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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

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.



DISCLAIMER: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved. Performance data does not include the cost incurred directly by an investor in the form of sales loads etc.



Message from CIO's Desk

During the month of October 2022, the equity market witnessed a mixed sentiment ending with a nominal increase of 136 points to settle at 41,264.66 (0.33% MoM/ -0.66% FYTD). After the formation of a double top, the local currency underwent a correction and appreciated against the US Dollar while the much-anticipated and sought exit of the country from FATF "Grey List" finally transpired during the month, denoting the remarkable efforts of the government in complying with major action points to counter money laundering and terrorist financing activities. On the other hand, the downgrading of Pakistan from two international Credit Rating agencies and the announcement of a long march kept the bulls in check, reminding investors of the fluid economic and political state of affairs. The average daily traded volume increased by 60% to 276 million as compared to the 173 million recorded during September 2022. Also, the KSE-100 Index closed at a forward P/E and P/B of 4.0x and 0.7x respectively, with a healthy dividend yield of 9.8% as stock valuations remain relatively cheap.

Furthermore, the bourse witnessed foreigner participation of USD 14.37 million in contrast to USD 14.59 million during the preceding month. On the local front, Mutual Funds and Banks offloaded USD 7.34 million and USD 7.05 million respectively as liquidity seems to continue to move towards high yielding government securities. Contrary to that, Individuals and Other organizations remained net buyers with amounts of USD 12.79 million and USD 0.95 million, respectively.

Other major news that affected the investors' sentiment during the month included:

- 1) The State Bank of Pakistan (SBP) in its recent Monetary Policy dated October 10, 2022 decided to keep the policy rate unchanged at 15% as signs of inflation albeit minimal have allowed the central bank to see how the commodity cycle and floods unfold.
- 2) Moody's Investors Service downgraded the long-term deposit ratings and long-term Foreign Currency Counter Risk Rating (CRR) to Caa1 from B3 of five leading Pakistani banks; namely, ABL, HBL, MCB, NBP and UBL.
- 3) According to the central bank, the federal government is expected to borrow over PKR 7 trillion from the banking sector during the second quarter (Oct-Dec) of the current fiscal year (FY23).
- 4) The International Monetary Fund (IMF) announced that it plans to send a team to Pakistan in early November 2022 to initiate the process for the country's next review under its current program.
- 5) The Large Scale Manufacturing Index (LSMI) for the month of August 2022 posted a +3.9% MoM / -0.4% YoY respectively owing primarily to high inflation and interest rate environment fuelled by high commodity prices.
- 6) Fitch also downgraded Pakistan's long-term foreign currency issuer default rating (IDR) to 'CCC+' from 'B-' due to a deterioration in the economic numbers and political volatility.
- 7) On a key positive note, the Country's Current Account Deficit (CAD) for the month of September 2022 shrunk significantly by 53% MoM to USD 316 million taking the 3MFY23 CAD to USD 2.21 billion compared to USD 3.53 billion during SPY.
- 8) During the month, the Country's Foreign Exchange Reserves held with the State Bank of Pakistan (SBP) continued its declining trend, lower by another USD 439 million (down 6%) to close at USD 7.44 billion.

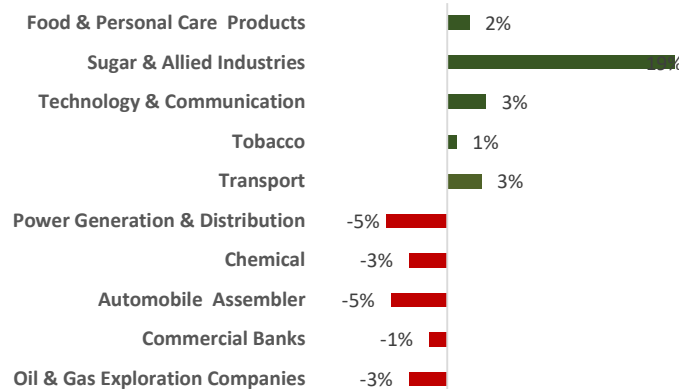
NCPI during the month of October 2022 clocked in at 26.6% YoY on account of increase in electricity prices and food staples. Going forward, we expect inflation to stay at elevated levels due to the loss of crops and livestock in flood-hit areas and the shortage of food resources. On the external side, the lagged impact of PKR devaluation denoted over the last several months we suspect may play out as a result of heavy imports (especially raw cotton for Textile manufacturers) to meet the local demand, keeping further improvement in the current account in check.

Pakistan's International Bonds amounting to USD 1 billion are scheduled to mature in December 2022 which represents approximately 8% of the Country's FX reserves as market concerns remain on the servicing of this Bond despite assurances from the Finance Ministry and Central Bank. During the month, the SBP conducted two MTB auctions with a realized amount of PKR 1.62 trillion. The Weighted average yields for 3 months, 6 months, and 12 months, MTB decreased by 30bps, 26bps, and 32bps to 15.6712%, 15.6903%, and 15.6655% respectively as compared to the last month, as the market expects a nominal decrease in the discount rate in the upcoming Monetary Policy Committee meeting scheduled in late November.

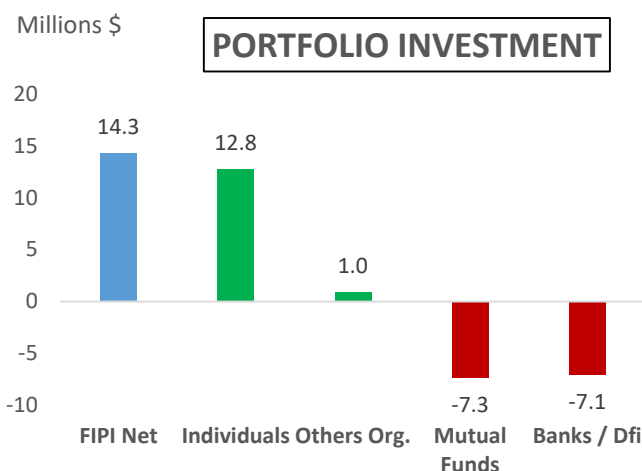
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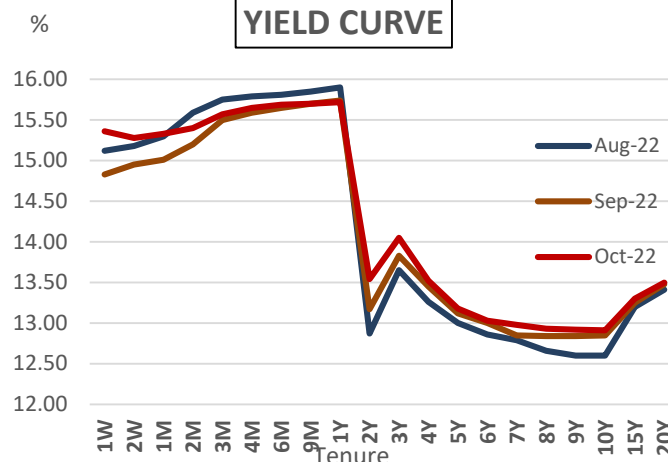
MARKET MOVERS



*Change in market capitalization during month



YIELD CURVE





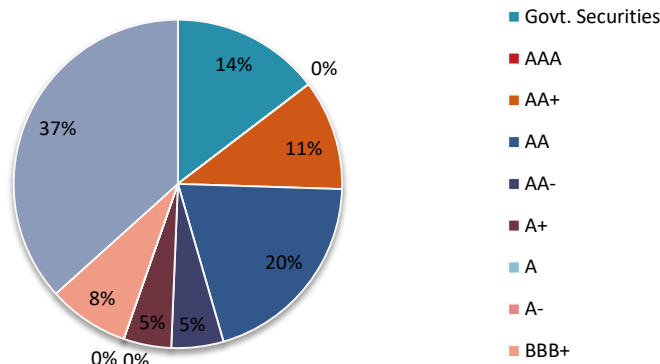
AKD Aggressive Income Fund

Fund Manager's Comments

For the month of October 2022, AKD Aggressive Income Fund (AKDAIF) posted an annualized return of 7.54% against the benchmark return of 16.10%. The exposure in TFCs/Sukuks was 35.33%, 14.62% in T-Bills, 10.31% in Commercial Papers, 6.83% in Spread Transactions, and Cash was 3.08% at the end of October 2022. The weighted average maturity of the Fund was at 413 days.

Fund Information		FYTD	MTD	1 Year	3 Year*	5 Year*	Since Inception**																					
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.		1 Year Kibor	16.21%	16.10%	13.82%	35.42%	63.63%	9.30%																				
		AKDAIF	6.19%	7.54%	5.53%	27.42%	40.63%	7.71%																				
		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.																										
Fund Type	Open-End	Asset Allocation (% of Total Assets)		31-Oct-2022		30-Sep-2022																						
Category	Aggressive Fixed Income	Cash		3.08%		3.51%																						
Risk Profile	Medium	PIBs		0.00%		0.00%																						
Risk of Principal Erosion	Principal at medium risk	T-Bills		14.62%		14.39%																						
Net Assets (PKR)	714,635,205	Placements with Banks and DFIs		0.00%		0.00%																						
NAV (PKR)	52.1252	MTS		0.00%		0.00%																						
Benchmark	1 Year KIBOR	TFCs/Sukuks		35.33%		31.07%																						
Dealing Days	Monday to Friday	Commercial Papers		10.31%		14.68%																						
Cut-off Timings	9:00 am to 5:00 pm	Spread transactions		6.83%		19.33%																						
Pricing Mechanism	Forward Pricing	Others including receivables		29.82%		17.03%																						
Management Fee	1.50%	Credit Quality of Portfolio (% of Total Assets)																										
Sales Load (Front end)	1%	<table><thead><tr><th>Credit Rating</th><th>Percentage</th></tr></thead><tbody><tr><td>Govt. Securities</td><td>14%</td></tr><tr><td>AAA</td><td>0%</td></tr><tr><td>AA+</td><td>11%</td></tr><tr><td>AA</td><td>20%</td></tr><tr><td>AA-</td><td>5%</td></tr><tr><td>A+</td><td>5%</td></tr><tr><td>A</td><td>0%</td></tr><tr><td>A-</td><td>0%</td></tr><tr><td>BBB+</td><td>8%</td></tr></tbody></table>							Credit Rating	Percentage	Govt. Securities	14%	AAA	0%	AA+	11%	AA	20%	AA-	5%	A+	5%	A	0%	A-	0%	BBB+	8%
Credit Rating	Percentage																											
Govt. Securities	14%																											
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AA-	5%																											
A+	5%																											
A	0%																											
A-	0%																											
BBB+	8%																											
Sales Load (Back end)	Nil																											
Total Expense Ratio (Annualized)	MTD (2.43%), YTD (2.47%)																											
Government Levies (Annualized)	MTD (0.25%), YTD (0.26%)																											
Date of Fund Launch	March, 2007																											
Trustee	Central Depository Company (CDC)																											
Auditor	Yousuf Adil, Chartered Accountants																											
Stability Rating	A+(f) by PACRA (07 Sep' 2022)																											
Asset Manager Rating	AM3++ by PACRA (30 Jun' 2022)																											
Weighted Average Maturity (Days)	413																											
Leverage	Nil																											

Credit Quality of Portfolio (% of Total Assets)



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

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	37,649,000	62,271,000	8.71%	7.97%
Lucky Electric Power Company Limited	Commercial Paper	80,560,052	0	80,560,052	11.27%	10.31%
The Bank of Punjab	TFC	75,134,340	0	75,134,340	10.51%	9.62%

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

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MUFAP's Recommended Format