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

Message from CIOs

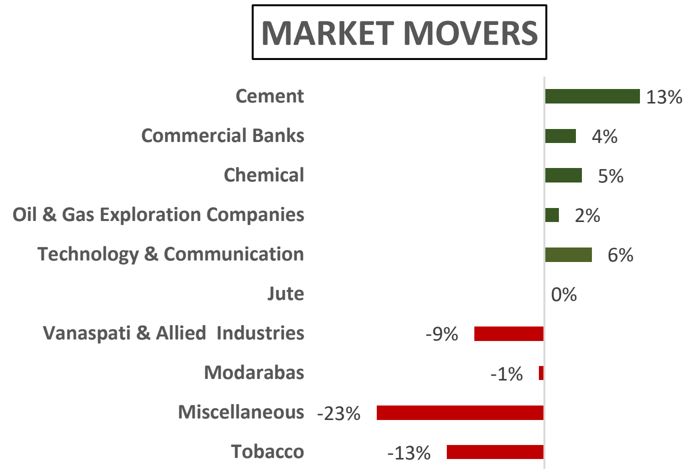
The Bulls held their ground during first half of August 2022 as the PKR strengthened against the US Dollar amid decline in imports and optimism of resumption of the IMF-EFF program. However, the benchmark index pared some of the gains towards the latter half due to devastating floods and consequential losses, as the KSE-100 index gained 2,201 points MoM, closing at 42,351 points (up 5.48% MoM/ 1.95% FYTD). The receipt of Letter of Intent from the International Monetary Fund (IMF) after fulfilling all the pre-requisites for USD 1.16 billion tranche was a primary catalyst for investors sentiments as a sovereign default was foreseeably averted. Moreover, the Government also successfully secured funding of up to USD 4 billion from other friendly countries, albeit with cross commitments with the IMF. These developments led to the much needed appreciation of the Pak rupee which gained 9.4% MoM against the USD to close at PKR 218.75. The average daily traded volume also increased by 125% to 326.88 million as compared to 145.30 million recorded during July 2022. The KSE-100 Index closed at a forward P/E and P/B of 4.4x and 0.8x respectively, with a healthy dividend yield of 8.5%.

Foreigners remained net sellers during the month, with an outflow of USD 5.38 million compared to an inflow of USD 7.48 million recorded during last month. On the local front, Brokers (USD 10.38 million) and Individuals (USD 7.86 million) remained net buyers, whereas Insurance and Mutual Funds remained net sellers with a net outflow of USD 16.37 million and 3.11 million respectively.

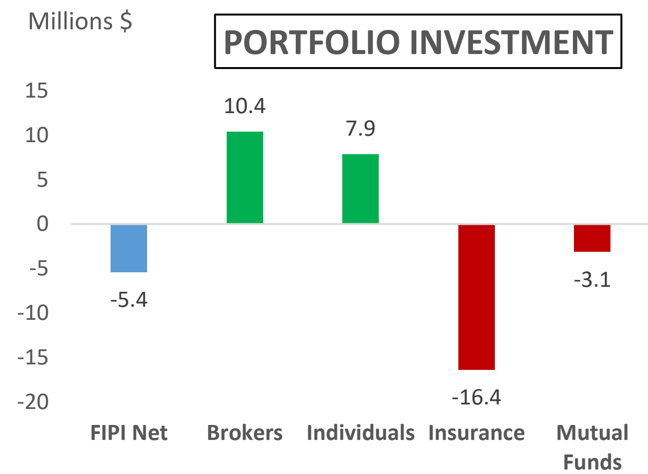
Other news that affected the investors' sentiment during the month included:
1) Pakistan posted a Current Account Deficit of USD 1.2 billion for the month of July 2022, 42% higher than USD 0.85 billion of same period last year. Notably, workers' remittances also declined by 8% YoY to USD 2.5 billion from USD 2.7 billion
2) The Executive Board of the International Monetary Fund (IMF) completed the 7th and 8th reviews under the Extended Fund Facility (EFF) paving the way to receive USD 1.1 billion (SDR 894 million)
3) The Large Scale Manufacturing Index (LSMI) witnessed the growth of 11.7% in FY22 as compared to 11.2% during FY21
4) Pakistan's Total Debt and Liabilities grew by 25% during FY22 to PKR 59.6 trillion as compared to PKR 47.8 trillion in FY21
5) During FY22, the Country's budget deficit reached an alarming level of PKR 5.26 trillion surging by 54% as compared to FY21 when the budget deficit was recorded at PKR 3.40 trillion
6) The Qatar Investment Authority expressed its willingness to invest USD 3 billion in various commercial and investment sectors in Pakistan
7) Pakistan's Foreign Direct Investment (FDI) fell by a whopping 43% in July 2022 to USD 59 million as compared to USD 103.8 million in the same month last year whereas on MoM basis the FDI witnessed a decline of 78%.
8) Floods in many parts of Pakistan with an estimated USD 10bn loss to the economy.

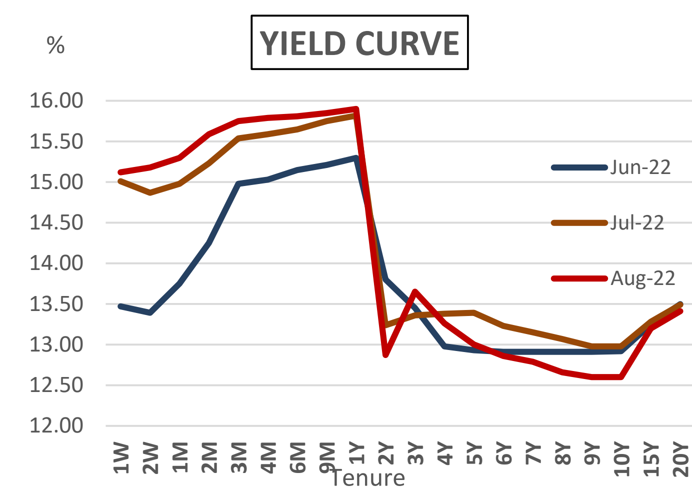
NCPI during the month of August 2022 clocked in at 27.3%, highest recording in 47 years taking the average inflation for 2MFY23 to 26.10%. Housing, Water, Electricity, Gas and Fuels contributed mostly to inflation with a MoM impact of 1.21% alone. Inflation is expected to hike further in coming months due to rise in food prices amid recent floods that have caused severe damage to crops coupled with lagged effects of PKR depreciation. More importantly, the floods are also expected to affect the current account with foreseeable imports as key crops including cotton have reportedly been severely damaged.

During the outgoing month, the Monetary Policy Committee of the State Bank of Pakistan (SBP) decided to keep the policy rate unchanged at 15% on the back of some positive developments both on the domestic and external front. The MPC believed that after the administrative steps taken to curtail imports with strong fiscal consolidation planned for FY23, it was prudent to take a pause after a series of policy rate hikes by 800 bps since last September 2021. However, after the devastating floods that has hit most areas of Pakistan destroying large agricultural areas and infrastructure, the inflation expectation for FY23 is expected to increase by 100-200 bps which was previously estimated around 19-20% due to which another policy rate hike by SBP in the next monetary seems likely. During the month, the SBP conducted two MTB auctions with a realized amount of PKR 1.22 trillion. Weighted average yields for 3 months, 6 months and 12 months MTB increased by 10bps, 13bps, and 2bps to 15.7331%, 15.8137%, and 15.8994% respectively as compared to the last month.



*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 August’2022, AKD Aggressive Income Fund (AKDAIF) posted an annualized return of 5.88% against the benchmark return of 16.30%. The exposure in TFCs/Sukuks was 37.50%, 25.20% in T-Bills, 17.36% in Commercial Papers, 9.37% in Spread Transactions, 0.01% in MTS and Cash was 6.76% at the end of August’2022. The weighted average maturity of the Fund was at 463 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)	718,003,069
NAV (PKR)	51.5533
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 (*Absolute*)++	0.39%
Date of Fund Launch	March, 2007
Trustee	Central Depository Company (CDC)
Auditor	Yousuf Adil Chartered Accountants
Stability Rating	A+(f) by PACRA (7 Mar’ 2022)
Asset Manager Rating	AM3++ by PACRA (30 Jun’ 2022)
Weighted Average Maturity (Days)	463
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

++Total Expense Ratio (TER) includes 0.04% representing government levy and SECP fee

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

	FYTD	MTD	1 Year	3 Year*	5 Year*	Since Inception**
1 Year Kibor	16.19%	16.30%	12.55%	34.98%	61.25%	9.21%
AKDAIF	5.69%	5.88%	6.02%	29.05%	39.52%	7.67%

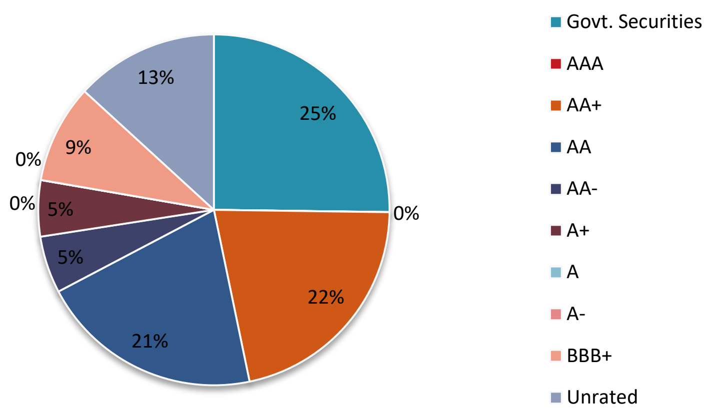
BM changed from 6 month Kibor to 1 year Kibor from September 2011 onwards

	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)	31-Aug-2022	31-Jul-2022
Cash	6.76%	1.81%
PIBs	0.00%	0.00%
T-Bills	25.20%	10.47%
Placements with Banks and DFIs	0.00%	0.00%
MTS	0.01%	0.17%
TFCs/Sukuks	37.50%	38.67%
Commercial Papers	17.36%	17.67%
Spread transactions	9.37%	0.00%
Others including receivables	3.80%	31.21%

Credit Quality of Portfolio (% of Total Assets)



*Cumulative Return **Geometric Mean

TFCs/Sukuk Certificates	Rating	31-Aug-2022
The Bank of Punjab - 23-Dec-2016	AA	9.88%
Silk Bank Limited – 10-Aug-2017	BBB+	9.08%
Hub Power Holdings Limited –12-Nov-2020	AA+	8.13%
TPL Corporation Limited – 28-Jun-2022	AA-	5.26%
TPL Trakker Limited – 30-Mar-2021	A+	3.30%
Mughal Iron & Steel Industries Limited – 2-Mar-2021	A+	1.85%
Total		**37.50%**

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	TFC	100,000,000	100,000,000	0	0.00%	0.00%
Pace Pakistan Limited	TFC	574,310	574,310	0	0.00%	0.00%
Summit Bank Limited	TFC	24,925,250	24,925,250	0	0.00%	0.00%
Worldcall Telecom Limited	TFC	31,648,403	31,648,403	0	0.00%	0.00%
New Allied Electronics Industries (Pvt.) Limited	Sukuk	30,000,000	30,000,000	0	0.00%	0.00%
Security Leasing Corporation Limited	Preference Shares	11,352,099	11,352,099	0	0.00%	0.00%
Silk Bank Limited	TFC	99,920,000	30,878,000	69,042,000	9.62%	9.08%
Lucky Electric Power Company Limited	Commercial Paper	80,560,052	0	80,560,052	11.22%	10.59%
The Bank of Punjab	TFC	75,134,340	0	75,134,340	10.46%	9.88%

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