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

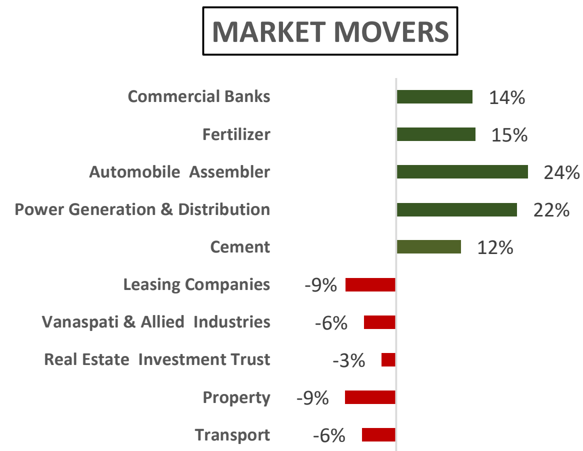
Message from CIO's Desk

The Equity market witnessed an aggressive Bull Run nearly touching a 6Y high to close at 51,920.27 levels, gaining 5,688 points *(+12.30% MTD/ +25.25% FYTD)*. Interestingly, Pakistan's stock market recorded the second-best performance among more than 90 global equity indexes tracked by Bloomberg. During the month, investors celebrated improving macros with an appreciating currency while withering hard but necessary steps taken by the caretaker setup to ensure economic sustainability for the country. In addition, the market also celebrated the unchanged interest rate stance of the SBP signaling an end to a two-year long monetary tightening cycle. Lastly, many corporates delivered robust results with a strong rebound in earnings as investors moved in at all counters on the back of cheap valuations.

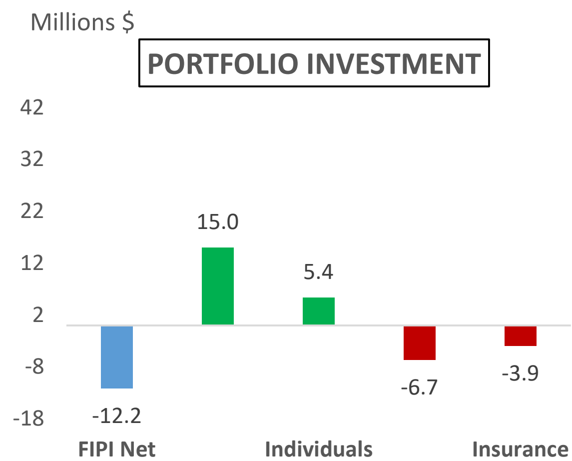
During the month, investors' participation more than doubled from 160 million shares in September to 360 million shares in October. While , Foreigners were net sellers with outflows of USD 12.16 million with major selling witnessed in other sectors *(USD 8.03 million)*, and Commercial Banks *(USD 5.51 million)*. On the local front, Companies and Individuals were buyers with buying of USD 14.99 million and USD 5.38 million respectively whereas Mutual Funds and Insurance remained on the selling side with outflows of USD 6.67 million and USD 3.93 million respectively.

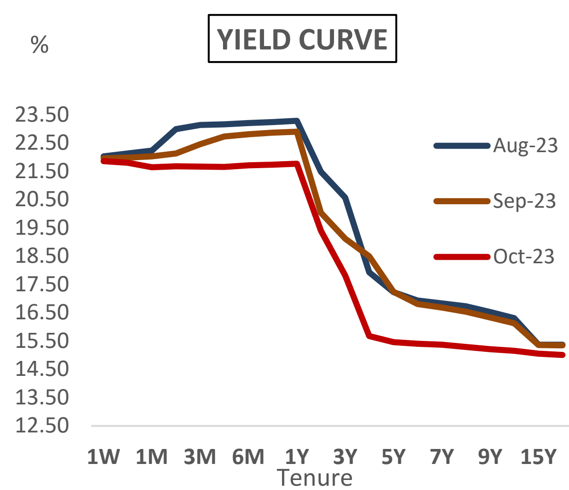
Other significant developments that led the Equity market were:

1. The Current Account Deficit continued to narrow and for the month of September 2023 clocked in at USD 8 million, from a Current Account Deficit of USD 164 million (revised) in August 2023 taking the 3MFY24 CAD to USD 0.95 billion against USD 2.26 billion, down -58% YoY during the same period last year primarily due to decline in imports.
2. Pakistan's economic team led by the caretaker finance minister attended annual meetings of the International Monetary Fund (IMF) and the World Bank (WB) in Moscow.
3. The European Parliament voted to extend the current GSP+ status for another four years for developing countries like Pakistan.
4. Pakistan is expected to harvest a bumper cotton crop of up to 12 million bales this year which will boost its textile exports and save valuable foreign exchange reserves.
5. Pakistan received USD 2.2 billion in remittances from overseas Pakistanis in September 2023 up by 5% MoM but down by 11% YoY.
6. Car Sales decreased by 30% YoY in September 2023, as high prices and interest rates dampened demand.
7. The Asian Infrastructure Investment Bank (AIIB) and the World Bank will co-finance Pakistan's second Resilient Institutions for Sustainable Economy (Rise-II) program with a USD 600 million loan.
8. Pakistan imported petroleum products worth USD 300 million on a deferred payment basis under the Saudi oil facility during the first quarter (July-September) of the current fiscal year 2023-24.
9. The United Energy Group of China and Pakistan Refinery Limited signed a Memorandum of Understanding (MoU) for an investment of USD 1.5 billion in the petroleum sector.
10. The Large scale manufacturing Index (LSMI) output increased by 2.52% YoY in August 2023 compared to same period last year after 13 months of consecutive decline as a result of expensive raw material costs in the light of currency devaluation, high interest rates, and global recession.
11. During the month the Foreign Exchange Reserves held by SBP declined by USD 121 million to USD 7.49 billion which reflects an import cover of 8 weeks.
12. The government increased the gas prices by up to 193% to meet one of IMF's key conditions on curtailment of gas based Circular Debt.
13. The price of Sovereign bond (maturity date: April 2024) has increased by 10% in the international market after the successful timely coupon payment, reducing default risk.



*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.

Message from CIO's Desk

Moreover, the FBR collected revenues worth PKR 2.04 trillion during 1QFY24 against the target of PKR 1.98 trillion thus exceeding the target by PKR 63 billion. Moreover, FBR also achieved the target for the month of September 2023 by collecting PKR 834 billion (PKR 688 billion SPLY) against a target of PKR 794 billion.

The NCPI during the month of October 2023 clocked in at 26.89% YoY as compared to 31.44% YoY in September 2023 and 26.56% in October 2022, taking 4MFY24 average NCPI to 28.48% compared to 25.48% during the SPLY. On a regional basis, the Urban CPI clocked in at 25.48% YoY, whereas, the Rural CPI was recorded at 28.90% on the back of easing fuel prices. Reportedly, inflation is expected to subsequently decline from November onwards and maintain its downward trajectory from thereon.

During the month of October 2023, the SBP conducted two MTB auctions with a realized amount of PKR 1.43 trillion. The Weighted average yields for 3 months, 6 months and 12 months finally illustrated some respite and decreased by 62bps, 41bps, and 78bps, respectively to 22.1403%, 22.3876% and 22.0707%.

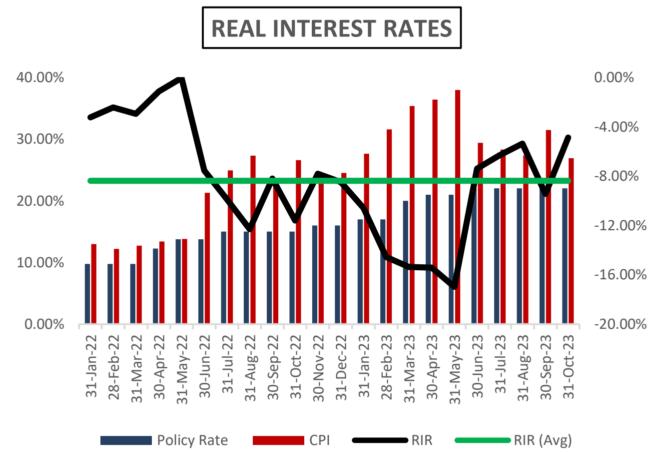
The SBP in its Monetary Policy Committee on October 30, 2023, decided to keep the policy rate unchanged at 22% broadly in line with the market consensus. The SBP premised their decision based on the forward looking inflation projections with the receding trend in inflationary pressures to continue from 29%>28%>27% in the months June>July>August considering September's 31% as an outlier. Moreover, the SBP believes that despite global oil prices soaring recently, its impact will in principle be passed onto the consumers through subsequent price increases, while inflation is likely to remain overall on a downward trajectory from 2HFY24. Additionally, the expected ease in supply constraints owing to better agriculture output and the recent administrative measures against speculative activity in the FX and commodity markets would also support the inflation outlook.

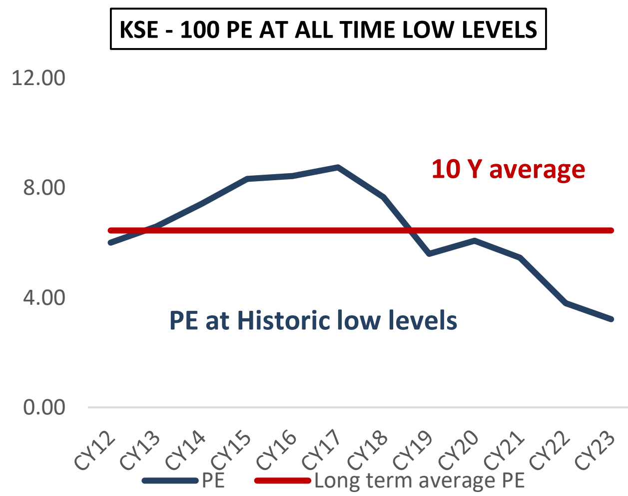
The SBP's medium term target for inflation is 5-7% by FY25. The next MPC meeting is scheduled to be held on December 12, 2023, interest rates are likely to remain unchanged despite early market expectations of a rate cut. The change in outlook from declining interest rates to maintaining status quo at record high levels of 22%is that the economy continues to face headwinds, despite an improvement in the CAD and material appreciation in the currency.

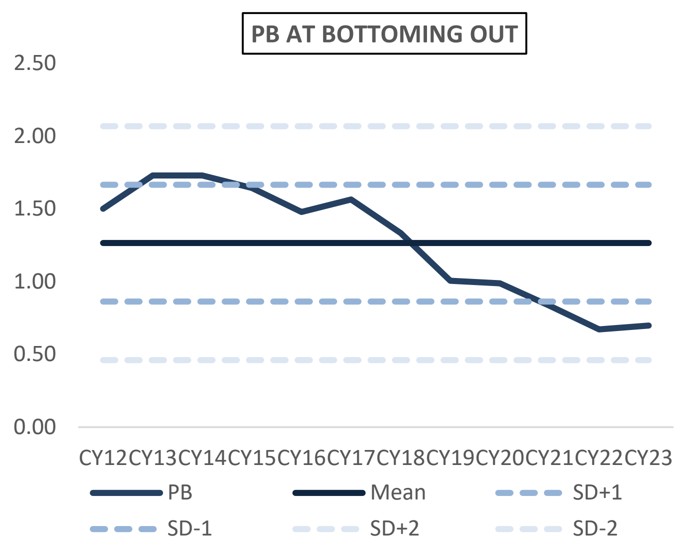
The first review under IMF's Stand-by Agreement of USD 3 billion is set to commence on November 2, 2023 where main agendas will be fiscal and monetary reforms. To recall, Pakistan's budget deficit contracted to 0.9% of GDP in 1QFY24 from 1% during the same period last year in line with the IMF's requirements. Moreover, another one of IMF's conditions was to reduce the gap between interbank and market exchange rates on which the caretaker setup has worked tirelessly to introduce reforms and restrict grey market activities. During the month of October, Rupee appreciated by an impressive 2.23% MoM against the dollar.

The KSE-100 index continues to trade at exceedingly attractive multiples with PE and PB of 4.35x and 0.75x with a healthy dividend yield of 10.33%. The long-term average PE is 8x and despite crossing 50k mark, the index is still trading at an attractive earnings multiple which reflects more opportunity in the market.

Investors can be a part of the long-term rally by taking Equity exposure via AKDIML Equity funds which are invested in fundamental driven stocks that are poised to outperform the benchmark index.







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AKD Aggressive Income Fund

Fund Manager's Comments

For the month of October 2023, AKD Aggressive Income Fund *(AKDAIF)* posted an annualized return of 14.22% against the benchmark return of 22.74%. The exposure in TFCs/Sukuk was 19.11%, 16.36% in Commercial Papers / Short Term Sukuk *(STS)*, T-Bills was 32.26%, and Cash was 28.84% at the end of October 2023. The weighted average maturity of the Fund was at 138 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)	646,620,504
NAV (PKR)	54.59198
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 (2.70%), YTD (2.79%)
Government Levies (Annualized)	MTD (0.28%), YTD (0.31%)
Date of Fund Launch	March, 2007
Trustee	Central Depository Company (CDC)
Auditor	Yousuf Adil, Chartered Accountants
Stability Rating	A+(f) by PACRA (8-Sep-23)
Asset Manager Rating	AM3++ by PACRA (27-Jun-23)
Weighted Average Maturity (Days)	138
Leverage	Nil

Fund Manager

Mr. Danyal Dawoodani

Investment Committee Members

Mr. Imran Motiwala	Ms. Anum Dhedhi
Mr. Muhammad Yaqoob, CFA	Mr. Ali Abbas, CFA
Mr. Sheikh Usman Haroon, CFA, ACCA	Mr. Danyal Dawoodani

*Cumulative Return **Geometric Mean

	FYTD	MTD	1 Year	3 Year*	5 Year*	Since Inception**
1 Year Kibor	23.33%	22.74%	20.98%	48.85%	84.17%	10.37%
AKDAIF	20.56%	14.22%	6.99%	23.24%	43.18%	7.71%

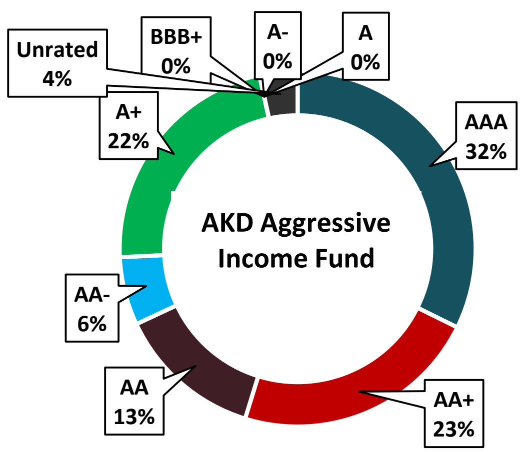
The Fund's returns are computed on NAV to NAV with dividends reinvested – (excluding sales load).

	FY23	FY22	FY21	FY20	FY19
1 Year Kibor	18.60%	11.31%	7.76%	12.31%	10.69%
AKDAIF	2.16%	7.23%	7.08%	13.12%	3.28%

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

Asset Allocation (% of Total Assets)	31-Oct-2023	30-Sep-23
Cash	28.84%	19.51%
PIBs	0.00%	0.00%
T-Bills	32.26%	14.85%
Placements with Banks and DFIs	0.00%	0.00%
MTS	0.00%	0.00%
TFCs/Sukuk	19.11%	19.49%
Commercial Papers / Short Term Sukuk	16.36%	16.45%
Spread transactions	0.00%	20.29%
Others including receivables	3.42%	9.42%

Credit Quality of Portfolio (% of Total Assets)



TFCs/Sukuk Certificates	Rating	31-Oct-23
K-Electric Limited STS – 28-Aug-23	AA	9.37%
Hub Power Holdings Limited –12-Nov-20	AA+	8.94%
TPL Corporation Limited – 28-Jun-22	AA-	6.19%
K-Electric Limited STS – 22-Sep-23	AA	3.78%
Mughal Iron & Steel Industries Limited STS – 6-Apr-23	A+	3.22%
TPL Trakker Limited – 30-Mar-21	A+	2.56%
Mughal Iron & Steel Industries Limited STS – 2-Mar-21	A+	1.42%
Total		**35.48%**

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
K-Electric Limited	Sukuk	87,000,000	-	87,000,000	13.45%	13.14%
Dewan Cement Limited – NPA	TFC	100,000,000	100,000,000	-	0.00%	0.00%
Pace Pakistan Limited – NPA	TFC	574,310	574,310	-	0.00%	0.00%
Summit Bank Limited – NPA	TFC	24,925,250	24,925,250	-	0.00%	0.00%
Worldcall Telecom Limited – NPA	TFC	31,648,403	31,648,403	-	0.00%	0.00%
New Allied Electronics Industries (Pvt.) Ltd. - NPA	Sukuk	30,000,000	30,000,000	-	0.00%	0.00%
Security Leasing Corporation Limited – NPA	Preference Shares	11,352,099	11,352,099	-	0.00%	0.00%
Silk Bank Limited – NPA	TFC	99,920,000	99,920,000	-	0.00%	0.00%

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