AKD Investment Management Ltd.
Asset manager Rating AM3++by PACRA

FUND MANAGER REPORT

for the month of

APRIL 2023

DISCLAIMER:

All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Documents to understand the investment policies and risk involved.

AKD Investment Management Ltd.

Partner with AKD
Profit from the Experience

Risk Profile of Collective Investment Schemes/Plans

Sr. No	Name of Collective Investment Scheme	Category	Risk Profile	Risk Of Principal Erosion
1	AKD Aggressive Income Fund (Formerly: AKD Income Fund)	Aggressive Fixed Income	Medium	Principal at Medium risk
2	AKD Cash Fund	Money Market	Low	Principal at Low risk
3	AKD Islamic Income Fund	Shariah Compliant Income	Medium	Principal at Medium risk
4	AKD Index Tracker Fund	Index Tracker	High	Principal at High risk
5	AKD Islamic Stock Fund	Shariah Compliant Equity	High	Principal at High risk
6	AKD Opportunity Fund	Equity	High	Principal at High risk
7	Golden Arrow Stock Fund (Formerly: Golden Arrow Selected Stocks Fund Limited)	Equity	High	Principal at High risk
8	AKD Islamic Daily Dividend Fund	Shariah Compliant Money Market	Low	Principal at Low risk

Message from CIO's Desk

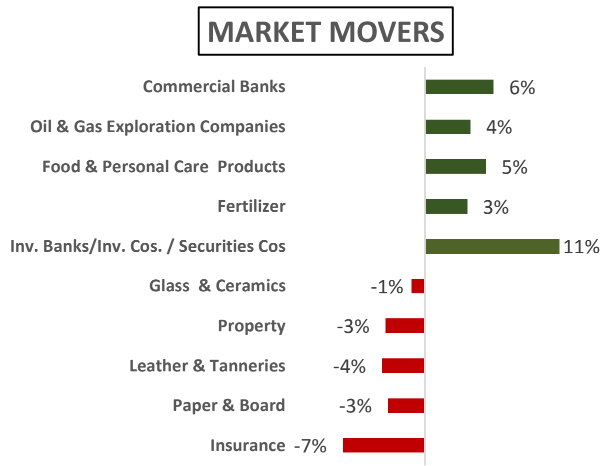
The Equity market remained nominally positive during the month of April 2023 closing at 41,581 points gaining 1,580 points *(+3.95% MoM / +0.10% FYTD)* as investors took comfort from robust corporate results in spite of the economic slowdown. While the government continued to reassure an imminent staff level agreement with the IMF following the completion of key preconditions to the program, market optimism remained in check as no material progress on this front was noted. On the other hand, corporate buy-backs in tier one stocks like Lucky Cement, Engro Corporation and HBL revived interest at these counters as the market welcomed sizeable liquidity flows and appreciating the confidence these major corporate sponsors have in their businesses and economy. More importantly, with the ruling government and opposition opting for dialogue raised hopes of addressing the political impasse which has plagued the economy and market for several months. The market continues to trade at exceedingly attractive multiples with PE and PB of 3.33x and 0.69x with a healthy dividend yield of 10%.

Even though the index posted a gain for the preceding month, volumes remained subdued illustrating that despite positive news flow investors confidence is still very low. In the month of April 2023 volumes were recorded at 121 million shares *(down -27% MoM)* from 165 million shares, which was also in part due to shorter trading hours during the month of Ramadan. Foreigners remained net sellers with outflows of USD 8.39 million with major selling in Other Sectors *(USD 16.24 million).* On the local front, Companies and Banks/DFIs remained net buyers with buying of USD 9.92 million and USD 8.30 million respectively. Whereas, Insurance and Mutual Funds reported net selling of USD 7.78 million and USD 7.63 million, respectively. Other significant developments that impacted the Equity market during the month included:

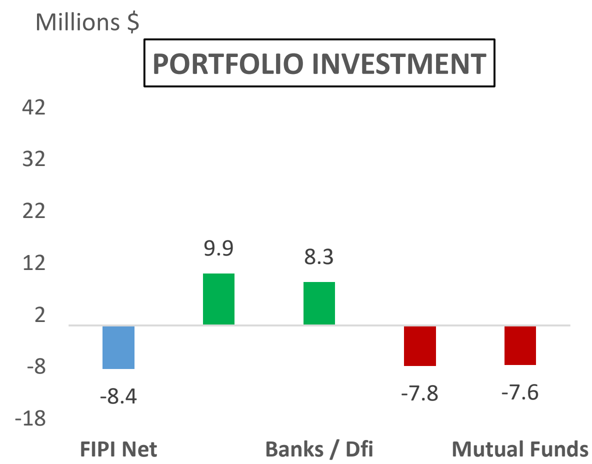
- The State Bank of Pakistan (SBP) in their last Monetary Policy Committee (MPC) dated April 4, 2023 increased the interest rate further by 100 bps to 21% *(all time high levels)* to combat inflationary pressures.
- The Finance Minister confirmed in the Senate that China has rolled over USD 2 billion loan to Pakistan.
- The International Monetary Fund (IMF) lowered its forecast for Pakistan's economic growth rate for the current fiscal year to just 0.5%, with inflation above 27%.
- FBR collected revenues of PKR 483 billion in April 2023 missing its target of PKR 586 billion. Total collection during 10MFY23 clocked in at PKR 5.64 trillion against the target of PKR 6.02 trillion which incidentally is much below the IMF's collection target of PKR 7.47 trillion.
- Pakistan's Current Account posted a massive surplus of USD 654 million in March 2023 *(first surplus recorded since November 2020)* compared to a deficit of USD 36 million in February 2023 taking the 9MFY23 CAD to USD 3.37 billion against USD 13.01 billion, down -74% YoY during the same period last year primarily on the back of constrained imports.
- The Large scale manufacturing Index (LSMI) output declined by -11.59% YoY in February 2023 compared to same period last year which was the sixth consecutive decline as the affects of expensive raw material costs in light of currency devaluation, high interest rates, and global recession still weigh heavily on industries.
- During April 2023, the Foreign exchange reserves held by SBP increased by USD 0.25 billion to USD 4.46 billion, still remaining at critical levels with import cover standing merely at 5 weeks.
- The Country received seven months' high remittances of USD 2.5 billion during March 2023 mainly due to the Holy month of Ramadan and improved exchange rate offered by legal channels.
- For the month of April, the exchange rate closed flat against the USD at PKR 283.8397/USD.
- Inflows through Roshan Digital Account (RDA) reached USD 5.97 billion by end of March 2023 with more than 540,000 accounts opened.

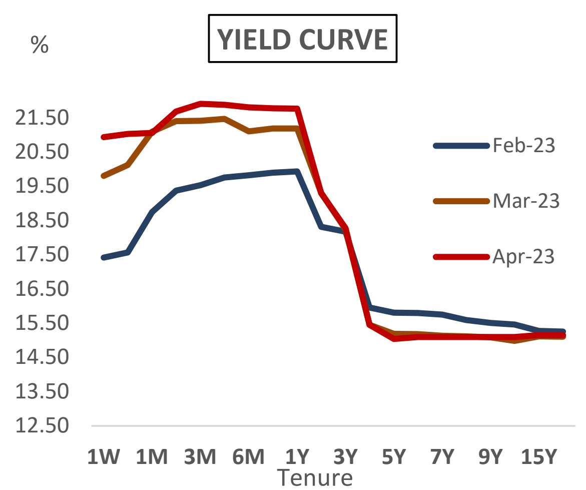
The NCPI during the month of April 2023 clocked in at 36.42% YoY as compared to 35.37% YoY in March 2023 in line with market consensus. This took the 10MFY23 average NCPI to 28.23% compared to 11.04% during the SPLY. On a regional basis, the Urban CPI clocked in at 25.92% YoY, whereas, the Rural CPI clocked in at 31.64%. The main contributors to the increase in inflation were Housing, Water, Electricity, Gas, and Fuel (weight in CPI 23.63%) with an impact of -0.22% MoM / 16.94% YoY because of the increasing fuel and utility prices and exchange devaluation. Furthermore, a heavy increase was observed in the Food and Non-alcoholic Beverages Index (weight in CPI 34.58%) with an impact of 1.72% MoM / 48.07% YoY due to increase in prices of potatoes, Wheat, bananas, Sugar and other essential items.

During the month of April 2023, the SBP conducted two MTB auctions with a realized amount of PKR 2.70 trillion. The Weighted average yields for 3 months and 12 months MTB increased by 92bps and 38bps to 21.9840% and 21.8694% respectively while the weighted average yield for 6 months decreased by 1bps to 21.9445%. As per the auction target calendar for April – June 2023, the SBP targets to raise PKR 6.40 trillion against maturing amount of PKR 5.573 trillion by issuing 3-Month to 12-Month MTBs. The next MPC meeting is scheduled to be held on June 12, 2023. It is pertinent to note, that the IMF has somewhat negated reports that the government has in fact "completed" all pre-conditions for a staff level agreement, as reportedly the Fund has insisted that a further increase in the policy rate is essential.



*Change in market capitalization during month





DISPUTE RESOLUTION/ COMPLAINTS HANDLING:

Investors may lodge their complaints to our Investor Services Department through any of the following options where our dedicated staff is available 24/7 to provide assistance: Call at (+92-21) 111-AKD-IML (253465), Toll-free # 0800-25346, Email at info@akdinvestment.com, complaints@akdinvestment.com, Sales@akdinvestment.com. In case your complaint has not been properly redressed by us, you may lodge your complaint with SECP at the link https://sdms.secp.gov.pk/. However, please note that SECP will entertain only those complaints which were at first directly requested to be redressed by the Company and the Company has failed to redress the same. Further, the complaints that are not relevant to SECP's regulatory domain/competence shall not be entertained by the SECP.

AKD Aggressive Income Fund

Fund Manager's Comments

For the month of April'2023, AKD Aggressive Income Fund (AKDAIF) posted an annualized return of 10.53% against the benchmark return of 22.32%. The exposure in T-Bills was 48.40%, 28.31% in TFCs/Sukuk, 18.74% in Commercial Papers / Short Term Sukuk (STS) and Cash was 1.71% at the end of April'2023. The weighted average maturity of the Fund was at 268 days.

Fund Information

Investment Objective: 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.

Fund Type	Open-End
Category	Aggressive Fixed Income
Risk Profile	Medium
Risk of Principal Erosion	Principal at medium risk
Net Assets (PKR)	602,677,501
NAV (PKR)	54.4511
Benchmark	1 Year KIBOR
Dealing Days	Monday to Friday
Cut-off Timings	9:00 am to 5:00 pm
Pricing Mechanism	Forward Pricing
Management Fee	1.50%
Sales Load (Front end)	1%
Sales Load (Back end)	Nil
Total Expense Ratio (Annualized)	MTD (2.21%), YTD (2.37%)
Government Levies (Annualized)	MTD (0.22%), YTD (0.24%)
Date of Fund Launch	March, 2007
Trustee	Central Depository Company (CDC)
Auditor	Yousuf Adil, Chartered Accountants
Stability Rating	A+(f) by PACRA (08 Mar' 2023)
Asset Manager Rating	AM3++ by PACRA (30 Jun' 2022)
Weighted Average Maturity (Days)	268
Leverage	Nil

Fund Manager

Mr. Danish Aslam

Investment Committee Members

Mr. Imran Motiwala	Ms. Anum Dhedhi
Mr. Muhammad Yaqoob, CFA	Mr. Ali Abbas, CFA
Mr. Sheikh Usman Haroon	Mr. Danish Aslam

*Cumulative Return **Geometric Mean

	FYTD	MTD	1 Year	3 Year*	5 Year*	Since Inception**
1 Year Kibor	17.83%	22.32%	17.44%	39.36%	73.04%	9.75%
AKDAIF	7.97%	10.53%	7.21%	23.70%	44.25%	7.88%

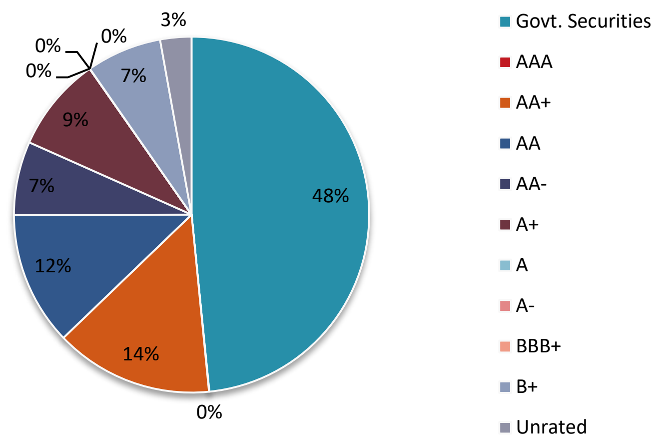
The Fund's returns are computed on NAV to NAV with dividends reinvested – (excluding sales load).

	FY22	FY21	FY20	FY19	FY18
1 Year Kibor	11.31%	7.76%	12.31%	10.69%	6.69%
AKDAIF	7.23%	7.08%	13.12%	3.28%	3.62%

BM changed from 6-month Kibor to 1-year Kibor from September 2011 onwards.

Asset Allocation (% of Total Assets)	30-Apr-2023	31-Mar-2023
Cash	1.71%	3.79%
PIBs	0.00%	0.00%
T-Bills	48.40%	48.77%
Placements with Banks and DFIs	0.00%	0.00%
MTS	0.00%	0.00%
TFCs/Sukuk	28.31%	29.05%
Commercial Papers / Short Term Sukuk	18.74%	15.41%
Spread transactions	0.00%	0.00%
Others including receivables	2.83%	2.99%

Credit Quality of Portfolio (% of Total Assets)



TFCs/Sukuk Certificates	Rating	30-Apr-2023
Hub Power Holdings Limited –12-Nov-2020	AA+	9.62%
Silk Bank Limited – 10-Aug-2017	B+	6.86%
TPL Corporation Limited – 28-Jun-2022	AA-	6.69%
K-Electric Limited STS – 13-Dec-2022	AA	6.50%
Lucky Electric Power Company Ltd. STS – 14-Dec-2022	AA	4.88%
TPL Trakker Limited – 30-Mar-2021	A+	3.32%
China Power Hub Generation Co. Ltd. STS – 07-Dec-2022	AA+	3.25%
Mughal Iron & Steel Industries Limited – 02-Mar-2021	A+	1.83%
K-Electric Limited STS – 21-Mar-2023	AA	0.65%
Total		**43.59%**

Disclosure of Sindh Workers' Welfare Fund (SWWF):
During the month of August 2021, provisioning against Sindh Workers Welfare Fund by AKDAIF amounting to PKR 5.95 million has been reversed on the basis of clarification received from Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan, received on August 13, 2021. This reversal of provision has contributed towards an unusual increase in NAV of the AKDAIF (0.38/unit) 0.73%. This is one-off event and is not likely to be repeated in the future.

Details of 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
Dewan Cement Limited – NPA	TFC	100,000,000	100,000,000	0	0.00%	0.00%
Pace Pakistan Limited – NPA	TFC	574,310	574,310	0	0.00%	0.00%
Summit Bank Limited – NPA	TFC	24,925,250	24,925,250	0	0.00%	0.00%
Worldcall Telecom Limited – NPA	TFC	31,648,403	31,648,403	0	0.00%	0.00%
New Allied Electronics Industries (Pvt.) Ltd. - NPA	Sukuk	30,000,000	30,000,000	0	0.00%	0.00%
Security Leasing Corporation Limited – NPA	Preference Shares	11,352,099	11,352,099	0	0.00%	0.00%
Silk Bank Limited – NPA	TFC	99,920,000	57,744,222	42,175,778	7.00%	6.86%

Non-Compliance Disclaimer: AKDAIF holds above mentioned non-compliant investment. Before making any investment decision, investors should review this document and latest Financial Statements.

MUFAP's Recommended Format