

# Quarterly Report

## March 31, 2022

(un-audited)



Funds Managed by:  
AKD Investment Management Ltd

**Partner with AKD**  
Profit from the Experience

# CORPORATE INFORMATION

## MANAGEMENT COMPANY

AKD Investment Management Limited  
216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000.

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

### Chairman

Mr. Abdul Karim

### Director & Chief Executive Officer

Mr. Imran Motiwala

### Director(s)

Ms. Anum Dhedhi  
Ms. Aysha Ahmed  
Mr. Ali Wahab Siddiqi  
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

Mr. Muhammad Munir Abdullah

## HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali

## AUDIT COMMITTEE

Mr. Ali Wahab Siddiqi (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 (Chairperson)  
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

## **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

- » Keep primary focus on investing clients' interest
- » Achieve highest standards of regulatory compliance and good governance
- » Prioritize risk management while endeavouring 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 leading 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), 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) presents its nine months report along with the Funds' unaudited Financial Statements for the period ended March 31, 2022.

### FUNDS' FINANCIAL PERFORMANCE

#### **AKD Opportunity Fund (AKDOF)**

For the 9MFY22, the return of AKD Opportunity Fund stood at -22.53% compared to the benchmark KSE-100 Index return of -5.13%.

#### **Golden Arrow Stock Fund (GASF)**

For the 9MFY22, the return of Golden Arrow Stock Fund stood at -18.04% compared to the benchmark KSE-100 Index return of -5.13%.

#### **AKD Index Tracker Fund (AKDITF)**

For the 9MFY22, the return of AKD Index Tracker Fund stood at -5.03% compared to the benchmark KSE-100 Index return of -5.13%.

#### **AKD Cash Fund (AKDCF)**

For the 9MFY22, the annualized return of AKD Cash Fund stood at 8.54% compared to the benchmark return of 8.17%.

#### **AKD Aggressive Income Fund (AKDAIF)**

For the 9MFY22, the annualized return of AKD Aggressive Income Fund stood at 8.62% compared to the benchmark return of 10.12%.

#### **AKD Islamic Income Fund (AKDISIF)**

For the 9MFY22, the annualized return of AKD Islamic Income Fund stood at 8.10% compared to the benchmark return of 3.19%.

#### **AKD Islamic Stock Fund (AKDISSF)**

For the 9MFY22, the return of AKD Islamic Stock Fund stood at -16.09% compared to the benchmark KMI-30 Index return of -4.84%.

### MACRO PERSPECTIVE

Pakistan's economy continued to witness robust growth where the pace of the economy exceeded expectations of the State Bank of Pakistan (SBP), albeit coming at the expense of an elevated Current Account Deficit (CAD) amid rising inflation fuelled by a significant currency devaluation, and an unprecedented increase in international commodity prices.

The SBP during this period remained cautious due to inflationary pressures; hence, increasing the policy rate by 275 basis points to 9.75% during 9MFY22. While approval of the next tranche of USD 1 billion from IMF under the Extended Fund Facility is expected to be a catalyst for the economy and provide some respite to the Pak Rupee.

The CAD for 8MFY22 clocked in at USD 12.10 billion as compared to a surplus of USD 0.99 billion reported during the same period last year (SPLY) owing mainly to an increase in commodity prices, import of plants and machineries under TERF/LTFF loan facilities provided by the SBP and import of COVID vaccines. The Balance of Trade in Goods and Services recorded a deficit of USD 29.88 billion, adding another USD 12.56 billion as imports increased by 47.76% YoY to USD 54.99 billion. However, the exports also posted a growth of 26.21% YoY to stand in at USD 25.11 billion. Foreign workers continued to support the external account as workers' remittances surged by 7.65% YoY to USD 20.14 billion. The Government's efforts to attract investments from Non-Resident Pakistani's also paid off, with an impressive inflow of USD 3.92 billion through Roshan Digital Accounts (RDA) from more than 380,000 accounts till March 2022.

According to press reports, the Federal Board of Revenue (FBR) made net revenue collection of PKR 4,382 billion during 9MFY22, up by 29.1% YoY as compared to PKR 3,394 billion recorded during SPLY. The amount of refunds disbursed was PKR 229 billion during 9MFY22 compared to PKR 183 billion paid last year, showing a healthy increase of 25.0%.

As per the Pakistan Bureau of Statistics (PBS), the average National Consumer Price Index (NCPI) in 9MFY22 was recorded at 10.77% YoY as compared to 8.34% YoY recorded during 9MFY21. Average Core Inflation (measured by excluding food and energy prices) clocked in at 7.46% YoY and 7.98% YoY for Urban and Rural areas respectively, as compared to 5.70% YoY and 7.63% YoY during the SPLY.

The Large Scale Manufacturing (LSM) sector witnessed an increase of 7.8% YoY (with the new base year 2015-2016, previously 2005-2006) for July-February FY22 as compared to 2.2% YoY reported during SPLY. During the period under review, major contribution towards the growth came from Food, Non-Metallic Mineral Products and Textile. However, overall growth during the period was kept in check by sectors that posted negative growth including Pharmaceuticals, Rubber Products, Electrical Equipment and Fabricated Metal.

## **EQUITY MARKET REVIEW**

During 9MFY22, the KSE-100 Index declined by 2,427 points, down by 5.13% to close at 44,928.83 points. The equity market remained under pressure owing to political unrest following senate elections, MSCI downgrade from Emerging to Frontier Market, unprecedented surge in commodity prices leading to an alarming CAD, jump in policy rate by 225bps to 9.25% amid immense inflationary pressures. While corporate earnings remained strong with good dividend payouts, investor sentiment at best remained cautious as economic conditions are expected to be tough in the foreseeable future.

The average daily turnover decreased by 36.97% YoY to 304.58 million shares during 9MFY22. Similarly, during 3QFY22, the average daily turnover clocked in at 231.98 million shares which declined by 58.39%

YoY / 15.33% QoQ. Market participants turned somewhat bearish as the Government provided relief by reducing and freezing fuel/electricity prices till the end of the fiscal year contrary to what was reportedly agreed with the IMF; naturally investors remain very concerned at the Government's ability to fund a widening CAD. Investors therefore seem skeptic over the resumption of the IMF program and resultant contractionary fiscal policies introduced by the Government of Pakistan (GoP). Moreover, investors' interest diverted to second and third-tier stocks as depicted by a decrease in the ratio of KSE-100 volumes over total turnover.

Some of the news flow that weighed on investor sentiments included: 1) Soaring international energy prices following the Russia-Ukraine war, 3) Pakistan forex reserves declined to USD 18.55 largely due to debt repayments during the week ended on March 25, 2022 4) Unchanged policy rate by MPC at 9.75%, 5) IMF approved the completion of sixth review and released USD 1 billion tranche 6) The current account deficit declined by 78% MoM and clocked in at USD 545 million in February 2022 7) China agrees to fresh rollover of USD 2.5 billion commercial loans, 8) PKR depreciate against greenback and settle at PKR/USD 183.48 on March 31, 2022 and 9) Subsidy package provided by the PM on oil and electricity.

Foreign investors continued to remain net sellers with net outflows of USD 271.13 million. Individuals, Corporates and Banks / DFIs were major buyers with net inflows of USD 82.29 million, USD 81.09 million and USD 72.26 million, respectively. Whereas, Mutual Funds and Brokers were net sellers with net outflows of USD 61.84 million and USD 16.57 million, respectively.

The sectors that dragged the KSE-100 down the most included Tobacco (-12.99%), Cement (-6.42%), Commercial Banks (-2.29%), Technology and Communication (-10.72%) and Refineries (-20.89%). However, some of the losses were compensated by Food and Personal Care Products (9.16%), Fertilizer (8.74%), Chemicals (4.46%), Automobile Assemblers (3.09%) and Real Estate Investment Trust (22.86%).

In terms of valuation, the KSE-100 Index closed at a forward Price to Earnings multiple of 4.70x, which is a 62.24% discount as compared to MSCI Frontier Markets P/E of 12.45x and offering a healthy dividend yield of 8.03%.

## **MONEY MARKET REVIEW**

During 9MFY22, nineteen (19) MTB auctions were carried out by the SBP, where the government managed to raise PKR 11.71 trillion cumulatively. Weighted average yield of 3, 6 and 12 months MTB were 8.90%, 9.30% and 9.27% respectively, up by 1.82%, 2.12% and 1.96% as compared to 7.08%, 7.19% and 7.32% same period last year.

To further address the need of liquidity, SBP conducted nine (9) auctions of fixed rate Pakistan Investment Bond (PIB) and was successful in raising PKR 1.18 trillion. The weighted average yield for 3, 5 and 10 year PIBs increased by 1.58%, 1.32% and 1.40% to 9.87%, 10.09% and 10.69% respectively as compared to 8.29%, 8.77% and 9.28% same period last year.

The Monetary Policy Committee announced six (6) Monetary Policy Statements in 9MFY22, during which the Committee increased policy rate by 275 basis points to 9.75% aiming to reduce pressures on inflation and current account. SBP conducted 81 Open Market Operations (OMO) of different maturities and injected average amount of PKR 1.01 trillion at an average cut off yield of 8.58% and mopped-up average amount of PKR 0.11 trillion at an average cut off yield of 7.23%.

As per the auction target calendar for March – May 2022, the SBP targets to raise PKR 4.00 trillion by issuing 3 to 12 months tenor MTB against maturing amount of PKR 3.75 trillion. In addition, SBP also targets to raise PKR 300 billion through 3 to 30 years tenor fixed rate PIB during the period.

## **FUTURE OUTLOOK**

On a forward-looking basis, we remain optimistic given eased off political turmoil following the takeover of new government led by Mr. Shehbaz Sharif and surprised 250 basis points hike in policy rate by MPC which bring policy rate close to interbank rate i.e. KIBOR. However, rising geopolitical tensions, in particular Russia-Ukraine crisis depict the most important external risk.

The CAD is expected to settle near to 4% of GDP in FY22. The SBP is in the process of taking further actions to reduce the pressure on current account which includes increase in the interest rate on the export refinance scheme (EFS) and widening the set of import items mainly luxury subject to cash margin requirement.

During 9MFY22, the local currency witnessed 14% decline in its value against greenback and settled at USD/PKR 183.48 on March 31, 2022. However, the stability in USD/PKR exchange rate cannot be ruled out following the 250 basis points hike in policy rate.

Given the significant uncertainty related to outlook for international commodity prices where no major downturn is in sight in the near term, the SBP expects CPI for FY22 to settle slightly above 11% before moderating in FY23.

The ouster of PM Khan through No-Confidence Motion by the opposition alliance has created wave of euphoria in the equity market. However the sustainability of this rally would depend on how the government re-engage IMF for resumption of the program given depleting forex reserves, and stability in the international commodity prices.

**For and on behalf of the board**

**Imran Motiwala**  
Chief Executive Officer

**Abdul Karim**  
Chairman

Karachi: April 27, 2022

# AKD Cash 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 Shahrah-e-Faisal  
Karachi

## Bankers

Askari Bank Limited  
Bank Al Habib Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
United Bank Limited

## Auditors

M/s Yousuf Adil  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8,  
KCHSU Shahrah-e-Faisal,  
Karachi-75350

## Legal Advisor

Sattar & Sattar  
Attorneys-at-Law  
3rd Floor, UBL Building  
11 Chundrigar Road, Karachi.

## Registrar

AKD Investment Management Limited  
216-217, Continental Trade Centre,  
Block 8, Clifton, Karachi - 74000  
UAN: 111-253-465 (111-AKDIML)

## Distributor

Financial Investments Mart (Pvt) Ltd.  
Investlink Advisor (Private) Limited.  
Investomate (Private) Limited  
ITMinds Limited.  
YPay Financial Services (Pvt.) Ltd.

## Rating-AKDCF

BY PACRA: AA+(f)

## FUND MANAGER'S REPORT

**i) Description of the Collective Investment Scheme Category and types:**

Open – end Money Market Scheme

**ii) Statement of Collective Investment Scheme's Investment objective:**

The investment objective of the Fund is to provide optimum return consistent with minimal risk from a portfolio constituted of high quality short term securities / instruments, which will provide liquidity to investors. The fund exclusively invests in highly secure ('AA' and above) short-term debt instruments such that the weighted average maturity of its net assets stays below 90 days.

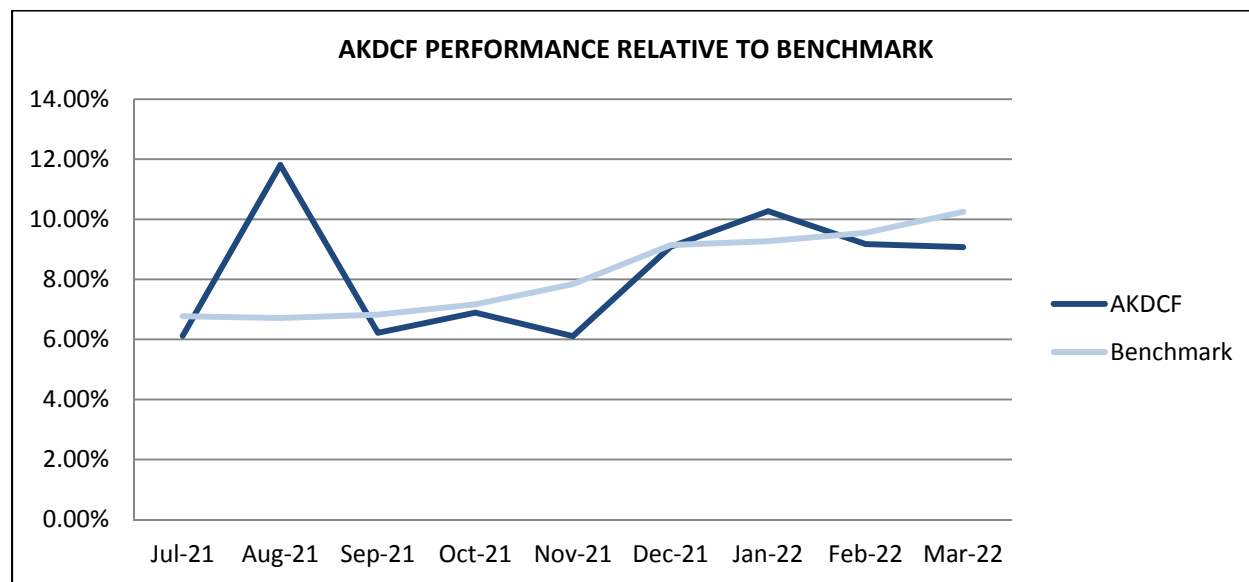
**iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:**

For the 9MFY22, the annualized return of AKD Cash Fund stood at 8.54% compared to benchmark return of 8.17%.

**iv) Statement of benchmark (s) relevant to the Collective Investment Scheme:**

70% three (3) months PKRV rate + 30% three (3) months average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP.

**v) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmark:**



| Monthly yield (annualized) | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| AKDCF                      | 6.12%  | 11.81% | 6.22%  | 6.89%  | 6.11%  | 9.08%  | 10.27% | 9.17%  | 9.07%  |
| Benchmark                  | 6.77%  | 6.71%  | 6.82%  | 7.17%  | 7.84%  | 9.14%  | 9.27%  | 9.55%  | 10.25% |

vi) **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance:**

AKD Cash Fund is an Open – end Money Market Scheme. The returns of the fund are generated primarily through investment in high quality short term government securities. AKDCF is fully complied with the relevant policies and procedures as per Fund's regulatory requirements.

vii) **Disclosure of Collective Investment Scheme's asset allocation as the date of report and particulars of significant changes in asset allocation:**

| <b>Asset Allocation (% of Total Assets)</b> | <b>31-Mar-22</b> | <b>31-Dec-21</b> |
|---------------------------------------------|------------------|------------------|
| <b>Cash and Cash Equivalents</b>            | 95.17%           | 91.45%           |
| <b>Commercial Papers</b>                    | 2.89%            | 6.82%            |
| <b>Other Assets including Receivables</b>   | 1.94%            | 1.73%            |

viii) **Analysis of the Collective Investment Scheme's performance:**

|                                      |              |
|--------------------------------------|--------------|
| <b>9MFY22 Return (annualized)</b>    | <b>8.54%</b> |
| <b>Benchmark Return (annualized)</b> | <b>8.17%</b> |

ix) **Changes in NAV and NAV per unit since the last reviewed period:**

| <b>Net Assets Value</b> |                  | <b>Change in Net Assets</b> | <b>NAV Per Unit</b> |                  |
|-------------------------|------------------|-----------------------------|---------------------|------------------|
| <b>31-Mar-22</b>        | <b>31-Dec-21</b> |                             | <b>31-Mar-22</b>    | <b>31-Dec-21</b> |
| <b>(Rupees in 000)</b>  |                  |                             | <b>(Rupees)</b>     |                  |
| <b>1,157,737</b>        | <b>911,643</b>   | <b>26.99%</b>               | <b>53.8756</b>      | <b>52.6313</b>   |

x) **Disclosure on the markets that the Collective Investment Scheme has invested in including review of the market (s) invested in and return during the period:**

**MACRO PERSPECTIVE:**

Pakistan's economy continued to witness robust growth where the pace of the economy exceeded expectations of the State Bank of Pakistan (SBP), albeit coming at the expense of an elevated Current Account Deficit (CAD) amid rising inflation fuelled by a significant currency devaluation, and an unprecedented increase in international commodity prices.

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**xi) 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 Fund Manager's report, not otherwise disclosed in the financial statements:**

There was no significant change in the state of affairs during the period under review.

**xii) Break down of unit holding by size:**

| <b>Range (Units)</b> | <b>No. of Investors</b> |
|----------------------|-------------------------|
| 0.0001 to 9,999      | 281                     |
| 10000 to 49999       | 32                      |
| 50,000 - 99,999      | 6                       |
| 100,000 - 499,999    | 12                      |
| 500,000 and above    | 8                       |
| <b>Total</b>         | <b>339</b>              |

**xiii) Disclosure on unit split (if any), comprising:**

There were no unit splits during the period.

**xiv) Disclosure of circumstances that materially affect any interest of unit holders:**

Investments are subject to credit and market risk.

**xv) 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:**

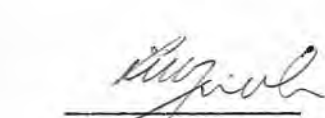
No soft commission has been received by the AMC from its broker or dealer by virtue of transactions conducted by the Collective Investment Scheme.

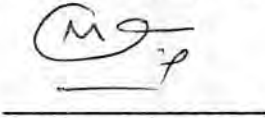
AKD CASH FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT MARCH 31, 2022

|                                                                         |      | (Un-audited)<br>March 31,<br>2022 | (Audited)<br>June 30,<br>2021 |
|-------------------------------------------------------------------------|------|-----------------------------------|-------------------------------|
|                                                                         | Note | ----- (Rupees in '000) -----      |                               |
| <b>Assets</b>                                                           |      |                                   |                               |
| Bank balances                                                           | 5    | 91,915                            | 2,499                         |
| Investments                                                             | 6    | 1,047,775                         | 421,992                       |
| Profit receivable                                                       | 7    | 1,851                             | 85                            |
| Receivable from other funds against convesion of Units                  |      | 19,998                            | -                             |
| Deposit, prepayments and other receivables                              | 8    | 713                               | 675                           |
| <b>Total assets</b>                                                     |      | <b>1,162,252</b>                  | <b>425,251</b>                |
| <b>Liabilities</b>                                                      |      |                                   |                               |
| Payable to the AKD Investment Management Limited - Management Company   | 9    | 1,309                             | 889                           |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 10   | 60                                | 28                            |
| Payable to Securities and Exchange Commission of Pakistan               | 11   | 116                               | 88                            |
| Unclaimed Dividend                                                      |      | 1,595                             | -                             |
| Payable against redemption /conversion of units                         |      | 767                               | -                             |
| Accrued expenses and other liabilities                                  | 12   | 668                               | 5,687                         |
| <b>Total liabilities</b>                                                |      | <b>4,515</b>                      | <b>6,692</b>                  |
| <b>Net assets</b>                                                       |      | <b>1,157,737</b>                  | <b>418,559</b>                |
| <b>Unit holders' fund (as per statement attached)</b>                   |      | <b>1,157,737</b>                  | <b>418,559</b>                |
| <b>Contingencies and commitments</b>                                    |      |                                   |                               |
|                                                                         | 13   |                                   |                               |
|                                                                         |      | Number of units                   |                               |
| Number of units in issue                                                |      | 21,489,085                        | 8,267,235                     |
| ----- Rupees -----                                                      |      |                                   |                               |
| <b>Net assets value per unit</b>                                        |      | <b>53.8756</b>                    | <b>50.6287</b>                |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Offier

  
Chief Financial Officer

  
Director

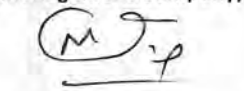
**AKD CASH FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2022**

|                                                                                               |      | For the Nine Months ended    |               | For the quarter ended |              |
|-----------------------------------------------------------------------------------------------|------|------------------------------|---------------|-----------------------|--------------|
|                                                                                               |      | March 31,                    |               | March 31,             |              |
|                                                                                               |      | 2022                         | 2021          | 2022                  | 2021         |
|                                                                                               | Note | -----('Rupees in '000) ----- |               |                       |              |
| <b>Income</b>                                                                                 |      |                              |               |                       |              |
| Net unrealised diminution on remeasurement investments 'at fair value through profit or loss' |      | (294)                        | (10)          | (294)                 | (14)         |
| Income from government securities                                                             |      | 31,855                       | 21,248        | 15,542                | 7,223        |
| Income from Letter of Placement                                                               |      | -                            | 9             | -                     | 9            |
| Income from Commercial Paper                                                                  |      | 2,550                        | 2,003         | 1,046                 | 751          |
| Capital loss on sale of investments - net                                                     |      | (461)                        | (441)         | (7)                   | (38)         |
| Profit on bank deposits                                                                       |      | 17,292                       | 530           | 9,018                 | 206          |
| Other Income                                                                                  | 12.1 | 3,036                        | -             | -                     | -            |
| <b>Total income</b>                                                                           |      | <b>53,978</b>                | <b>23,339</b> | <b>25,305</b>         | <b>8,137</b> |
| <b>Expenses</b>                                                                               |      |                              |               |                       |              |
| Remuneration of AKD Investment Management Limited - Management Co                             | 9.1  | 2,413                        | 1,311         | 1,073                 | 470          |
| Sales tax on the remuneration of the Management Company                                       | 9.2  | 314                          | 170           | 140                   | 61           |
| Remuneration of the Central Depository Company of Pakistan Limited - Tr                       | 10.1 | 336                          | 213           | 135                   | 76           |
| Sales tax on the Trustee remuneration                                                         | 10.2 | 44                           | 28            | 18                    | 10           |
| Annual fee to the Securities and Exchange Commission of Pakistan                              | 11.1 | 116                          | 66            | 49                    | 24           |
| Expenses allocated by the Management Company                                                  | 9.4  | 869                          | 492           | 370                   | 177          |
| Brokerage and settlement charges                                                              |      | 32                           | 17            | 1                     | 4            |
| Auditors' remuneration                                                                        |      | 228                          | 228           | 75                    | 75           |
| Bank charges                                                                                  |      | 69                           | 96            | 17                    | 42           |
| Fee and subscription                                                                          |      | 21                           | 33            | 7                     | 7            |
| Printing and related cost                                                                     |      | 112                          | 112           | 35                    | 35           |
| Legal and professional charges                                                                |      | 448                          | 223           | 76                    | 73           |
| Provision against Sindh Workers' Welfare Fund                                                 |      | -                            | 407           | -                     | 142          |
| <b>Total expenses</b>                                                                         |      | <b>5,002</b>                 | <b>3,396</b>  | <b>1,996</b>          | <b>1,196</b> |
| <b>Net income for the period before taxation</b>                                              |      | <b>48,976</b>                | <b>19,943</b> | <b>23,309</b>         | <b>6,941</b> |
| Taxation                                                                                      | 15   | -                            | -             | -                     | -            |
| <b>Net income for the period after taxation</b>                                               |      | <b>48,976</b>                | <b>19,943</b> | <b>23,309</b>         | <b>6,941</b> |
| <b>Allocation of net income for the period</b>                                                |      |                              |               |                       |              |
| Net income for the period after taxation                                                      |      | 48,976                       | 19,943        | 23,309                | 6,941        |
| Income already paid on units redeemed                                                         |      | (6,472)                      | (6,845)       | (2,019)               | (2,996)      |
|                                                                                               |      | <b>42,504</b>                | <b>13,098</b> | <b>21,290</b>         | <b>3,945</b> |
| <b>Accounting income available for distribution</b>                                           |      |                              |               |                       |              |
| - Relating to capital gains                                                                   |      | -                            | -             | -                     | -            |
| - Excluding capital gains                                                                     |      | 42,504                       | 13,098        | 21,290                | 3,945        |
|                                                                                               |      | <b>42,504</b>                | <b>13,098</b> | <b>21,290</b>         | <b>3,945</b> |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

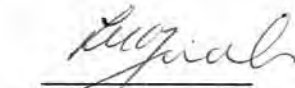
  
Director

AKD CASH FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2022

|                                           | For the Nine Months ended<br>March 31, |               | For the quarter ended<br>March 31, |              |
|-------------------------------------------|----------------------------------------|---------------|------------------------------------|--------------|
|                                           | 2022                                   | 2021          | 2022                               | 2021         |
|                                           | -----('Rupees in '000) -----           |               |                                    |              |
| Net income for the period after taxation  | 48,976                                 | 19,943        | 23,309                             | 6,941        |
| Other comprehensive income for the period | -                                      | -             | -                                  | -            |
| Total comprehensive income for the period | <u>48,976</u>                          | <u>19,943</u> | <u>23,309</u>                      | <u>6,941</u> |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**AKD CASH FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2022**

|                                                                                                     | For the Nine Months ended<br>March 31, |                  | For the quarter ended<br>March 31, |                |
|-----------------------------------------------------------------------------------------------------|----------------------------------------|------------------|------------------------------------|----------------|
|                                                                                                     | 2022                                   | 2021             | 2022                               | 2021           |
| Note                                                                                                | -----('Rupees in '000) -----           |                  |                                    |                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                         |                                        |                  |                                    |                |
| Net income for the period before taxation                                                           | 48,976                                 | 19,943           | 23,309                             | 6,941          |
| <b>Adjustments</b>                                                                                  |                                        |                  |                                    |                |
| Net unrealised diminution on remeasurement<br>of investments 'at fair value through profit or loss' | 294                                    | 10               | 294                                | 14             |
| Capital loss on sale of investment                                                                  | 461                                    | 441              | 7                                  | 38             |
| Other income                                                                                        | (3,036)                                | -                | -                                  | -              |
| Provision against Sindh Workers' Welfare Fund                                                       | -                                      | 407              | -                                  | 142            |
|                                                                                                     | 46,695                                 | 20,801           | 23,610                             | 7,135          |
| <b>(Increase) / decrease in assets</b>                                                              |                                        |                  |                                    |                |
| Profit receivable                                                                                   | (1,766)                                | 3,076            | 1,735                              | (26)           |
| Receivable from other funds against conversion of units                                             | (19,998)                               | -                | (8,402)                            | -              |
| Deposit, prepayments and other receivables                                                          | (38)                                   | (31)             | (11)                               | (17)           |
|                                                                                                     | (21,802)                               | 3,045            | (6,678)                            | (43)           |
| <b>Increase / (decrease) in liabilities</b>                                                         |                                        |                  |                                    |                |
| Payable to the AKD Investment Management Limited - Management Co                                    | 420                                    | 86               | 231                                | 157            |
| Payable to the Central Depository Company of Pakistan Limited - Trustee                             | 32                                     | (6)              | 15                                 | 5              |
| Payable to Securities and Exchange Commission of Pakistan                                           | 28                                     | (89)             | 49                                 | 24             |
| Payable against redemption / conversion of units                                                    | 767                                    | -                | 517                                | -              |
| Unclaimed dividend                                                                                  | 1,595                                  | -                | 2                                  | -              |
| Accrued expenses and other liabilities                                                              | (1,983)                                | (5,384)          | 68                                 | 57             |
|                                                                                                     | 859                                    | (5,393)          | 882                                | 243            |
| Investments - net                                                                                   | 273,813                                | 317,292          | 28,559                             | 49,152         |
| <b>Net cash generated from / (used in) operating activities</b>                                     | <b>299,565</b>                         | <b>335,745</b>   | <b>46,373</b>                      | <b>56,487</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                         |                                        |                  |                                    |                |
| Amount received on issue of units                                                                   | 1,918,950                              | 833,968          | 451,901                            | 479,456        |
| Payment against redemption of units                                                                 | (1,228,748)                            | (972,628)        | (229,116)                          | (409,426)      |
| <b>Net cash generated from / (used in) financing activities</b>                                     | <b>690,202</b>                         | <b>(138,660)</b> | <b>222,785</b>                     | <b>70,030</b>  |
| <b>Net increase in cash and cash equivalents</b>                                                    | <b>989,767</b>                         | <b>197,085</b>   | <b>269,158</b>                     | <b>126,517</b> |
| Cash and cash equivalents at beginning of the period                                                | 116,372                                | 184,186          | 836,981                            | 254,754        |
| Cash and cash equivalents at end of the period                                                      | 5.2 1,106,139                          | 381,271          | 1,106,139                          | 381,271        |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited  
(Management Company)

  
Chief Executive Officer

  
Chief Financial Officer

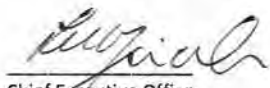
  
Director

AKD CASH FUND  
 CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)  
 FOR THE NINE ENDED PERIOD ENDED MARCH 31, 2022

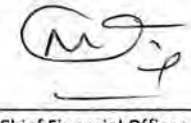
|                                                                                              | For the Nine Months ended March 31,<br>2022 |                         |           | For the Nine Months ended March 31,<br>2021 |                         |         |
|----------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------|-----------|---------------------------------------------|-------------------------|---------|
|                                                                                              | Rupees in '000                              |                         |           |                                             |                         |         |
|                                                                                              | Capital value                               | Undistributed<br>income | Total     | Capital value                               | Undistributed<br>income | Total   |
| Net assets at beginning of the period                                                        | 416,123                                     | 2,436                   | 418,559   | 531,170                                     | 2,050                   | 533,220 |
| Issue of 36,809,520 units (2021: 16,323,656 units)                                           |                                             |                         |           |                                             |                         |         |
| - Capital value (at net asset value per unit at<br>beginning of the period)                  | 1,863,617                                   | -                       | 1,863,617 | 825,702                                     | -                       | 825,702 |
| - Element of income                                                                          | 55,333                                      | -                       | 55,333    | 23,917                                      | -                       | 23,917  |
| Total proceeds on issuance of units                                                          | 1,918,950                                   | -                       | 1,918,950 | 849,619                                     | -                       | 849,619 |
| Redemption of 23,587,670 units (2021: 18,861,959 units)                                      |                                             |                         |           |                                             |                         |         |
| - Capital value (at net asset value per unit at<br>beginning of the period)                  | 1,194,212                                   | -                       | 1,194,212 | 954,097                                     | -                       | 954,097 |
| - Amount paid out of element of income relating<br>to net income for the year after taxation | -                                           | 6,472                   | 6,472     | -                                           | 6,845                   | 6,845   |
| - Element of income                                                                          | 28,064                                      | -                       | 28,064    | 18,013                                      | -                       | 18,013  |
| Total payments on redemption of units                                                        | 1,222,276                                   | 6,472                   | 1,228,748 | 972,110                                     | 6,845                   | 978,955 |
| Total comprehensive income for the period                                                    | -                                           | 48,976                  | 48,976    | -                                           | 19,943                  | 19,943  |
| Distribution during the period                                                               | -                                           | -                       | -         | -                                           | -                       | -       |
| Refund of capital                                                                            | -                                           | -                       | -         | -                                           | -                       | -       |
| Net income for the period less distribution                                                  | -                                           | 48,976                  | 48,976    | -                                           | 19,943                  | 19,943  |
| Net assets at end of the period                                                              | 1,112,797                                   | 44,940                  | 1,157,737 | 408,679                                     | 15,148                  | 423,827 |
| Distribution for the year                                                                    |                                             |                         |           |                                             |                         |         |
| Undistributed income brought forward                                                         |                                             |                         |           |                                             |                         |         |
| - Realised income                                                                            |                                             | 2,389                   |           |                                             | 1,602                   |         |
| - Unrealised income                                                                          |                                             | 47                      |           |                                             | 448                     |         |
|                                                                                              |                                             | 2,436                   |           |                                             | 2,050                   |         |
| Accounting income available for distribution                                                 |                                             |                         |           |                                             |                         |         |
| - Relating to capital gains                                                                  |                                             | -                       |           |                                             | -                       |         |
| - Excluding capital gains                                                                    |                                             | 42,504                  |           |                                             | 13,098                  |         |
|                                                                                              |                                             | 42,504                  |           |                                             | 13,098                  |         |
| Distribution during the period                                                               |                                             | -                       |           |                                             | -                       |         |
| Undistributed income carried forward                                                         |                                             | 44,940                  |           |                                             | 15,148                  |         |
| Undistributed income carried forward                                                         |                                             |                         |           |                                             |                         |         |
| - Realised income                                                                            |                                             | 45,234                  |           |                                             | 15,158                  |         |
| - Unrealised income                                                                          |                                             | (294)                   |           |                                             | (10)                    |         |
|                                                                                              |                                             | 44,940                  |           |                                             | 15,148                  |         |
|                                                                                              |                                             | (Rupees)                |           |                                             | (Rupees)                |         |
| Net assets value per unit at beginning of the period                                         |                                             | 50.6287                 |           |                                             | 50.5831                 |         |
| Net assets value per unit at end of the period                                               |                                             | 53.8756                 |           |                                             | 52.9574                 |         |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

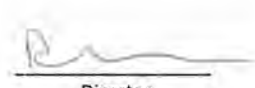
For AKD Investment Management Limited  
 (Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## AKD CASH FUND

### NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTH PERIOD AND QUARTER ENDED MARCH 31, 2022

#### 1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Cash Fund Fund (the Fund) was established under a Trust Deed, dated August 15, 2011, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on January 11, 2012. The initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e January 19, 2012.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. 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. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund.

The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, bank deposits, certificate of deposits, certificate of musharakas, commercial papers, reverse repos. Title of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund. The Fund is classified as a "Money Market Fund".

The Pakistan Credit Rating Agency Limited (PACRA) has maintained Asset Manager Rating of 'AM3++' to the Management Company dated February 8, 2021. PACRA has also assigned fund stability rating of "AA+(f)" to the Fund dated March 8, 2022.

The Fund is registered on August 23, 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12 of the Sindh Trusts Act, 2020.

#### 2. BASIS OF PREPARATION

##### 2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, 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 requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information has, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2021.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain investments are measured at fair value.

2.3 Functional and presentation currency

This condensed interim financial information are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES, RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

3.1 The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of audited financial statements of the Fund as at and for the year ended June 30, 2021.

3.2 The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended June 30, 2021.

3.3 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

4. FINANCIAL RISK MANAGEMENT

The Fund's risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2021.

|                     |      | (Unaudited)<br>March 31,<br>2022 | (Audited)<br>June 30,<br>2021 |
|---------------------|------|----------------------------------|-------------------------------|
|                     | Note | ----- (Rupees in '000) -----     |                               |
| 5. BANK BALANCES    |      |                                  |                               |
| In current accounts |      | 10                               | 10                            |
| In savings accounts | 5.1  | 91,905                           | 2,489                         |
|                     |      | 91,915                           | 2,499                         |

5.1 Mark-up rates on these accounts range between 8.25% to 9.00% per annum (June 30, 2021: 5.5% per annum).

|      | (Unaudited)<br>March 31,<br>2022 | (Audited)<br>June 30,<br>2021 |
|------|----------------------------------|-------------------------------|
| Note | ----- (Rupees in '000) -----     |                               |
|      | 91,915                           | 2,499                         |
|      | 1,014,224                        | 113,873                       |
|      | 1,106,139                        | 116,372                       |

5.2 CASH AND CASH EQUIVALENTS

Bank  
Market treasury bills

6. INVESTMENTS

At fair value through profit or loss  
- Government Securities - Market treasury bills

At amortised cost  
- Commercial Paper

|      |           |         |
|------|-----------|---------|
| 6.1  | 1,014,224 | 421,992 |
| 6.2. | 33,551    | -       |
|      | 1,047,775 | 421,992 |

6.1. Government Securities- 'at fair value through profit or loss'

| Instrument                 | Face value         |                                   |                                     |                         | Balance at March 31, 2022 |              |                                      | Market Value as percentage of |             |
|----------------------------|--------------------|-----------------------------------|-------------------------------------|-------------------------|---------------------------|--------------|--------------------------------------|-------------------------------|-------------|
|                            | At July 1,<br>2021 | Purchased<br>during the<br>period | Sold / matured<br>during the period | As at March<br>31, 2022 | Carrying value            | Market Value | Unrealized<br>(deficit) /<br>surplus | Net assets                    | Investments |
| ----- Rupees in '000 ----- |                    |                                   |                                     |                         |                           |              |                                      |                               |             |
| T-Bills ( 3 months)        | 115,000            | 3,630,900                         | 2,710,000                           | 1,035,900               | 1,014,518                 | 1,014,224    | (294)                                | 87.60%                        | 96.80%      |
| T-Bills (6 months)         | 313,000            | 180,000                           | 493,000                             | -                       | -                         | -            | -                                    | -                             | -           |
| Total March 31, 2022       |                    |                                   |                                     |                         | 1,014,518                 | 1,014,224    | (294)                                |                               |             |
| Total June 30, 2021        |                    |                                   |                                     |                         | 421,945                   | 421,992      | 47                                   |                               |             |

6.2. Commercial Paper

| Investee Company     | Face value      |                             |                                  |                      | Balance at March 31, 2022 | Rate of return | Maturity  | Face value as a percentage of |            |             |
|----------------------|-----------------|-----------------------------|----------------------------------|----------------------|---------------------------|----------------|-----------|-------------------------------|------------|-------------|
|                      | At July 1, 2021 | Purchased during the period | Sold / matured during the period | As at March 31, 2022 |                           |                |           | Carrying value                | Net sssets | Investments |
|                      |                 |                             |                                  |                      |                           |                |           |                               |            |             |
| Rupees in '000       |                 |                             |                                  |                      |                           |                |           |                               |            |             |
| K-Electric Limited   | -               | 30,000                      | 30,000                           | -                    | -                         | 8.01%          | 22-Feb-22 | -                             | -          |             |
| K-Electric Limited   | -               | 35,000                      | -                                | 35,000               | 33,551                    | 8.66%          | 7-Apr-22  | 2.90%                         | 3.20%      |             |
| Total March 31, 2022 |                 |                             |                                  | 35,000               | 33,551                    |                |           |                               |            |             |
| Total June 30, 2021  |                 |                             |                                  | -                    | -                         |                |           |                               |            |             |

|                                                                                                              |      | (Unaudited)<br>March 31,<br>2022 | (Audited)<br>June 30,<br>2021 |
|--------------------------------------------------------------------------------------------------------------|------|----------------------------------|-------------------------------|
|                                                                                                              | Note | ----- (Rupees in '000) -----     |                               |
| <b>6.3 Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'</b> |      |                                  |                               |
| Market value of investments                                                                                  | 6.1  | 1,014,224                        | 421,992                       |
| Carrying amount of investments                                                                               | 6.1  | (1,014,518)                      | (421,945)                     |
|                                                                                                              |      | <u>(294)</u>                     | <u>47</u>                     |

## 7 PROFIT RECEIVABLE

|                           |  |              |           |
|---------------------------|--|--------------|-----------|
| Profit receivable on bank |  | 450          | 85        |
| Commercial Paper          |  | 1,401        | -         |
|                           |  | <u>1,851</u> | <u>85</u> |

## 8 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

|                                                                   |     |            |            |
|-------------------------------------------------------------------|-----|------------|------------|
| Security Deposit - Central Depository Company of Pakistan Limited |     | 100        | 100        |
| Prepaid PSX annual listing fee                                    |     | 7          | -          |
| Advance tax                                                       | 8.1 | 606        | 575        |
|                                                                   |     | <u>713</u> | <u>675</u> |

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance), payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150 of the Ordinance. However, uptill period ended December 31, 2021, withholding tax on profit on debt 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.

|                                                                                |      | (Unaudited)<br>March 31,<br>2022 | (Audited)<br>June 30,<br>2021 |
|--------------------------------------------------------------------------------|------|----------------------------------|-------------------------------|
|                                                                                | Note | ----- (Rupees in '000) -----     |                               |
| <b>9 PAYABLE TO THE AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b> |      |                                  |                               |
| Remuneration                                                                   | 9.1  | 446                              | 145                           |
| Sales tax on management fees                                                   | 9.2  | 57                               | 17                            |
| Federal Exercise Duty Payable                                                  | 9.3  | 669                              | 669                           |
| Expenses allocated by the Management Company                                   | 9.4  | 137                              | 58                            |
|                                                                                |      | <u>1,309</u>                     | <u>889</u>                    |

9.1 The Management Company has charged remuneration at the following rates per annum of the average net assets of the Fund. The remuneration is paid to the management on a monthly basis in arrears.

| Net Asset of the Fund           | Remuneration Rate (Per annum) |
|---------------------------------|-------------------------------|
| Up to Rs. 1 Billion             | 0.40%                         |
| Rs. 1 Billion - Rs. 1.5 Billion | 0.50%                         |
| Above Rs. 1.5 Billion           | 1.25%                         |

- 9.2 Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.
- 9.3 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the note 8.4 to annual audited financial statements of the Fund for the year ended June 30, 2021. Had the said provision for FED not been recorded in this condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2022 would have been higher by Re. 0.0311 per unit (June 30, 2021: Re. 0.081 per unit).
- 9.4 The Management Company has charged expenses at the rate of 0.15% (June 30 2021: 0.1%) per annum of the average annual net assets of the Fund.

|                                        | Note                                                                           | (Unaudited)<br>March 31,<br>2022 | (Audited)<br>June 30,<br>2021 |
|----------------------------------------|--------------------------------------------------------------------------------|----------------------------------|-------------------------------|
| ----- (Rupees in '000) -----           |                                                                                |                                  |                               |
| 10                                     | <b>PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b> |                                  |                               |
| Trustee fee                            | 10.1                                                                           | 52                               | 24                            |
| Sindh Sales Tax payable on trustee fee | 10.2                                                                           | 7                                | 3                             |
| CDS Charges Payable                    |                                                                                | 1                                | 1                             |
|                                        |                                                                                | <u>60</u>                        | <u>28</u>                     |

- 10.1 The Trustee is entitled to a remuneration to be paid monthly for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is paid to the Trustee at 0.065% (June 30, 2021: 0.065%) of net assets on monthly basis in arrears.
- 10.2 Sindh sales tax on services at the rate of 13% (June 30, 2021: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

|                              | Note                                                                        | (Unaudited)<br>March 31,<br>2022 | (Audited)<br>June 30,<br>2021 |
|------------------------------|-----------------------------------------------------------------------------|----------------------------------|-------------------------------|
| ----- (Rupees in '000) ----- |                                                                             |                                  |                               |
| 11                           | <b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b> |                                  |                               |
| Annual fee payable to SECP   | 11.1                                                                        | <u>116</u>                       | <u>88</u>                     |

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

|                                                  |      | (Unaudited)<br>March 31,<br>2022 | (Audited)<br>June 30,<br>2021 |
|--------------------------------------------------|------|----------------------------------|-------------------------------|
|                                                  | Note | ----- (Rupees in '000) -----     |                               |
| <b>12 ACCRUED EXPENSES AND OTHER LIABILITIES</b> |      |                                  |                               |
| Auditors remuneration                            |      | 145                              | 229                           |
| Printing Charges payable                         |      | 235                              | 150                           |
| Provision for Sindh Workers' Welfare Fund        | 12.1 | -                                | 3,036                         |
| Zakat payable                                    |      | 19                               | 19                            |
| Rating fee payable                               |      | 150                              | -                             |
| Brokerage Payable                                |      | 1                                | 10                            |
| Withholding tax payable                          |      | 117                              | 2,242                         |
| Others                                           |      | 1                                | 1                             |
|                                                  |      | <u>668</u>                       | <u>5,687</u>                  |

**12.1** During the period, Sindh Revenue Board (SRB) through its letter dated August 12, 2021, has clarified the legal status of applicability of Sindh Workers' Welfare Fund (SWWF).

As per the said letter, having reference no. SRB/TP/70/2013/8772, the Asset Management Companies (AMC) are covered under the term "financial institutions" as per the section 2(G)(V) of 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 the 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 AMCs, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds.

Consequently, the management has reversed all the provision recognised in respect of SWWF amounting to Rs. 3.036 million.

**13 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at March 31, 2022 and June 30, 2021.

**14 TOTAL EXPENSE RATIO**

The total expense ratio (TER) of the Fund from July 1, 2021 to March 31, 2022 is 0.86% (annualised) (June 30 2021: 1.03%), which includes 0.08% (June 30, 2021 : 0.22%) representing government levy, Sindh Worker's Welfare Fund and SECP fee.

**15 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 amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. Since the management intends to distribute the income earned by the Fund during the period to the unit holders in cash in the manner as explained above, accordingly, no provision for taxation has been made in this condensed interim financial information. Further, the Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Related parties / connected persons of the Fund include AKD Investment Management Limited (being the Management Company) and its related entities, Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and key management personnel of the Management Company.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

The details of transactions carried out by the Fund with related parties / connected persons and balances with them are as follows:

|                                                                                       | (Unaudited)<br>For the nine month ended<br>March 31, |       |
|---------------------------------------------------------------------------------------|------------------------------------------------------|-------|
|                                                                                       | 2022                                                 | 2021  |
|                                                                                       | ----- (Rupees in '000) -----                         |       |
| <b>16.1 Transactions during the period</b>                                            |                                                      |       |
| <b>AKD Investment Management Limited - Management Company</b>                         |                                                      |       |
| Remuneration to Management Company                                                    | 2,413                                                | 1,311 |
| Sindh sales tax on management remuneration                                            | 314                                                  | 170   |
| Expenses allocated by the Management Company                                          | 869                                                  | 492   |
| Issue of Nil units (2021: 21,879 units)                                               | -                                                    | 1,120 |
| Redemption of Nil units (2021: 21,879 units)                                          | -                                                    | 1,140 |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>                       |                                                      |       |
| Trustee remuneration                                                                  | 336                                                  | 213   |
| Sindh Sales Tax on trustee remuneration                                               | 44                                                   | 28    |
| <b>Imran Motiwala - CEO and Director of the Management Company</b>                    |                                                      |       |
| Issue of 37,302 Unitss ( 2021: Nil Units)                                             | 1,946                                                | -     |
| Redemption of 37,302 Units ( 2021: Nil Units)                                         | 1,955                                                | -     |
| <b>Sehr Imran Motiwala - Spouse of the CEO and Director of the Management Company</b> |                                                      |       |
| Issue of 136,394 Unitss ( 2021: Nil Units)                                            | 7,114                                                | -     |
| Redemption of 136,394 Units ( 2021: Nil Units)                                        | 7,143                                                | -     |
| <b>Hasan Ahmed - Director of the Management Company</b>                               |                                                      |       |
| Issue of 41,620 Units ( 2021: Nil Units)                                              | 2,229                                                | -     |
| <b>Key Management Personnel</b>                                                       |                                                      |       |
| <b>Muhammad Yaqoob (with Spouse &amp; minor children)</b>                             |                                                      |       |
| - Chief operating Officer and Company Secretary                                       |                                                      |       |
| Issue of 54,187 Units ( 2021: Nil Units)                                              | 2,910                                                | -     |

(Unaudited)  
For the nine month ended  
March 31,  
2022                      2021  
----- (Rupees in '000) -----

**Unit holders holding 10% or more of the units in issue**

**Durain Cassim (Unit holders holding 10% or more of the units in issue)**

|                                                     |         |         |
|-----------------------------------------------------|---------|---------|
| Issue of 4,410,641 units (2021: Nil units)          | 230,000 | -       |
| Redemption of 676,053 units (2021: 2,486,716 units) | 35,000  | 128,000 |

**Dinaz Cassim (Unit holders holding 10% or more of the units in issue)**

|                                                     |         |        |
|-----------------------------------------------------|---------|--------|
| Issue of 4,598,180 units (2021: Nil units)          | 240,000 | -      |
| Redemption of 1,164,284 units (2021: 681,137 units) | 60,000  | 35,000 |

**Bank Alfalah Limited Employees Provident Fund (Unit holders holding 10% or more of the units in issue)**

|                                            |   |         |
|--------------------------------------------|---|---------|
| Issue of Nil units (2021: 2,626,792 units) | - | 137,041 |
|--------------------------------------------|---|---------|

(Unaudited)                      (Audited)  
March 31,                      June 30,  
2022                      2021  
----- (Rupees in '000) -----

**16.2 Balances outstanding at the period / year end**

**AKD Investment Management Limited - Management Company**

|                                                        |     |     |
|--------------------------------------------------------|-----|-----|
| Management remuneration payable                        | 446 | 145 |
| Federal excise duty payable on management remuneration | 669 | 669 |
| Sindh Sales tax payable on management remuneration     | 57  | 17  |
| Payable against allocated expenses                     | 137 | 58  |

**Central Depository Company of Pakistan Limited - Trustee**

|                                                 |     |     |
|-------------------------------------------------|-----|-----|
| Trustee remuneration payable                    | 52  | 24  |
| Sindh Sales Tax on trustee remuneration payable | 7   | 3   |
| CDS Charges Payable                             | 1   | 1   |
| Security Deposit                                | 100 | 100 |

**Hasan Ahmed - Director of the Management Company**

|                                        |       |   |
|----------------------------------------|-------|---|
| Units held 41,767 (June 30, 2021: 146) | 2,250 | 7 |
|----------------------------------------|-------|---|

**Key Management Personnel**

**Muhammad Yaqoob (with Spouse & minor children)**

- Chief operating Officer and Company Secretary

|                                            |       |   |
|--------------------------------------------|-------|---|
| Units held 54,187 Units ( 2021: Nil Units) | 2,919 | - |
|--------------------------------------------|-------|---|

**Receivable / Payable from / to AKD Funds against conversion of units**

|                                                               |     |   |
|---------------------------------------------------------------|-----|---|
| Payable against conversion of units - AKD Islamic Income Fund | 103 | - |
|---------------------------------------------------------------|-----|---|

|                                                                  |        |   |
|------------------------------------------------------------------|--------|---|
| Receivable against conversion of units - AKD Islamic Income Fund | 19,998 | - |
|------------------------------------------------------------------|--------|---|

**Durain Cassim (Unit holders holding 10% or more of the units in issue)**

|                                                             |         |        |
|-------------------------------------------------------------|---------|--------|
| Units held 5,153,462 Units (June 30, 2021: 1,418,874 units) | 277,646 | 71,836 |
|-------------------------------------------------------------|---------|--------|

**Dinaz Cassim (Unit holders holding 10% or more of the units in issue)**

|                                                       |         |        |
|-------------------------------------------------------|---------|--------|
| Units held 4,440,176 Units (June 30, 2021: 1,006,280) | 239,217 | 50,947 |
|-------------------------------------------------------|---------|--------|

**Bank Alfalah Limited Employees Provident Fund (Unit holders holding 10% or more of the units in issue)**

|                                                             |         |         |
|-------------------------------------------------------------|---------|---------|
| Units held 2,709,247 Units (June 30, 2021: 2,709,247 units) | 145,962 | 137,166 |
|-------------------------------------------------------------|---------|---------|

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets (i.e. listed securities) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

|                                      |      | (Unaudited)<br>As at March 31, 2022 |           |         |           |
|--------------------------------------|------|-------------------------------------|-----------|---------|-----------|
| Assets                               |      | Level 1                             | Level 2   | Level 3 | Total     |
| ----- (Rupees in '000) -----         |      |                                     |           |         |           |
| At fair value through profit or loss | Note |                                     |           |         |           |
| Investments                          |      |                                     |           |         |           |
| - Government Securities              | 6.1  | -                                   | 1,014,224 | -       | 1,014,224 |
|                                      |      |                                     |           |         |           |
|                                      |      | (Audited)<br>As at June 30, 2021    |           |         |           |
| Assets                               |      | Level 1                             | Level 2   | Level 3 | Total     |
| ----- (Rupees in '000) -----         |      |                                     |           |         |           |
| At fair value through profit or loss |      |                                     |           |         |           |
| Investments                          |      |                                     |           |         |           |
| - Government Securities              | 6.1  | -                                   | 421,992   | -       | 421,992   |

There were no transfers between various levels of fair value heirarchy during the period.

18. GENERAL

18.1 Figures have been rounded off to the nearest thousand Rupees.

18.2 This condensed interim financial information is unaudited.

18.3 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

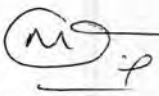
19. DATE OF AUTHORISATION FOR ISSUE

27 APR 2022

This condensed interim financial information was 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 Investment  
Management Ltd.**

**Head Office:**

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