 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.

15. TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

15.1 Transactions during the period:

(Unaudited)
For the nine months period ended
March 31
2021 2020
-----Rupees in '000-----

AKD Investment Management Limited - Management Company

Management fee	8,322	6,748
Sindh sales tax on management fee	1,082	877
Allocated expenses	832	450
Sales load	16	-

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration	416	337
CDC charges	101	9
Sindh sales tax on trustee remuneration & CDS Charges	67	44

AKD Investment Management Limited - Staff Provident Fund

Purchase of NIL (2020: 73,877)	-	4,100
Redemption of 18,478 (2020: 57,563)	978	3,202

(Unaudited) (Audited)
March 31 June 30
2021 2020
-----Rupees in '000-----

15.2 Balance outstanding at the period / year end

AKD Investment Management Limited - Management Company

Management remuneration payable	1,015	818
Sindh sales tax payable on management remuneration	132	106
Federal excise duty payable on management remuneration	4,141	4,141
Payable against allocated expenses	287	55
Sales load payable	1	-
Others	47	50

	(Unaudited) March 31 2021	(Audited) June 30 2020
	----- (Rupees in '000) -----	
AKD Investment Management Limited - Staff Provident Fund		
Outstanding NIL (June 30, 2020: 18,478) units	-	943
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	51	41
Settlement charges payable	25	1
Sindh sales tax payable on trustee remuneration and settlement charges	10	5
Security deposit	100	100
Unit holder holding 10% or more of the units in issue		
National Bank of Pakistan Employees Pension Fund		
Outstanding 9,222,516 (June 30, 2020: 9,222,516) units	493,290	470,889
Sindh Province Pension Fund*		
Outstanding 1,557,347 (June 30, 2020: 1,557,347) units	83,299	79,516

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

	(Unaudited) As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
ASSETS				
-Debt securities- Term finance and sukuks certificates	-	162,304	-	162,304
-Debt securities- Sukuk certificates	-	151,844	-	151,844
-Market treasury bills	-	251,106	-	251,106
-Equity investments	212,050	-	-	212,050
	212,050	565,254	-	777,304
	(Audited) As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
ASSETS				
- Debt securities - Term finance certificates	-	163,201	-	163,201
- Market treasury bills	-	438,991	-	438,991
	-	602,192	-	602,192

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

17. IMPACT OF COVID 19

On March 11, 2020, the World Health Organisation made an assessment that the outbreak of a coronavirus (COVID-19) can be characterised as a pandemic. As a result, businesses have subsequently been affected amongst others with temporary suspension of travel, and closure of recreation and public facilities.

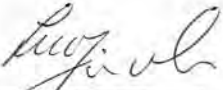
To alleviate the negative impact of the COVID-19 pandemic, the Government, Central Banks including financial institutions affiliated to those banks, and regulators have taken measures and issued directives to support businesses, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the market.

The Management Company has made an assessment in order to evaluate the impact of COVID-19 pandemic over the financial performance of the Fund as well as the going concern assessment. As a result of such assessment, the management has not identified any material adverse impact on its financial performance due to COVID-19 pandemic situation

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 30 APR 2021 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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