Funds Managed by:

AKD Investment Management Ltd.

2021

annual report

AKD

AGGRESSIVE INCOME FUND

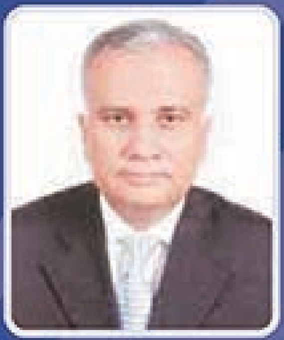
Partner with AKD
Profit from the Experience

AKD Investment Management Ltd.

CORPORATE INFORMATION

Abdul Karim
Chairman

Imran Motiwala
Chief Executive Officer



Hasan Ahmed
Director

Anum Dhedhi
Director

Ali Wahab Siddiqui
Director

Aysha Ahmed
Director

Saim Mustafa Zuberi
Director

MANAGMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGMENT 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 Funds 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), Golden Arrow Stock Fund (GASF) - *(Formerly: Golden Arrow Selected Stocks Fund Limited)*, AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF) AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF) and AKD Islamic Stock Fund (AKDISSF) is pleased to present its annual report along with the Funds' Audited Financial Statements for the year ended June 30, 2021.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the FY21, the return of AKD Opportunity Fund stood at 103.76% compared to the benchmark KSE–100 Index return of 37.58%.

Golden Arrow Stock Fund (GASF)

For the FY21, the return of Golden Arrow Stock Fund stood at 113.80% compared to the benchmark KSE–100 Index return of 37.58%.

AKD Index Tracker Fund (AKDITF)

For the FY21, the return of AKD Index Tracker Fund stood at 34.58% compared to the benchmark KSE–100 Index return of 37.58%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 0.63153 per unit to the unit holders during the year ended June 30, 2021.

AKD Cash Fund (AKDCF)

For the FY21, the return of AKD Cash Fund stood at 6.38% compared to the benchmark return of 6.70%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 3.17886 per unit to the unit holders during the year ended June 30, 2021.

AKD Aggressive Income Fund (AKDAIF)

For the FY21, the return of AKD Aggressive Income Fund stood at 7.08% compared to the benchmark return of 7.76%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 3.50400 per unit to the unit holders during the year ended June 30, 2021.

AKD Islamic Income Fund (AKDISIF)

For the FY21, the return of AKD Islamic Income Fund stood at 6.95% compared to the benchmark return of 3.55%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 3.23485 per unit to the unit holders during the year ended June 30, 2021.

AKD Islamic Stock Fund (AKDISSF)

For the FY21, the return of AKD Islamic Stock Fund stood at 66.48% compared to the benchmark KMI–30 Index return of 39.32%.

MACRO PERSPECTIVE

Pakistan's economy witnessed robust recovery in FY21 posting a provisional GDP growth of 3.94% compared to negative growth of 0.47% during FY20. This was much more than the forecasted growth of 2.1%. The higher than expected growth in GDP was on the back of 4.43% growth from the Services sector and exceptional growth in Large Scale Manufacturing of 9.29%. Fiscal deficit during the period also showed improvement posting 7.1% of GDP as compared to 8.1% of GDP during FY20. On the external front forex reserves stood at US$24.4 bn (June 2021) providing import cover of more than 4 months.

The Current Account position remained fairly stable throughout FY21 with the year closing at a deficit of US$1.8bn as compared to a deficit $4.45 billion during FY20. External account remained positive during 1HFY21 with a Current Account Surplus of $1.25 billion (0.86% of GDP), while the momentum tapered off in during the latter of the fiscal year on the back of import of plant & machinery (TERF (Temporary Economic Refinance Facility) related) and higher crude oil prices. Exports of Goods surged by 13.74%YoY to $25.63 billion largely on back of textile exports. Remittances meanwhile posted phenomenal growth of 27%YoY to $29.37 billion providing fiscal space and keeping the current account deficit in check. Foreign Direct Investment (FDI) registered a decline of 28.95% to $1.85 billion. That said, the Government's efforts to attract Non-Resident Pakistani money paid off attracting $1.56 billion through

Roshan Digital Accounts (RDA) with more than 180,000 accounts opened primarily by Non-Resident Pakistanis by June end FY21. Pakistan also raised US$2.5 billion from the international capital market through long term Eurobonds under its first ever Global Medium Term Note Program. The IMF during the year cautioned economic managers globally that the pandemic posed several challenges with a need to be proactive in protecting themselves from the economic fallout, while also appreciating our government's policies and initiatives in this regard during these testing times.

On the fiscal front, tax collection figures posted an encouraging growth trend of 18% YoY during FY21 clocking in at PKR 4.7trn, comfortably above the revised target of PkR4.6trn. This took the provisional fiscal deficit during FY21 to 7.1% as opposed to 8.1% during FY20 and the stated target of 7%. In terms of primary deficit, FY21 closed with a deficit of 1.12% which marked a significant annual improvement where the same clocked in at 1.8% in FY20.

Controlling inflation remained challenging where CPI during FY21 was recorded at 8.90% YoY in spite of a high base effect and compared to 10.74%YoY in FY20. With Inflation remaining in the target zone and focus on growth, the State Bank of Pakistan (SBP) maintained the interest rate at 7.00% during FY21. At the same time to facilitate the business community and promote capital expenditure, the SBP offered TERF, a financing facility for 10 years at a fixed rate priced significantly below the discount rate primarily for import of new machinery. Till the cut-off date of availing this facility reportedly the SBP had approved facilities to various manufacturing concerns in amount of Rs435.7bn against which it had already disbursed approximately Rs163.0bn during the current fiscal year.

The Large Scale Manufacturing (LSM) sector witnessed a swift recovery posting a growth of 14.85% during FY21 as compared to decline of 10.17% in FY20. During the period under review, major contribution towards the growth came from Textile, Non Metallic Mineral Products, Food, Beverages & Tobacco and Automobiles to name a few. However, overall growth during the period was kept in check by sectors that posted negative growth including Leather Products and Electronics.

Furthermore, Pakistan was able to attract net $1.85 bn in Foreign Direct Investment (FDI) during FY21, down by 29%YoY as compared to $2.60 recorded during FY20. Decrease in net inflows can be attributed to a high base effect where net FDI inflows have surged at a two year CAGR of 16.42% against $1.36 billion recorded during FY19. Power sector, Oil and Gas Explorations and Financial Business remained the major sectors to attract a net cumulative FDI of $1.38 bn alone.

Local currency remained strong during the year where PKR-US$ appreciated by 6.67%YoY to close at PKR 157.54 per. Positivity in local currency was supported by a sustainable external account balance where Current Account witnessed surplus of $1.25 bn during 1HFY21. Moreover, the Real Effective Exchange Rate (REER) remained below 100 during 9 months of the fiscal year.

EQUITY MARKET REVIEW

FY21 turned out to be an optimistic year for the local bourse where the benchmark KSE-100 index remained buoyant and posted a 7-year highest return of 37.58% (USD 46.75%) to close at 47,356pts. This was on the back of Government's pro-growth policies, surplus in External Account balance and revival of economic activities. The improved performance of the market was in spite of unprecedented challenges posed by the COVID19 pandemic and with it the economic uncertainty; under which the government and central bank have been hailed by the business community and market players alike for the proactive measures taken to ensure the economy weathers these difficult times. Needless to say, after touching a 4 year high of 48,726 (June14, 2021), the KSE-100 index witnessed a correction on the back of profit taking.

Average daily turnover during FY21 surged by an impressive 168.32% clocking in at 527.52 million shares as compared 196.60 million shares during FY20 as negative real interest rates helped the local bourse in attracting liquidity. Moreover, the discontinuation of larger denominated bearer bonds (another government initiative to discourage the movement of undocumented money) also supported the stock market an exceedingly viable option for declared wealth in attracting liquidity. However, continued foreign institutional selling led to investors moving to second/third tier counters and following the incredible re-rating of TRG's stock price, the technology sector has driven the limelight. Overwhelming response was witnessed for fresh equity issues where seven new companies (ex-spo and preference shares) were oversubscribed by 2.2x on average fetching approximately Rs17.17 bn. Moreover, ~24 companies issued right shares successfully raising PKR 49.55bn during outgoing year.

Foreign investors continued to remain net sellers in the equities with net outflow of $387.34 million during FY21, taking the cumulative outflow since FY16 to $2.25 billion. During FY21, Banks/DFI and Broker Proprietary disinvested their positions with a net selling of $94.76 million and $32.19 million respectively, while much of this selling was absorbed by Individuals and Companies with net buying of $332.07 million and $137.80 million respectively.

Major outperformance was witnessed in sectors including Cement, Commercial Banks, Technology & Communication and Food & Personal Care Products. However, some of the gains were diluted by negative performance from Tobacco, Oil & Gas Exploration Companies and Vanaspati & Allied Industries. Total Market Capitalization ratio to GDP increased to 17.40% in FY21 as compared to 15.71% recorded during FY20.

In terms of valuation, the KSE-100 Index closed at a forward Price to Earnings Multiple of 5.95x, which is a 60.14% discount as compared to MSCI Frontier Markets P/E of 14.93x and offering a healthy dividend yield of 5.9%, approximately 150bps below the risk free rate.

MONEY MARKET REVIEW

During FY21, twenty six (26) Market Treasury Bills (MTBs) auctions were carried out by the State Bank of Pakistan, where the government managed to raise PKR 15.23 trn cumulatively. The Weighted average yield of 3 months, 6 months, and 12 months MTBs were 7.15%, 7.29%, and 7.42% respectively, down by 5.08%, 4.84%, and 4.57% as compared to 12.23%, 12.13%, and 11.98% same period last year.

The SBP also conducted twelve (12) auctions of Fixed Rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 1.06 trn during FY21. Weighted average yield for 3 years, 5 years, and 10 years PIBs decreased by 3.15%, 2.35%, and 1.72% to 8.44%, 8.93%, and 9.45% as compared to 11.58%, 11.28%, and 11.18% same period last year.

The Monetary Policy Committee conducted five (5) meetings, while maintaining the discount rate at 7.00%. The SBP conducted 97 Open Market Operations (OMO) of different maturities and injected average amount of PKR 856.17 bn at an average cut off yield of 7.04% and mopped-up average amount of PKR 79.55 bn at an average cut off yield of 6.93%.

As per the auction target calendar for September – November 2021, the SBP targets to raise PKR 3.90 trn by issuing 3–12 months MTBs against maturing amount of PKR 3.91 trn. In addition, SBP targets to raise another PKR 450 bn through 3–30 years Fixed Rate PIBs during the period against maturing amount of PKR 18 bn.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

(a) The financial statements, prepared by the Management of the Company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and movement in unit holders' funds.

(b) Proper books of account of the Funds have been maintained.

(c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments.

(d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from have been adequately disclosed.

(e) The system of internal control is sound in design and has effectively implemented and monitored.

(f) There are no significant doubts upon the Funds' ability to continue as a going concern.

(g) Statutory payments, taxes, duties, levies and charges, if any have been properly disclosed in the financial statements.

(h) Summary of key financial data / performance tables is appended to the Financial Statements of the Funds.

(i) The Pattern of unit holdings is appended to the Financial Statements of the Funds.

(j) The statement showing the attendance of Directors in BOD meetings and Audit Committee meetings is as under:

S.No.	Name of Director	MEETINGS ATTENDANCE					
		30-Apr-21	25-Feb-21	29-Oct-20	30-Sep-20	Attended	Leave
1	Mr. Abdul Karim	✓	✓	✓	✓	4	0
2	Mr. Imran Motiwala	✓	✓	✓	✓	4	0
3	Ms. Anum Dhedhi	✓	✓	✗	✓	3	1
4	Mr. Saim Mustafa Zuberi	✓	✓	✗	✓	3	1
5	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
6	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
7	Ms. Aysha Ahmed	✓	✓	✓	✓	4	0

S.No.	Name of Director	MEETINGS ATTENDANCE					
		29-Apr-21	25-Feb-21	28-Oct-20	29-Sep-20	Attended	Leave
1	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
2	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
3	Mr. Saim Mustafa Zuberi	✓	✗	✗	✓	2	2

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

S.No.	Trades by	Designation	Investment (No of Units)	Redemption (No of Units)
AKD OPPORTUNITY FUND				
1	Mr. Imran Motiwala	CEO	23,871	13,530
2	Mrs. Sehr Imran Motiwala	Spouse-CEO	5,671	5,671
3	Mr. Muhammad Yaqoob	COO & Company Secretary	13,803	-
4	Mrs. Maliha Yaqoob	Spouse-COO & Company Secretary	15,226	-
5	Minor Children	Minor Children - COO & Company Secretary	16,526	-
AKD ISLAMIC INCOME FUND				
1	Mr. Imran Motiwala	CEO	27,100	27,100
2	Mrs. Sehr Imran Motiwala	Spouse-CEO	346,630	2,570,366
3	Mr. Muhammad Yaqoob	COO & Company Secretary	-	18,822
4	Mrs. Maliha Yaqoob	Spouse-COO & Company Secretary	417	417
5	Mr. Muhammad Munir	CFO	13	-
AKD ISLAMIC STOCK FUND				
1	Ms. Anum Dhedhi	CIO & Director	10,657	-
2	Mrs. Sehr Imran Motiwala	Spouse-CEO	173,755	-
3	Mr. Muhammad Yaqoob	COO & Company Secretary	10,646	-
AKD CASH FUND				
1	Hasan Ahmed	Director	7	-
GOLDEN ARROW STOCK FUND				
1	Minor Children	Minor Children - COO & Company Secretary	100,689	-

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

i. The total number of directors are seven as follows:
- a) Male: Five
- b) Female: Two

ii. The composition of the Board of Directors is as follows:

- Independent Director: Three*
- Non-Executive Directors: Two
- Executive Directors: Two*
- Female directors: Two*

RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of AM3++ (A M three Plus Plus) to AKD Investment Management Limited (AKDIML) on February 08, 2021.

RATING OF THE FUNDS

AKD OPPORTUNITY FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 5-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year) and trailing 60 months (5 Year) for the period ended December 31, 2020] and short term [based on performance review of trailing 12 months

(1 Year) for the period ended December 31, 2020] to AKD Opportunity Fund (AKDOF) on February 15, 2021.

AKD CASH FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of “AA+(f)” (Double A Plus; fund stability rating) to AKD Cash Fund (AKDCF) on March 04, 2021.

AKD AGGRESSIVE INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of “A(f)” (Single A; fund stability rating) to AKD Aggressive Income Fund (AKDAIF) on March 04, 2021.

GOLDEN ARROW STOCK FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 5-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year) and trailing 60 months (5 Year) for the period ended December 31, 2020] and short term [based on performance review of trailing 12 months (1 Year) for the period ended December 31, 2020] to Golden Arrow Stock Fund (GASF) on February 15, 2021.

AKD ISLAMIC INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of “A+(f)” (Single A Plus; fund stability rating) to AKD Islamic Income Fund (AKDISIF) on March 04, 2021.

AKD ISLAMIC STOCK FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 4-Star Performance Ranking in short term [based on performance review of trailing 12 months (1 Year) for the period ended December 31, 2020] to AKD Islamic Stock Fund (AKDISSF) on February 15, 2021.

HOLDING COMPANY

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

APPOINTMENT OF AUDITORS

The Board re-appointed M/s Yousuf Adil, Chartered Accountants as the statutory auditors for AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), and AKD Islamic Stock Fund (AKDISSF) for the year 2021-2022 as recommended by the Audit Committee.

The present auditors M/s Yousuf Adil, Chartered Accountants are retiring and have completed their five years as auditors of the Golden Arrow Stock Fund (GASF). As per the requirements of the NBFC Regulations, 2008 the auditors have to be changed this year. The Board appointed M/s Riaz Ahmad & Company, Chartered Accountants as the statutory auditors for Golden Arrow Stock Fund (GASF) for the year 2021-2022 as recommend by the Audit Committee.

ACKNOWLEDGEMENTS

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

FUTURE OUTLOOK

During two months of FY21, the Current Account Deficit reached $2.29 billion (4.13% of GDP) owing to an increase in the Balance of Trade, as the External Account remained under pressure due to higher commodity prices – crude oil in particular, coupled with the import of vaccines and disbursements against TERF related capital expenditure (SBP disbursement reportedly US$1.63bn during FY22) As per the Central Bank, the Current Account is expected to reach a sustainable level of 2 to 3 percent of GDP during FY22. Recent depreciation of the local currency is expected to help contain the import of luxury goods and stabilize the US dollar/pak rupee parity. In addition, it is also pertinent to mention that the central bank has recognized the inflationary pressures of the Current Account deficit and while leaning towards a growth accommodating monetary stance, increased the discount rate by 25bps to 7.25% in its last monetary committee meeting held in September 21.

Reportedly, Pakistan is expected to re-initiate staff level discussions with the International Monetary Fund (IMF) during last week Sep’21 for release of the sixth tranche of $6 bn under the Extended Fund Facility (EFF), for which a decision by the third week of October 2021 is likely. As per media reports the government remains reluctant to increase electricity tariffs, underscoring a delay since in April 2021 as part of its revised Circular Debt Management Plan (CDMP) to generate PKR 900 bn through tariff adjustments till June 2023 and remains a major impasse with the IMF. Recent receipts of ~$2.7 bn, additional liquidity provided by the IMF under its program to facilitate developing countries during the pandemic has taken the total foreign exchange reserve to ~27 bn. More importantly, following the central bank’s efforts to create a market determined US dollar/Rupee parity, the Real Effective Exchange Rate (REER) of 97 by end of August 2021 implies a very low likelihood of further Rupee depreciation.

MSCI decided to downgrade the status of Pakistan from Emerging Market (EM) to Frontier Market (FM) effective from November 2021 under its Semi-Annual Index Review (SAIR). Pakistan’s current weight of ~0.02% in the MSCI’s Emerging Market Index suggests an outflow of ~$150 mn from passive EM managers, while it is expected that with a weight of approximately 5.5% in MSCI’s FM100 index shall accommodate the same amount with prospective inflows. More importantly, we believe the reclassification will reduce foreign selling which has been witnessed since FY16 as the local bourse would have a more significant weightage of a much smaller fund allocated to frontier markets, unlike the case in the emerging markets.

As far as fixed income is concerned, the State Bank of Pakistan is targeting inflation in the range of 7 to 9 percent in FY22. MPC reinforced its stance to continue negative real interest rates to appropriately support the growth in the economy. However, any near term accommodative stance by the SBP with possible further gradual tapering of stimulus cannot be ruled out owing to growth in demand.

We expect the stock market to remain positive due to expansionary fiscal policy by the Government where the country has posted a provisional GDP growth of ~4.40% in FY21. The Government of Pakistan is expecting growth of approximately 4.8% in FY22 which seems achievable considering the capex gains

from TERF financing, expansionary fiscal policy along with relatively low interest rates. We reiterate our positive market outlook for FY22 based on (i) expected growth in GDP owing to robust corporate earnings (ii) compelling Price to Earnings multiple of 5.62x, (iii) Healthy dividend yield of 6.5%, (iv) negative real interest rates, (v) reduction in Capital Gains Tax rate from 15.00% to 12.50% for capital market transactions.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim Memon
Chairman

Karachi: September 29, 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 Shahra-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 Shahrah-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
Financial Investments Mart (Pvt) Ltd.
Investomate (Private) Limited.
ITMinds Limited.
Investlink Advisor (Private) Limited.
YPay Financial Services (Pvt.) Ltd.

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.

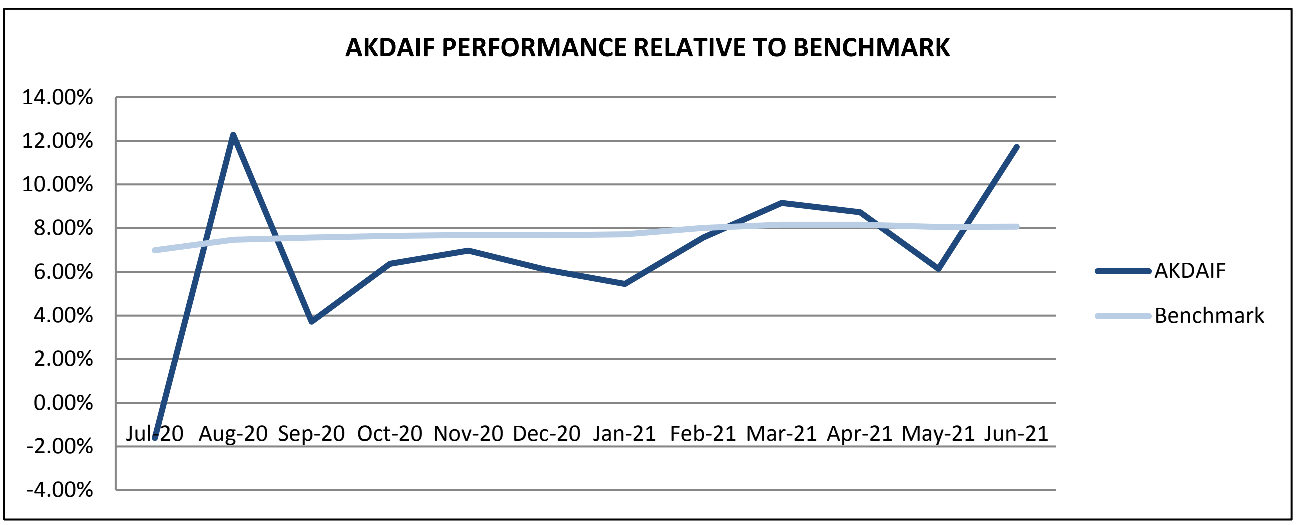
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the FY21, the return of AKD Aggressive Income Fund stood at 7.08% as compared to the benchmark return of 7.76%.

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	Apr-21	May-21	Jun-21
AKDAIF	-1.61%	12.28%	3.72%	6.37%	6.97%	6.10%	5.45%	7.57%	9.15%	8.73%	6.13%	11.72%
Benchmark	6.99%	7.47%	7.57%	7.65%	7.69%	7.68%	7.72%	8.01%	8.16%	8.16%	8.06%	8.07%

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 Transactions, 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)	30-Jun-21	30-Jun-20
Cash and Cash Equivalent	15.54%	11.42%
T-bills having more than 90 days maturity	-	54.43%
TFCs / Sukuks	32.59%	24.03%
Commercial Papers	8.55%	8.19%
Spread Transactions (Cost)	38.89%	-
Margin Trading System	2.88%	-
Other Assets including Receivables	1.55%	1.93%

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	88,554	Nil	88,554	10.88%	10.62%

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

FY21 Return	7.08%
Benchmark Return	7.76%

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

Net Asset Value			NAV per Unit	
30-Jun-21	30-Jun-20	Change in Net Assets	30-Jun-21	30-Jun-20
(Rupees in '000)			(Rs.)	
813,869	652,483	24.73%	51.1626	51.0586

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:

MACRO PERSPECTIVE

Pakistan's economy witnessed robust recovery in FY21 posting a provisional GDP growth of 3.94% compared to negative growth of 0.47% during FY20. This was much more than the forecasted growth of 2.1%. The higher than expected growth in GDP was on the back of 4.43% growth from the Services sector and exceptional growth in Large Scale Manufacturing of 9.29%. Fiscal deficit during the period also showed improvement posting 7.1% of GDP as compared to 8.1% of GDP during FY20. On the external front forex reserves stood at US$24.4 bn (June 2021) providing import cover of more than 4 months.

The Current Account position remained fairly stable throughout FY21 with the year closing at a deficit of US$1.8bn as compared to a deficit $4.45 billion during FY20. External account remained positive during 1HFY21 with a Current Account Surplus of $1.25 billion (0.86% of GDP), while the momentum tapered off in during the latter of the fiscal year on the back of import of plant & machinery (TERF (Temporary Economic Refinance Facility) related) and higher crude oil prices. Exports of Goods surged by 13.74%YoY to $25.63 billion largely on back of textile exports. Remittances meanwhile posted phenomenal growth of 27%YoY to $29.37 billion providing fiscal space and keeping the current account deficit in check. Foreign Direct Investment (FDI) registered a decline of 28.95% to $1.85 billion. That said, the Government's efforts to attract Non-Resident Pakistani money paid off attracting $1.56 billion through Roshan Digital Accounts (RDA) with more than 180,000 accounts opened primarily by Non-Resident Pakistanis by June end FY21. Pakistan also raised US$2.5 billion from the international capital market through long term Eurobonds under its first ever Global Medium Term Note Program. The IMF during the year cautioned economic managers globally that the pandemic posed several challenges with a need to be proactive in protecting themselves from the economic fallout, while also appreciating our government's policies and initiatives in this regard during these testing times.

On the fiscal front, tax collection figures posted an encouraging growth trend of 18% YoY during FY21 clocking in at PKR 4.7trn, comfortably above the revised target of PkR4.6trn. This took the provisional fiscal deficit during FY21 to 7.1% as opposed to 8.1% during FY20 and the stated target of 7%. In terms of primary deficit, FY21 closed with a deficit of 1.12% which marked a significant annual improvement where the same clocked in at 1.8% in FY20.

Controlling inflation remained challenging where CPI during FY21 was recorded at 8.90% YoY in spite of a high base effect and compared to 10.74%YoY in FY20. With Inflation remaining in the target zone and focus on growth, the State Bank of Pakistan (SBP) maintained the interest rate at 7.00% during FY21. At the same time to facilitate the business community and promote capital expenditure, the SBP offered TERF, a financing facility for 10 years at a fixed rate priced significantly below the discount rate primarily for import of new machinery. Till the cut-off date of availing this facility reportedly the SBP had approved facilities to various manufacturing concerns in amount of Rs435.7bn against which it had already disbursed approximately Rs163.0bn during the current fiscal year.

The Large Scale Manufacturing (LSM) sector witnessed a swift recovery posting a growth of 14.85% during FY21 as compared to decline of 10.17% in FY20. During the period under review, major contribution towards the growth came from Textile, Non Metallic Mineral Products, Food, Beverages & Tobacco and Automobiles to name a few. However, overall growth during the period was kept in check by sectors that posted negative growth including Leather Products and Electronics.

Furthermore, Pakistan was able to attract net $1.85 bn in Foreign Direct Investment (FDI) during FY21, down by 29%YoY as compared to $2.60 recorded during FY20. Decrease in net inflows can be attributed to a high base effect where net FDI inflows have surged at a two year CAGR of 16.42% against $1.36 billion recorded during FY19. Power sector, Oil and Gas Explorations and Financial Business remained the major sectors to attract a net cumulative FDI of $1.38 bn alone.

Local currency remained strong during the year where PKR-US$ appreciated by 6.67%YoY to close at PKR 157.54 per. Positivity in local currency was supported by a sustainable external account balance where Current Account witnessed surplus of $1.25 bn during 1HFY21. Moreover, the Real Effective Exchange Rate (REER) remained below 100 during 9 months of the fiscal year.

MONEY MARKET REVIEW

During FY21, twenty six (26) Market Treasury Bills (MTBs) auctions were carried out by the State Bank of Pakistan, where the government managed to raise PKR 15.23 trn cumulatively. The Weighted average yield of 3 months, 6 months, and 12 months MTBs were 7.15%, 7.29%, and 7.42% respectively, down by 5.08%, 4.84%, and 4.57% as compared to 12.23%, 12.13%, and 11.98% same period last year.

The SBP also conducted twelve (12) auctions of Fixed Rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 1.06 trn during FY21. Weighted average yield for 3 years, 5 years, and 10 years PIBs decreased by 3.15%, 2.35%, and 1.72% to 8.44%, 8.93%, and 9.45% as compared to 11.58%, 11.28%, and 11.18% same period last year.

The Monetary Policy Committee conducted five (5) meetings, while maintaining the discount rate at 7.00%. The SBP conducted 97 Open Market Operations (OMO) of different maturities and injected average amount of PKR 856.17 bn at an average cut off yield of 7.04% and mopped-up average amount of PKR 79.55 bn at an average cut off yield of 6.93%.

As per the auction target calendar for September – November 2021, the SBP targets to raise PKR 3.90 trn by issuing 3–12 months MTBs against maturing amount of PKR 3.91 trn. In addition, SBP targets to raise another PKR 450 bn through 3–30 years Fixed Rate PIBs during the period against maturing amount of PKR 18 bn.

FUTURE OUTLOOK

During two months of FY21, the Current Account Deficit reached $2.29 billion (4.13% of GDP) owing to an increase in the Balance of Trade, as the External Account remained under pressure due to higher commodity prices – crude oil in particular, coupled with the import of vaccines and disbursements against TERF related capital expenditure (SBP disbursement reportedly US$1.63bn during FY22) As per the Central Bank, the Current Account is expected to reach a sustainable level of 2 to 3 percent of GDP during FY22. Recent depreciation of the local currency is expected to help contain the import of luxury goods and stabilize the US dollar/pak rupee parity. In addition, it is also pertinent to mention that the central bank has recognized the inflationary pressures of the Current Account deficit and while leaning towards a growth accommodating monetary stance, increased the discount rate by 25bps to 7.25% in its last monetary committee meeting held in September 21.

Reportedly, Pakistan is expected to re-initiate staff level discussions with the International Monetary Fund (IMF) during last week Sep’21 for release of the sixth tranche of $6 bn under the Extended Fund Facility (EFF), for which a decision by the third week of October 2021 is likely. As per media reports the government remains reluctant to increase electricity tariffs, underscoring a delay since in April 2021 as part of its revised Circular Debt Management Plan (CDMP) to generate PKR 900 bn through tariff adjustments till June 2023 and remains a major impasse with the IMF. Recent receipts of ~$2.7 bn, additional liquidity provided by the IMF under its program to facilitate developing countries during the pandemic has taken the total foreign exchange reserve to ~27 bn. More importantly, following the central bank’s efforts to create a market determined US dollar/Rupee parity, the Real Effective Exchange Rate (REER) of 97 by end of August 2021 implies a very low likelihood of further Rupee depreciation.

MSCI decided to downgrade the status of Pakistan from Emerging Market (EM) to Frontier Market (FM) effective from November 2021 under its Semi-Annual Index Review (SAIR). Pakistan's current weight of ~0.02% in the MSCI's Emerging Market Index suggests an outflow of ~$150 mn from passive EM managers, while it is expected that with a weight of approximately 5.5% in MSCI's FM100 index shall accommodate the same amount with prospective inflows. More importantly, we believe the reclassification will reduce foreign selling which has been witnessed since FY16 as the local bourse would have a more significant weightage of a much smaller fund allocated to frontier markets, unlike the case in the emerging markets.

As far as fixed income is concerned, the State Bank of Pakistan is targeting inflation in the range of 7 to 9 percent in FY22. MPC reinforced its stance to continue negative real interest rates to appropriately support the growth in the economy. However, any near term accommodative stance by the SBP with possible further gradual tapering of stimulus cannot be ruled out owing to growth in demand.

We expect the stock market to remain positive due to expansionary fiscal policy by the Government where the country has posted a provisional GDP growth of ~4.40% in FY21. The Government of Pakistan is expecting growth of approximately 4.8% in FY22 which seems achievable considering the capex gains from TERF financing, expansionary fiscal policy along with relatively low interest rates. We reiterate our positive market outlook for FY22 based on (i) expected growth in GDP owing to robust corporate earnings (ii) compelling Price to Earnings multiple of 5.62x, (iii) Healthy dividend yield of 6.5%, (iv) negative real interest rates, (v) reduction in Capital Gains Tax rate from 15.00% to 12.50% for capital market transactions.

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	22
10,000 - 49,999	18
50,000 - 99,999	10
100,000 - 499,999	17
500,000 and above	45
	112

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

Details of Pattern of Holding (Units)

As at June 30, 2021

	No. of Unitholders	Units Held	% of Total
Associated Companies	-	-	-
Directors and CEO	-	-	-
Individuals	94	1,761,533	11.07%
Insurance Companies	-	-	0.00%
Banks/DFIs	1	11,285	0.07%
Retirement funds	12	13,818,465	86.87%
Public Limited Companies	2	1,070	0.01%
Others	3	315,148	1.98%
	112	**15,907,501**	**100.00%**

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

AKD AGGRESSIVE INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD 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 year ended June 30, 2021 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; 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.

As already highlighted in our previous reports, the Fund continue to remain non-compliant regarding the exposure of the Fund in the Term Finance Certificates of Silk Bank Limited during the period with the requirement of Regulation 55(5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC & NE Regulations) which states that exposure in single entity shall not exceed an amount equal to ten (10) percent of its total net assets. The matter has also been reported to the Commission.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2021

AKD AGGRESSIVE INCOME FUND

Financial Statements
for the year ended
June 30, 2021

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21-3454 1314
www.yousufadil.com

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of AKD Aggressive Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **AKD Aggressive Income Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the related income statement, statement of comprehensive income, the statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance, cash flows and transactions for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Valuation and existence of investments at fair value** As disclosed in note 6 to the financial statements, investments carried at fair value through profit or loss amounted to Rs. 675.833 million as at June 30, 2021. These investments represent a significant item on the statement of assets and liabilities. This is a main driver of the Fund's performance. The Fund invests principally in a wide range of listed and unlisted TFCs, T-bills, PIBs and Sukuk certificates, listed equity securities (spread transactions) and there is a	In response to this matter, our key audit procedures included the following: • obtained understanding of relevant controls placed by the Management Company applicable to the balances; • independently tested valuations with the prices quoted on Mutual Funds Association of Pakistan (MUFAP) and Pakistan Stock Exchange (PSX);

S. No.	Key audit matter	How the matter was addressed in our audit
	risk that appropriate quoted prices may not be used to determine fair value. Further, the Fund may have included investments in its financial statements which were not owned by the Fund. Considering the above factors, the valuation and existence of investments are significant areas during our audit due to which, we have considered this as a key audit matter.	• traced securities held by the Fund with the securities appearing in the Central Depository Company (CDC) and Investor Portfolio System (IPS) account statements to verify existence; • performed verification procedures on purchases and sales on a sample of trades made during the year regarding movement of the securities; and • any differences identified during our testing that were over our acceptable threshold were investigated further.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our audit report.

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

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

Responsibilities of Management Company and Those Charged with Governance for the Financial Statements

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

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

Those Charged with Governance of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.

- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.

Yousuf Adil

Chartered Accountants

Place: Karachi
Date: September 29, 2021

AKD AGGRESSIVE INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

	Note	2021	2020
		(Rupees in '000)	
ASSETS			
Bank balances	5	**45,303**	8,265
Investments	6	**747,161**	657,804
Profit receivable	7	**8,830**	10,238
Receivable against Margin Trading System		**24,011**	-
Deposit, prepayments and other receivables	8	**8,657**	2,928
Total assets		**833,962**	679,235
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	**5,504**	5,170
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	**118**	47
Payable to the Securities and Exchange Commission of Pakistan	11	**152**	123
Accrued expenses and other liabilities	12	**8,030**	15,123
Unclaimed dividend		**6,289**	6,289
Total liabilities		**20,093**	26,752
NET ASSETS		**813,869**	652,483
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**813,869**	652,483
CONTINGENCIES AND COMMITMENTS	13		
		(Number of units)	
NUMBER OF UNITS IN ISSUE	14	**15,907,501**	12,779,109
		(Rupees)	
NET ASSETS VALUE PER UNIT		**51.1626**	51.0586

The annexed notes from 1 to 30 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

AKD AGGRESSIVE INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		-------- (Rupees in '000) --------	
INCOME			
Net capital gain on sale of investments		**12,257**	7,403
Net unrealised appreciation on remeasurement of investments 'at fair value through profit or loss'	6.7	**1,787**	1,357
Unrealised gain on forward contracts		**494**	-
Profit on bank deposits		**1,802**	1,904
Income from:			
- Government securities		**25,846**	44,709
- Term finance certificates and sukuk certificates		**24,207**	29,902
- Term deposit receipts		**-**	393
- Commercial papers		**1,577**	5,425
- Margin Trading System		**2,959**	-
Markup on letter of placements		**-**	37
Dividend income		**2,054**	-
Total income		**72,983**	91,130
EXPENSES			
Remuneration of AKD Investment Management Limited - Management Company	9.1	**11,392**	9,227
Sindh sales tax on the remuneration of Management Company	9.2	**1,481**	1,200
Expenses allocated by Management Company	9.3	**1,139**	615
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	**570**	461
Sindh sales tax on the remuneration of Trustee	10.2	**98**	60
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	**152**	123
Security transaction costs		**2,562**	213
Provision against Sindh Workers' Welfare Fund	12.1	**1,070**	1,554
Auditor's remuneration	15	**429**	444
Bank charges		**120**	75
Fee and subscriptions		**1,071**	573
Legal and professional		**413**	319
Printing and related costs		**35**	118
Total expenses		**20,532**	14,982
Net income for the year before taxation		**52,451**	76,148
Taxation	16	**-**	-
Net income for the year after taxation		**52,451**	76,148
Allocation of net income for the year			
Net income for the year after taxation		**52,451**	76,148
Income already paid on units redeemed		**(2,710)**	(2,295)
		49,741	73,853
Accounting income available for distribution			
- Relating to capital gains		**14,538**	8,760
- Excluding capital gains		**35,203**	65,093
		49,741	73,853
Earnings per unit	17		

The annexed notes from 1 to 30 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

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

AKD AGGRESSIVE INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	(Rupees in '000)	
Net income for the year after taxation	**52,451**	76,148
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**52,451**	76,148

The annexed notes from 1 to 30 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

AKD AGGRESSIVE INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021

	2021			2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------------------------------------ (Rupees in '000) ------------------------------------					
Net assets at beginning of the year	624,257	28,226	652,483	530,008	29,025	559,033
Issue of 12,272,626 units (2020: 4,698,636 units)						
- Capital value (at Ex-Net asset value per unit at the beginning of year)	626,623	-	626,623	240,199	-	240,199
- Element of income	21,924	-	21,924	12,184	-	12,184
	648,547	-	648,547	252,383	-	252,383
Redemption of 9,144,234 units (2020: 2,854,997 units)						
- Capital value (at Ex-Net asset value per unit at the beginning of year)	(466,892)	-	(466,892)	(145,951)	-	(145,951)
- Element of income	(17,685)	(2,710)	(20,395)	(9,034)	(2,295)	(11,329)
	(484,577)	(2,710)	(487,287)	(154,985)	(2,295)	(157,280)
Total comprehensive income for the year	-	52,451	52,451	-	76,148	76,148
Final cash distribution for the year ended June 30, 2021 at the rate of Rs. 3.5090 (2020: Rs. 6.7781) per unit	-	(48,167)	(48,167)	-	(74,652)	(74,652)
Refund of capital	(4,158)	-	(4,158)	(3,149)	-	(3,149)
Net assets at end of the year	784,069	29,800	813,869	624,257	28,226	652,483
Undistributed income brought forward						
- Realised income		26,869			34,509	
- Unrealised income / (loss)		1,357			(5,484)	
		28,226			29,025	
Accounting income available for distribution						
- Relating to capital gains		14,538			8,760	
- Excluding capital gains		35,203			65,093	
		49,741			73,853	
Final cash distribution during the year dated June 25, 2021 @ Rs.3.5090 (2020: Rs.6.7781)		(48,167)			(74,652)	
Undistributed income carried forward		29,800			28,226	
Undistributed income carried forward						
- Realised income		27,519			26,869	
- Unrealised income		2,281			1,357	
		29,800			28,226	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		51.0586			51.1211	
Net assets value per unit at end of the year		51.1626			51.0586	

The annexed notes from 1 to 28 form an integral part of these financial statements

YR

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

AKD AGGRESSIVE INCOME FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		-------- (Rupees in '000) --------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**52,451**	76,148
Adjustments for non-cash and other items			
Net unrealised appreciation on remeasurement of investments 'at fair value through profit or loss'		**(1,787)**	(1,357)
Unrealised gain on forward contracts		**(494)**	-
Provision against Sindh Workers' Welfare Fund		**1,070**	1,554
		51,240	76,345
Decrease / (increase) in assets			
Profit receivable		**1,408**	(2,774)
Deposits, prepayments and other receivables		**(5,729)**	1
Receivable against Margin Trading System		**(24,011)**	-
		(28,332)	(2,773)
Increase / (decrease) in liabilities			
Payable to AKD Investment Management Limited - Management Company		**334**	(417)
Payable to the Central Depository Company of Pakistan Limited - Trustee		**71**	(46)
Payable to the Securities and Exchange Commission of Pakistan		**29**	(358)
Accrued expenses and other liabilities		**(8,163)**	6,899
		(7,729)	6,078
Investments - net		**(85,118)**	(411,235)
Net cash used in operating activities		**(69,939)**	(331,585)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		**644,389**	249,234
Amount paid against redemption of units		**(487,287)**	(157,280)
Dividend paid		**(48,167)**	(74,652)
Net cash generated from financing activities		**108,935**	17,302
Net increase / (decrease) in cash and cash equivalents during the year		**38,996**	(314,283)
Cash and cash equivalents at beginning of the year		**28,126**	342,409
Cash and cash equivalents at end of the year	19	**67,122**	28,126

The annexed notes from 1 to 30 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

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

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Aggressive Income Fund (the Fund) was established under a Trust Deed dated October 2, 2006 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. Its 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' as per circular 7 of 2009 by SECP. The principal activity of the Fund is to make investments in government securities, deposits with bank, 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 Management Company has been assigned a quality rating of "AM3++" by the Pakistan Credit Rating Agency Limited (PACRA) on February 8, 2021. The Fund has been given stability rating of 'A(f)' by PACRA on March 04, 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, 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 Regulations and requirements of the Trust Deed have been followed.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgements

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

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

(i) Classification and valuation of financial assets (Note 4.1.1 and 6.1);
(ii) Impairment of financial assets (Note 4.1.5); and
(iii) Taxation (Note 4.4 and 16)

3. AMENDMENTS TO ACCOUNTING STANDARDS

3.1 Amendments to accounting standards that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - definition of a business	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: disclosures' - interest rate benchmark reform	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

3.2 Amendments to accounting standards that are not yet effective

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

	Effective date (accounting period beginning on or after)
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021

	Effective date (accounting period beginning on or after)
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - definition of accounting estimates	January 01, 2022
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs which are also not expected to have material impact on financial reporting of the Fund.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Financial Instruments

4.1.1 Classification of financial assets

IFRS 9 contains three principal classification categories for financial assets:

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

Financial assets at amortised cost

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

1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI

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

1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at FVTPL

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

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

4.1.2 Recognition and initial measurement of financial instruments

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

4.1.3 Subsequent measurement of financial assets

Financial assets at amortised cost

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

Financial assets at FVOCI

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

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

Financial assets at FVTPL

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

4.1.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and nontraded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non performing debt securities.

Basis of valuation of equity securities

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

Basis of valuation of government securities

The government securities not listed on stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenor of the security.

4.1.5 Impairment

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

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

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

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

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

4.1.6 Classification and measurement of financial liabilities

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

4.1.7 Derecognition

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

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

4.1.8 Regular way contracts

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

4.1.9 Offsetting of financial assets and liabilities

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

4.2 Cash and cash equivalents

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

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

The Fund is also exempt from the provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

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

4.5 Dividend distribution and appropriations

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

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

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

4.6 Issue and redemption of units

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

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

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

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

4.8 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included operating income in the income statement on the date at which the sale transaction takes place.
- Unrealised gains / (losses) arising on remeasurement of investments and future spread transactions are classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Profit on bank deposits is recognised on time proportionate basis using effective yield method.
- Profit / mark-up on debt and government securities, term finance certificates, sukuk certificates and income from Margin Trading System (MTS) is recognised on a time proportionate basis using effective interest method.
- Dividend income is recognised when the right to receive the dividend is established.
- Income on debt securities which are classified as non-performing asset under Circular No. 33 of 2012 issued by SECP are recorded on cash basis.

4.10 Expenses

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

5. BANK BALANCES

	Note	2021	2020
		(Rupees in '000)	
In saving accounts	5.1	**45,236**	8,198
In current accounts		**67**	67
		45,303	8,265

5.1 Mark-up rate on these accounts is 5.5% (2020: 5% to 6.50%) per annum.

6. INVESTMENTS

	Note	2021	2020
At fair value through profit or loss			
- Term Finance Certificates	6.1	**164,168**	163,201
- Sukuk Certificates	6.2	**107,607**	-
- Government securities	6.3	**84,300**	438,991
- Listed equity securities (spread transactions)	6.4	**319,758**	-
		675,833	602,192
At amortised cost			
- Commercial paper	6.6	**71,328**	55,612
		747,161	657,804

6.1 **Term Finance Certificates**

Name of investee company	Face value per certificate	Number of certificates				Balance as at June 30, 2021			Market value as a percentage of		Investment as a percentage of total issue size
		As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised appreciation/ (diminution) as at June 30, 2021	Investments	Net assets	
	(Rupees)					-------Rupees in '000'-------			------- % -------		
Commercial Banks											
Summit Bank Limited - (note 6.1.2)	5,000	5,000	-	-	5,000	24,925	-	-	-	-	-
Less: provision for impairment						(24,925)					
Technology & Communication											
Worldcall Telecom Limited - (note 6.1.3)	5,000	20,000	-	-	20,000	34,235	-	-	-	-	-
Less: provision for impairment						(34,235)					
Cement											
Dewan Cement Limited - (note 6.1.4)	5,000	20,000	-	-	20,000	100,000	-	-	-	-	-
Less: provision for impairment						(100,000)					
Miscellaneous											
Pace Pakistan Limited - (note 6.1.5)	5,000	115	-	-	115	574	-	-	-	-	-
Less: provision for impairment						(574)					
Commercial Banks											
Silk Bank Limited - (note 6.1.1)	5,000	20,000	-	-	20,000	89,693	88,554	(1,139)	11.85	10.88	4.49
The Bank of Punjab - (note 6.1.1)	100,000	750	-	-	750	73,458	75,614	2,156	10.12	9.29	2.94
Total - June 30, 2021						**163,151**	**164,168**	**1,017**			
Total - June 30, 2020						164,354	163,201	(1,153)			

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

Name of investee company	Face value per certificate	Redeemed face value per certificate	Mark-up rate (per annum)	Maturity	Rating
	(Rupees)	(Rupees)			
Silk Bank Limited	5,000	4,997	6 month KIBOR + 1.85%	August 10, 2025	BBB+
The Bank of Punjab	100,000	99,820	6 month KIBOR + 1.00%	December 23, 2026	AA-

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 installment, the management company has made 100 percent provision amounting to Rs. 24.925 million against the defaulted installment in line with the requirement of Circular 33 dated October 24, 2012. Furthermore, profit on installment due amounting to Rs. 1.23 million has also been suspended.

6.1.3 The Term Finance Certificates (TFCs) of Worldcall 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 6, 2009 issued by the SECP.

6.1.5 The Term Finance Certificates (TFCs) of Pace (Pakistan) Limited (PPL) had an original maturity of February 15, 2017. 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 Sukuk Certificates

Name of investee company	Redeemed face value per certificate	Number of certificates				Balance as at June 30, 2021			Market value as a percentage of		Investment as a percentage of total issue size
		As at July 1, 2020	Purchased during the year	Sold / redeemed during the year	As at June 30, 2021	Carrying value	Market value	Unrealised apprecition as at June 30, 2021	Investments	Net assets	
	(Rupees)					(Rupees in '000)			%		
Sukuk certificates - unlisted											
Hub Power Holdings Limited - (note 6.2.1)	5,000	-	750	-	750	61,844	61,844	-	8.28	7.60	0.02
TPL Trakker Limited - (note 6.2.2)	1,000,000	-	75	45	30	30,000	30,711	711	4.11	3.77	0.00
Mughal Iron & Steel Industries Limited - (note 6.2.3)	1,000,000	-	15	-	15	15,000	15,052	52	2.01	1.85	0.00
New Allied Electronics Industries (Private) Limited - (note 6.2.4)	313	96,000	-	-	96,000	30,000	-	-	-	-	-
Less: provision for impairment						(30,000)	-	-			
						-					
Total - June 30, 2021						**106,844**	**107,607**	**763**			
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 2.50% per annum.

6.2.2 The TPL Trakker Limited has issued sukuk certificates on December 31, 2020, which will be matured on December 31, 2025. It carries mark up at the rate 3 months KIBOR plus 3.00% per annum.

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

6.2.4 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 Government securities

6.3.1 Market Treasury Bills

Issue Date	Tenor	Face Value				Balance as at June 30, 2021			Market value as a percentage of	
		At July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised appreciation / (dimunition) as at June 30, 2021	Investments	Net assets
		(Rupee in '000)							%	
Market Treasury Bills - 3 months		20,000	1,340,000	1,338,000	22,000	21,817	21,819	2	2.92	2.68
Market Treasury Bills - 6 months		-	75,000	12,000	63,000	62,476	62,481	5	8.36	7.68
Market Treasury Bills - 12 months		440,000	251,300	691,300	-	-	-	-	-	-
Total as on June 30, 2021						**84,293**	**84,300**	**7**		
Total as on June 30, 2020						436,481	438,991	2,510		

6.3.1.1 On June 03, 2021, the Fund transferred Market Treasury Bills of Rs. 85 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 and DFC Market.

6.3.1.2 The cost of investment as at June 30, 2021 amounts to Rs. 83.793 million (2020: 426.874 million). They carry profit at the rate of 7.219% (2020: 9%) per annum and will mature on August 21, 2021.

6.3.2 Pakistan Investment Bonds

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

6.4 Listed equity securities (spread transactions)

Sectors / Companies	As at July 01, 2020	Purchased during the year	Sold during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021
	(Number of shares)				(Rupees in 000)	
AUTOMOBILE ASSEMBLER						
Ghandhara Industries Limited	-	135,500	135,500	-	-	-
Ghandhara Nissan Limited	-	4,500	500	4,000	435	437
Pak Suzuki Motor Company Limited	-	1,000	1,000	-	-	-
AUTOMOBILE PARTS AND ACCESSORIES						
General Tyre and Rubber Company	-	33,500	33,500	-	-	-
CEMENT						
D.G Khan Cement Company Limited	-	269,000	65,000	204,000	25,694	24,056
Lucky Cement Limited	-	20,000	20,000	-	-	-
Maple Leaf Cement Factory Limited	-	616,000	616,000	-	-	-
Pioneer Cement Limited	-	370,000	109,000	261,000	34,405	34,209
CHEMICALS						
Engro Polymer & Chemicals Limited	-	100,000	-	100,000	4,781	4,724
Ghani Global Holding Limited	-	1,043,500	855,500	188,000	9,286	9,332
Lotte Chemical Pakistan Limited	-	223,500	223,500	-	-	-
Descon Oxychem Limited	-	13,000	13,000	-	-	-
Nimir Resins Limited	-	500	500	-	-	-
ENGINEERING						
Aisha Steel Mills Limited	-	318,000	298,000	20,000	513	498
Amreli Steels Limited	-	87,500	75,500	12,000	534	521
International Steels Limited	-	451,500	444,000	7,500	708	701
International Industries Limited	-	24,500	9,500	15,000	3,176	3,165
FERTILIZERS						
Engro Fertilizers Limited	-	46,000	46,000	-	-	-
PHARMACEUTICAL						
The Searle Company Limited	-	67,500	67,500	-	-	-
COMMERCIAL BANKS						
United Bank Limited	-	122,500	122,500	-	-	-
National Bank Of Pakistan	-	5,000	5,000	-	-	-
FOOD AND PERSONAL CARE PRODUCTS						
Al Shaheer Corporation Limited	-	86,000	39,000	47,000	905	937
Unity Foods Limited	-	9,413,500	7,768,000	1,645,500	72,985	73,258
Treet Corporation Limited	-	357,000	357,000	-	-	-

Sectors / Companies	As at July 01, 2020	Purchased during the year	Sold during the year	As at June 30, 2021	Carrying value as at June 30, 2021	Market value as at June 30, 2021
	(Number of shares)				(Rupees in 000)	
OIL & GAS EXPLORATION COMPANIES						
Pakistan Petroleum Limited	-	240,500	240,500	-	-	-
Oil & Gas Development Company Limited	-	361,000	61,000	300,000	29,865	28,509
OIL & GAS MARKETING COMPANIES						
Pakistan State Oil Company Limited	-	64,000	9,000	55,000	12,518	12,334
Sui Northern Gas Pipelines Limited	-	7,000	7,000	-	-	-
Sui Southern Gas Company Limited	-	33,000	33,000	-	-	-
POWER GENERATION AND DISTRIBUTION						
Hub Power Company Limited	-	34,000	34,000	-	-	-
Kot Addu Power Company Limited	-	10,000	10,000	-	-	-
REFINERY						
Attock Refinery Limited	-	545,500	450,000	95,500	25,623	24,491
Byco Petroleum Pakistan Limited	-	2,481,000	2,062,000	419,000	5,248	4,865
National Refinery Limited	-	60,000	60,000	-	-	-
Pakistan Refinery Limited	-	651,000	651,000	-	-	-
CABLE AND ELECTRICAL GOODS						
Pak Elektron Limited	-	20,000	-	20,000	706	701
GLASS AND CERAMICS						
Tariq Glass Industries Limited	-	32,500	-	32,500	3,507	3,457
TEXTILE COMPOSITE						
Nishat Mills Limited	-	571,500	421,500	150,000	14,745	13,995
Nishat Chunian Limited	-	595,500	435,500	160,000	8,350	8,046
TECHNOLOGY & COMMUNICATION						
Avanceon Limited	-	10,000	10,000	-	-	-
Netsol Technologies Limited	-	503,500	503,500	-	-	-
TRG Pakistan Limited	-	4,446,500	4,016,500	430,000	70,356	71,522
Investment as at June 30, 2021					**324,340**	**319,758**
Investment as at June 30, 2020					-	-

6.5 **Preferance shares of Security Leasing Corporation Limited**

In view of 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 had fully provided for its investment during the year ended June 30, 2018.

6.6 **Commercial paper**

Name of investee company	Rate of return per annum	Face value				Carrying value	Maturity	Rating	Carrying value as percentage of	
		As at July 01, 2020	Purchased during the year	Matured / sold during the year	As at June 30, 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	-	-
TPL Corporation Limited	10.4%	-	75,000	-	75,000	71,328	December 25, 2021	A+	9.55	8.76
Total - June 30, 2021					**75,000**	**71,328**				
Total - June 30, 2020					55,612	55,612				

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

	2021	2020
	(Rupees in '000)	
Market value of investments	**356,075**	602,192
Carrying amount of investments	**(354,288)**	(600,835)
	1,787	1,357

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			Percentage of net assets	
Non-compliance under NBFC Regulation 55 (5)								
Silk Bank Limited TFC	6.1	10-Aug-17	Term Finance Certificate	88,554	-	88,554	10.88%	10.62%
Non-compliance under via circular no.7 of 2009								
Security Leasing Corporation Limited	6.4.1	-	Preference shares	10,663	(10,663)	-	-	-

		Note	2021	2020
			---------- (Rupees in '000) ----------	
7.	**PROFIT RECEIVABLE**			
	Profit receivable on:			
	- Term finance and sukuk certificates		**8,598**	6,128
	- Commercial papers		**61**	4,071
	- Bank deposits		**171**	39
			8,830	10,238

		Note	2021	2020
8.	**DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES**			
	Security deposits with:			
	- National Clearing Company Pakistan Limited		**2,750**	2,750
	- Central Depository Company Limited		**100**	100
	Prepaid National Clearing Company Pakistan Limited annual fee		**73**	-
	Security margin deposit	8.1	**406**	-
	Receivable against forward contract settlement		**5,077**	-
	Income receivable against Margin Trading System		**155**	-
	Advance tax	8.2	**96**	78
			8,657	2,928

8.1 This includes margin deposit maintained with National Clearing Company of Pakistan Limited against MTS losses for regular exposure margin by the Fund.

8.2 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, uptil year ended June 30, 2021, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

		Note	2021	2020
			---------- (Rupees in '000) ----------	
9.	**PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY**			
	Management fee	9.1	**1,016**	818
	Sindh sales tax on management fee	9.2	**132**	106
	Expenses allocated by the Management Company	9.3	**103**	57
	Federal exercise duty on Management fee	9.4	**4,141**	4,141
	Sales load payable		**64**	-
	Others		**48**	48
			5,504	5,170

9.1 The remuneration to the Management Company is been charged at 1.5% of the daily average net assets value and is payable in arrears.

9.2 Sindh sales tax on services at the rate of 13% on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

9.3 The Management Company has charged expenses at the rate of 0.15% (2020: 0.1%) per annum of the average annual net assets of the Fund.

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

On June 30, 2016, the SHC of Pakistan had passed a judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 4.14 million (2020: Rs. 4.14 million) until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2021 would have been higher by Re. 0.260 per unit (2020: Re. 0.324 per unit).

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

10. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	**2021**	2020
		(Rupees in '000)	
Trustee fee	10.1	**51**	41
Settlement charges payable to the trustee		**53**	1
Sindh sales tax on trustee fee and CDS charges	10.2	**14**	5
		118	47

10.1 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% (2020: 0.075%) of the daily net assets value of the Fund.

10.2 Sindh sales tax on services has been charged at the rate of 13% (2020: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	**2021**	2020
		(Rupees in '000)	
Annual fee payable to SECP	11.1	**152**	123

11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 all Collective Investment Scheme are required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02% (2020: 0.02%) of the average annual net assets of the scheme.

12. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	**2021**	2020
		(Rupees in '000)	
Auditor's remuneration		**336**	336
National Clearing Company of Pakistan Limited clearing charges payable		**57**	25
Withholding tax payable		**1,198**	9,623
Provision against Sindh Workers Welfare Fund	12.1	**5,784**	4,714
Others		**655**	425
		8,030	15,123

12.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / Mutual Funds (CISs) whose income exceeded Rs. 500,000 in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of 2% of their accounting or taxable income, whichever was higher.

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honorable Lahore High Court (LHC) and the Honorable High Court of Sindh (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honorable Supreme Court of Pakistan (SCP). On November 10, 2016 the SCP passed a judgment declaring the insertion of amendments introduced through Finance Act, 2008 pertaining to WWF as unlawful for the reason that the WWF is not in the nature of tax and therefore, could not be introduced through money bill under the Constitution. Subsequently, the Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgment, which is pending adjudication.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on May 21, 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs. 500,000 or more in any year of account commencing on or after the date of closing of account on or after December 31, 2013, to pay 2% of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on an opinion obtained by the Mutual Funds Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay SWWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board (SRB) has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Federal and SWWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters during financial year ended June 30, 2017. Based on such legal advice (which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited), MUFAP had recommended to all its members to reverse the Federal WWF and start recording of SWWF. Consequently, the Fund has recorded provision of Rs.1.070 million (2020: 1.554 million) for the year and Rs. 5.784 million (2020: Rs. 4.714 million) in aggregate in respect of SWWF. Had the provision against SWWF not been made, the net assets value per unit would have been higher by Re. 0.364 per unit (2020: Re. 0.369 per unit).

However, subsequent to the year ended June 30, 2021, Sindh Revenue Board (SRB) through its letter dated August 12, 2021 to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the SWWF Act, 2014 and are therefore, subject to SWWF charge whereas the Mutual Funds / Pension Funds managed by those AMCs do not qualify as "Financial Institutions / Industrial Establishments" as per SWWF Act, 2014 and are therefore, not liable to pay SWWF contributions. The development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds. The SECP has has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

13. CONTINGENCIES AND COMMITMENTS

13.1 The commitment to sell equity securities at a future date under spread transactions amounts to Rs. 328.225 million (2020: Nil)

13.2 Except as disclosed in note 13.1, there are no other contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

14. NUMBER OF UNITS IN ISSUE

	2021	2020
	---------- (Number of units) ----------	
Opening units in issue	**12,779,109**	10,935,470
Units issued during the year	**12,272,626**	4,698,636
Less: Units redeemed	**(9,144,234)**	(2,854,997)
Total units in issue at the end of the year	**15,907,501**	12,779,109

	2021	2020
	---------- (Rupees in '000) ----------	
15. AUDITOR'S REMUNERATION		
Annual audit fee	**237**	237
Half year fee	**79**	79
Income certification	**30**	30
COCG certification	**20**	20
Out of pocket expenses	**32**	45
	398	411
Sindh sales tax on services @ 8%	**31**	33
	429	444

16. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (Minimum Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the year, Management Company has distributed cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

17. EARNINGS PER UNIT

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

18. TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the year ended June 30, 2021 is 2.70% (June 30, 2020: 2.44%) which includes 0.42% (June 30, 2020: 0.5%) representing government levies such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Aggressive Fixed Income Scheme.

	Note	2021	2020
		---------- (Rupees in '000) ----------	
19. CASH AND CASH EQUIVALENTS			
Bank balances	5	**45,303**	8,265
Market treasury bills (having original maturity upto 3 months)	6.3	**21,819**	19,861
		67,122	28,126

20. 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 2008 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:

20.1 Details of transactions with related parties / connected persons during the year are as follows:

	2021	2020
	---------- (Rupees in '000) ----------	
AKD Investment Management Limited - Management Company		
Management fee	11,392	9,227
Sindh sales tax on management fee	1,481	1,200
Allocated expenses	1,139	615
Sales load	79	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	570	461
CDC charges	189	14
Sindh sales tax on trustee remuneration	98	60
AKD Investment Management Limited - Staff Provident Fund		
Issue of Nil (2020: 74,566) units	-	4,135
Redemption of 18,478 (2020: 57,563) units	978	3,202
Dividend paid	-	35
Refund of capital of Nil (2020: 1,474) units	-	75
AKD Securities Limited		
Brokerage on purchase of listed equity securities for spread	84	15
AKD Islamic Income Fund-Common Management Company		
Sukuk sold to AKD Islamic Income Fund (face value)	45,000	-
Unit holder holding 10% or more of the units in issue		
National Bank of Pakistan - Employees Pension Fund		
Issue of 632,851 (2020: 934,106) units	32,316	47,753
Dividend paid	32,316	56,179
Sindh Province Pension Fund		
Issue of 106,866 (2020: 182,314) units	5,457	9,320
Dividend paid	5,457	9,320

20.2 Details of balances with related parties / connected persons as at year end

	2021	2020
AKD Investment Management Limited - Management Company		
Management remuneration payable	1,016	818
Sales load payable	64	-
Sindh sales tax payable on management remuneration	132	106
Federal excise duty payable on management remuneration	4,141	4,141
Payable against allocated expenses	103	55
Others	48	50

	2021	2020
	---------- (Rupees in '000) ----------	
AKD Investment Management Limited - Staff Provident Fund		
Outstanding Nil (2020: 18,478) units	-	943
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	51	41
Settlement charges payable	53	1
Sindh sales tax payable on trustee remuneration and settlement charges	14	5
Security deposit	100	100
Unit holder holding 10% or more of the units in issue		
National Bank of Pakistan Employees Pension Fund		
Outstanding 9,855,367 (2020: 9,222,516) units	504,227	470,889
Sindh Province Pension Fund		
Outstanding 1,664,213 (2020: 1,557,347) units	85,146	79,516

21. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2021 and June 30, 2020, the financial assets and liabilities carried on the statement of assets and liabilities are categorised as follows:

Financial assets	2021	2020
	--------- (Rupees in '000) ---------	
At fair value through profit or loss		
Investments	675,833	602,192
At amortised cost		
Bank balances	45,303	8,265
Investment in commercial paper	71,328	55,612
Profit receivable	8,830	10,238
Deposits	8,488	2,850
Receivable against Margin Trading System	24,011	-
	157,960	76,965
Financial liabilities		
At amortised cost		
Payable to AKD Investment Management Limited - Management Company	1,231	923
Payable to the Central Depository Company of Pakistan Limited - Trustee	104	42
Accrued expenses and other liabilities	1,048	786
Unclaimed dividend	6,289	6,289
	8,672	8,040

22. FINANCIAL RISK MANAGEMENT

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

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

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

22.1 Market risk

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

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

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

22.1.1 Currency risk

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

22.1.2 Yield / interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2021, the Fund is exposed to such risk on its balances held with bank balances and investments in government securities, sukuk and commerial paper. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2021, details of Fund's profit bearing financial instruments were as follows:

	Note	2021	2020
		(Rupees in '000)	
Variable rate instrument (financial assets)			
- Bank balances	5	**45,236**	8,198
- Debt securities (Term finance certificates and sukuk)	6.1	**271,775**	163,201
		317,011	171,399
Fixed rate instruments (financial assets)			
- Government securities - Market treasury bills	6.3	**84,300**	438,991
- Commercial papers	6.6	**71,328**	55,612
		155,628	494,603

a) Sensitivity analysis for variable rate instruments

A change of 100 basis points in profit rates at the reporting date would have increased / decreased profit before taxation and total comprehensive income by Rs. 3.710 million (2020: Rs. 1.714 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the profit before taxation and total comprehensive income by Rs. 1.556 million (2020: Rs 4.946 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets and net income due to future movements in interest rates.

Exposure to interest rate risk and maturity

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

		As at June 30, 2021				
		Exposed to interest rate risk				
Particular	Effective interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to interest risk	Total
	%	(Rupees in 000)				
On-balance sheet financial instruements						
Financial assets at fair value through profit or loss						
- Term Finance Certificates	8.35-15.35	-	-	164,168	-	164,168
- Sukuk Certificates	8.35-15.35	-	-	107,607	-	107,607
- Government securities	7.129	21,819	62,481	-	-	84,300
		21,819	62,481	271,775	-	356,075
Financial assets at amortised cost						
Bank balances	5.5	45,236	-	-	67	45,303
Investments - Commerical papers	10.44	-	71,328	-	-	71,328
Profit receivable		8,830	-	-	-	8,830
Deposits		8,488	-	-	-	8,488
Receivable against Margin Trading System		24,011	-	-	-	24,011
		86,565	71,328	-	67	157,960
Sub total		108,384	133,809	271,775	67	514,035
Financial liabilities at amortised cost						
Payable to AKD Investment Management Limited - Management Company		-	-	-	1,231	1,231
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	104	104
Accrued expenses and other liabilities		-	-	-	1,048	1,048
Unclaimed dividend		-	-	-	6,289	6,289
Sub total		-	-	-	8,672	8,672
On-balance sheet gap		108,384	133,809	271,775	(8,605)	505,363
Total interest rate sensitivity gap		108,384	133,809	271,775	(8,605)	
Cumulative interest rate sensitivity gap		108,384	133,809	271,775	(8,605)	

Particular	Effective interest rate	Exposed to interest rate risk: Upto three months	Exposed to interest rate risk: More than three months and upto one year	Exposed to interest rate risk: More than one year	Not exposed to interest risk	Total
		As at June 30, 2020				
	%	-----(Rupees in 000)-----				
On-balance sheet financial instruements						
Financial assets at fair value through profit or loss						
- Term Finance Certificates	8.68-15.36	-	-	163,201	-	163,201
- Government securities	7.15 - 8.07	19,861	419,130	-	-	438,991
		19,861	419,130	163,201	-	602,192
Financial assets at amortised cost						
Bank balances		8,198	-	-	67	8,265
Investments -Commercial papers	5.0-6.50	55,612	-	-	-	55,612
Profit receivable	14.64	10,238	-	-	-	10,238
Deposits		2,850	-	-	-	2,850
		76,898	-	-	67	76,965
Sub total		96,759	419,130	582,331	67	679,157
Financial liabilities at amortised cost						
Payable to AKD Investment Management Limited - Management Company		-	-	-	923	923
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	42	42
Accrued expenses and other liabilities		-	-	-	786	786
Unclaimed dividend		-	-	-	6,289	6,289
Sub total		-	-	-	8,040	8,040
On-balance sheet gap		96,759	419,130	582,331	(7,973)	671,117
Total interest rate sensitivity gap		96,759	419,130	582,331	(7,973)	
Cumulative interest rate sensitivity gap		96,759	419,130	582,331	(7,973)	

22.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are cost by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Since the Fund is not allowed to invest in equity securities, hence it is not exposed to equity price risk. Fund has invested in spread transactions during the year, which are secured against pledged listed equity securities.

22.2 Credit risk

Credit risk represents the risk of loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from bank balances and profit receivable.

Management of credit risk

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

The maximum exposure to credit risk before considering any collateral as at June 30, 2021 and June 30, 2020 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'. Investment in government securities are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	2021		2020	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees in '000)			
Bank balances	45,303	45,303	8,265	8,265
Investments	747,161	662,861	657,804	218,813
Profit receivable	8,830	8,830	10,238	10,238
Receivable against Margin Trading System	24,011	24,011	-	-
Deposits	8,488	8,488	2,850	2,850
	833,793	749,493	679,157	240,166

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in government securities of Rs. 84.300 million (2020: Rs. 438.991 million) are not exposed to credit risk.

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2021 and June 30, 2020:

	Rating Agency	2021 Rupees in '000	2021 %	2020 Rupees in '000	2020 %
Bank balances including profit receivable by rating category					
AAA / A1+	PACRA / VIS	92	0.20	200	1.97
AA+ / A1+	PACRA	17,978	39.54	7,239	87.58
AA / A1+	PACRA	2,166	4.76	481	5.82
A+ / A1	PACRA	33	0.07	84	1.00
AA-	PACRA	15	0.03	-	-
A / A1	PACRA	96	0.21	175	2.12
BBB+ / A3	PACRA	25,033	55.05	69	0.84
Suspended	VIS	61	0.13	55	0.67
		45,474	100	8,303	100

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited as of June 30, 2021.

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

	Rating	June 30, 2021	June 30, 2020
Investment in variable income securities		-----(Rupee in 000)----	
Silk Bank of Pakistan	BBB+	88,554	95,685
The Bank of Punjab	AA-	75,614	73,645
Hub Power Holdings Limited	AA+	61,844	-
TPL Trakker Limited	A+	30,711	-
Mughal Iron & Steel Industries Limited	A+	15,052	-
		271,775	169,330
Investment in fixed income securities			
Commercial paper - TPL Corporation Limited	A1	71,328	59,683

Concentration of credit risk

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

Settlement risk

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

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

22.3 Liquidity risk

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

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.
In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year .

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

	As at June 30, 2021				
	Within one month	Over one to three months	Over three to twelve months	Over one to five years	Total
	----------Rupee in 000)----------				
Financial liabilities (excluding unit holders fund)					
Payable to AKD Investment Management Limited - Management Company	1,231	-	-	-	1,231
Payable to Central Depository Company of Pakistan Limited - Trustee	104	-	-	-	104
Accrued expenses and other liabilities	1,048	-	-	-	1,048
Unclaimed dividend	6,289	-	-	-	6,289
	8,672	-	-	-	8,672

	As at June 30, 2020				
	Within one month	Over one to three months	Over three to twelve months	Over one to five years	Total
	----------Rupee in 000)----------				
Financial liabilities (excluding unit holders fund)					
Payable to AKD Investment Management Limited - Management Company	923	-	-	-	923
Payable to Central Depository Company of Pakistan Limited - Trustee	42	-	-	-	42
Accrued expenses and other liabilities	786	-	-	-	786
Unclaimed dividend	6,289	-	-	-	6,289
	8,040	-	-	-	8,040

23. UNIT HOLDERS' FUND (UHF) RISK MANAGEMENT

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

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

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;

- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and

- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors of the Management Company is updated regarding key performance indicators, e.g., yield and movement of NAV and total Fund size at the end of each quarter.

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

24. 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).

	As at June 30, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
	---------------- Rupees in '000 --------------			
ASSETS				
Investment in securities - at fair value through profit or loss				
- Term Finance Certificates	-	**164,168**	-	**164,168**
- Sukuk Certificates	-	**107,607**	-	**107,607**
- Government securities	-	**84,300**	-	**84,300**
- Listed equity securities (spread transactions)	**319,758**	-	-	**319,758**
	319,758	**356,075**	-	**675,833**

	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
	---------------- Rupees in '000 --------------			
ASSETS				
Investment in securities - at fair value through profit or loss				
- Term Finance Certificates		163,201	-	163,201
- Government securities	-	438,991	-	438,991
	-	602,192	-	602,192

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

25. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No	Name	Designation	Qualification	Experience in years
1	Mr. Imran Motiwala	Chief Executive Officer	B.Sc. (Marketing)	28
2	Mr. Muhammad Yaqoob	Chief Operating Officer and Company Secretary	MBA (Finance), CFA Charterholder	17
3	Ms. Anum Dhedhi	Chief Investment Officer	B.Sc. (Financial Economics)	10
4	Mr. Sheikh Usman Haroon	Risk Manager	ACCA, CFA Level III Passed	7
5	Mr. Bilal Shuja Zaidi	Investment Analyst	BS (Accounting & Finance), CFA Level III Passed	3
6	Mr. Danish Aslam	Fund Manager	BS (Accounting & Finance), CFA Level I Passed	3
7	Mr. Ajay Kumar	Fund Manager	MBA (Finance), CFA Charterholder	6

25.1 Mr. Danish Aslam is the Manager of the Fund. He is also manager of AKD Islamic Income Fund and AKD

26. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF THE COMMISSION CHARGE

S. No.	Particulars	June 30, 2021 Percentage
1	Vector Securities (Private) Limited	52%
2	Spectrum Securities Limited	15%
3	Topline Securities (Private) Limited	13%
4	BMA Capital Management Limited	6%
5	AKD Securities (Private) Limited	4%
6	DJM Securities (Private) Limited	3%
7	Next Capital Limited	3%
8	Arif Habib Limited	1%
9	Fortune Securities Limited	1%
10	Pearl Securities (Private) Limited	0%

S. No.	Particulars	June 30, 2020 Percentage
1	Arif Habib Limited	33%
2	Vector Capital Private Limited	17%
3	Optimus Market Private Limited	15%
4	Next Capital Limited	10%
5	AKD Securities Private Limited	9%
6	Pearl Securities Private Limited	8%
7	BIPL Securities Private Limited	6%
8	DJM Securities Private Limited	3%

27. PATTERN OF UNIT HOLDINGS

	As at June 30, 2021		
	Number of unit	Number of units held	percentage of investment
			%
Individuals	94	1,761,533	11.07%
Corporates	2	1,070	0.01%
Banks and development financial institutions	1	11,285	0.07%
Retirement funds	12	13,818,465	86.87%
Others	3	315,148	1.98%
	112	15,907,501	100%

	As at June 30, 2020		
	Number of unit holders	Number of units held	percentage of investment
			%
Individuals	79	306,113	2.40%
Corporates	2	413,916	3.24%
Banks and development financial institutions	1	11,285	0.09%
Retirement funds	7	11,732,850	91.81%
Others	3	314,945	2.46%
	92	12,779,109	100%

28. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

During the year 85th, 86th, 87th and 88th board meetings were held on September 30, 2020, October 29, 2020, February 25, 2021 and April 30, 2021 respectively. Information in respect of attendance by Directors in these meetings is given below :

Name of Director	Number of meetings held	Attended	Leave granted	Meetings not attended
Mr. Abdul Karim	4	4	-	-
Mr. Imran Motiwala	4	4	-	-
Ms. Anum Dhedhi	4	3	1	86th
Mr. Saim Mustafa Zuberi	4	3	1	86th
Mr. Ali Wahab Siddiqui	4	4	-	-
Mr. Hasan Ahmed	4	4	-	-
Ms. Aysha Ahmed	4	4	-	-

29. GENERAL

29.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

29.2 Comparative figures have been reclassified where necessary for better presentation and comparison.

30. DATE OF AUTHORISATION FOR ISSUE

29 SEP 2021

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

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer | Chief Financial Officer | Director

AKD AGGRESSIVE INCOME FUND
PERFORMANCE TABLE

	2021	2020	2019
Total net assets value (Rs '000)*	813,869	652,483	559,033
Net assets value per unit - (Rs)*	51.1626	51.0586	51.1211
Selling price as at June 30 (Rs)*	51.6743	51.5693	51.6323
Repurchase price as at June 30 (Rs)*	51.1626	51.0586	51.1210
Highest selling price (Rs)	55.1134	58.4782	53.5243
Lowest selling price (Rs)	51.4905	51.6762	50.5907
HIghest repurchase price (Rs)	54.5676	57.8991	52.9942
Lowest repurchase price (Rs)	50.9806	51.1645	50.0897
Return of the Fund			
- capital growth (Rs '000)	161,386	93,450	(169,831)
- income distribution (including refund of capital) (Rs '000)*	52,325	77,801	20,171
Distribution per unit			
Interim	3.50	6.78	1.90
- Gross (2021: announced on June 30, 2021)			
- Gross (2020: announced on June 30, 2020)			
- Gross (2019: announced on June 28, 2019)			
Final	-	-	-
Average Annual Return (Percentage)			
- Last one year	7.08	13.12	3.28
- Last two years	10.06	8.09	3.45
- Last three years	7.75	6.58	4.44
Weighted Average Portfolio Duration	526	668	697

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

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

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

AKD Aggressive Income Fund
Proxy details issued by Fund
For the year ended June 30, 2021

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

During the year, the Management Company on behalf of the Fund participated in 2 shareholders' meetings. Moreover, details of summarized proxies voted are as follows:

AKDAIF	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	4	3	0	1	The Investment Committee had decided to abstain from voting in favor of extension in the maturity date of TFC issued by Summit Bank Limited, until the Bank provides a compelling plan to make the scheduled payments.
(%ages)	100	75	0	25	-

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

AKD Investment
Management Ltd.

Head Office:
216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N : 92-21-111 AKDIML (111-253-465) | Fax : 92-21-35303125

Gulshan-e-Iqbal Branch:
Bungalow No. FL-3/12,
Ground Floor Block No. 5, KDA,
Scheme No. 24, Gulshan-e-Iqbal, Karachi.
Contact # 92-21-34823003-7

Abbottabad Branch:
Office No. 1 & 2, 2nd Floor, Zaman Plaza,
Near Complex Hospital,
Main Mansehra Road, Abbottabad.
Contact # 099-2381431-2

Lahore Branch:
Plaza # 250, 2nd Floor,Phase IV,
Block-FF, D.H.A.,Lahore Cantt.
Contact # 0333-0342762-4

E-mail : info@akdinvestment.com
Website : www.akdinvestment.com