AKD Investment Management Ltd.

Partner with AKD
Profit from the Experience

Risk Profile of Collective Investment Schemes/Plans

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

Message from CIO's Desk

The market commenced the month on a positive note on the back of hopes of improving FX reserves as financial assistance from friendly Countries leading to equities providing a 4% (1,828.29 points) return till November 11th. However, the optimism was short lived and overshadowed by reports of undue delays in IMF's 9th review and the indefinite postponement of Saudi Crown's Prince visit to Pakistan which was expected to trigger several investment and fiscal support agreements. Despite the timely appointment of the new Chief of Army Staff which underscored political stability was again marred by the precarious economic conditions of the country as the Central Bank contrary to market expectations raised the discount rate by 100bps to 16.00% in its last Monetary Policy meeting citing concerns of persistent inflationary pressures. As a result, a major proportion of the gains recorded in the early half of the month were wiped out and the KSE – 100 index closed in at 42,348.63 points increasing 1,084 points (+2.63% MoM/+1.94%FYTD). While the market was able to close with a positive return, volumes on the other hand remained a key concern for investors as the average daily traded volume declined by 25% to 204 million as compared to 274 million recorded during October 2022. Needless to say, the capital markets closed another month with unprecedented compelling valuations with a forward P/E and P/B of 4.1x and 0.8x respectively, with a healthy dividend yield of 10.2%.

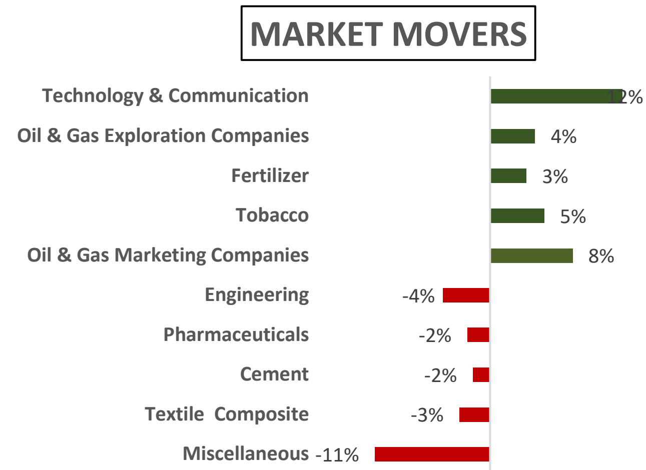
During the month the market was pleasantly surprised to record foreign investors as net buyers with an inflow of USD 2.00 million especially in Oil and Gas Exploration (USD 5.39 million) and Technology and Communication (USD 1.54 million) sectors. On the local front, Individuals and Banks/DFIs reported net buying of USD 16.14 billion and USD 3.93 billion respectively whereas Insurance and Mutual Funds remained net sellers with outflows of USD 12.14 and 6.94 respectively.

Other significant developments and reports that affected investor sentiment during the month included:

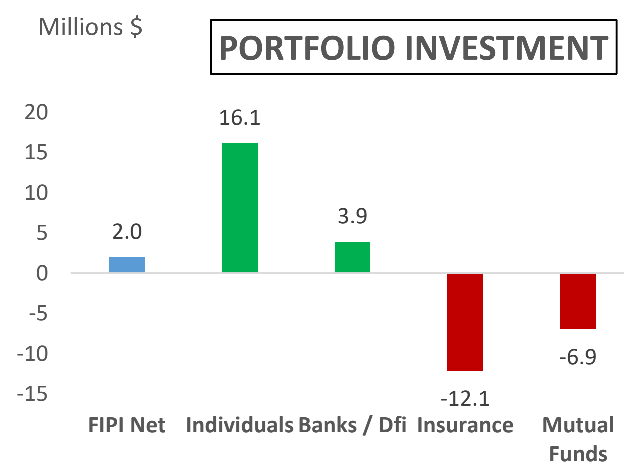
- The Current Account Deficit (CAD) for the month of October 2022 clocked in at USD 567 million, down 56% MoM from USD 363 million in September 2022 taking the 4MFY23 CAD to USD 2.82 billion against USD 5.31 billion, down 47% YoY.
- The Fiscal Deficit for the 1QFY22 surged to 1% of GDP as compared to 0.7% of GDP in the same period of last year, while all four provincial governments collectively were able to post a budget surplus of PKR 218 billion during the first quarter of the current fiscal year.
- According to Central Bank's published data, inflows of home remittances declined by 9% in the first four months of the current fiscal year 2023 amounting to USD 9.9 billion as compared to USD 10.8 billion in the same period last year.
- Large scale manufacturing Index (LSMI) output also declined by 0.4% in 1QFY23 compared to the SPLY as a result of higher raw material costs on the back of currency devaluation, high interest rates and global recession.
- The Country's total stock of debt and liabilities continued to rise unabated increasing by 23.7% to PKR 62.46 trillion in July-September FY2023, compared with PKR 50.49 trillion in the same period of last fiscal year.
- Pakistan's Foreign Direct Investment (FDI) dropped by 52% to USD 348.3 million in the first four months of the current fiscal year.
- Pakistan reportedly received USD 500 million as co-financing for the "BRACE Development Program" from the Asian Infrastructure Investment Bank (AIIB).
- During the month, the PKR depreciated by 1.37% against the USD to close at PKR 223.95/USD as the FX reserves held by SBP further depleted by USD 1.09 billion to USD 7.83 billion.

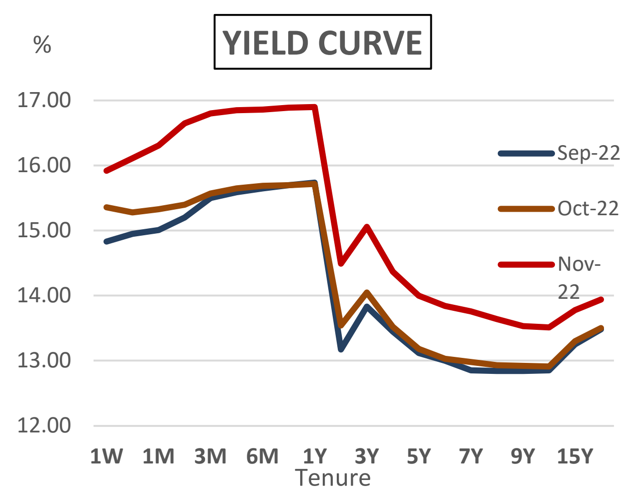
The NCPI during the month of November 2022 clocked in at 23.84% YoY as compared to 26.56% YoY in October 2022 taking the 5MFY23 average NCPI to 25.14%. The main contributors to the decline in inflation were Housing, Water, Electricity, Gas, and Fuel (weight in CPI 23.63%) with an impact of 0.11% MoM / 9.89% YoY primarily resultant of rising electricity prices. Going forward, inflation is expected to remain elevated during FY23 in line with the SBP estimates of 21-23% on the back of food scarcity amid devastating floods, high fuel and energy costs, and lagged impact of PKR devaluation. On the other hand, winds of global recession might help subside commodity prices and augment some relief in inflationary pressures.

During the month, the SBP conducted three MTB auctions with a realized amount of PKR 1.42 trillion. The Weighted average yields for 3 months, 6 months, and 12 months, MTB increased by 121bps, 83bps, and 111bps to 16.8803%, 16.5229%, and 16.7726% respectively as compared to the last month. The upward movement in yields is a result of an increase in discount rate by SBP to 16% in the Monetary Policy Committee held on November 25, 2022 to almost record levels, signaling that economic conditions would remain difficult at least in the near term.



**Change in market capitalization during month*





DISPUTE RESOLUTION/ COMPLAINTS HANDLING:

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

SERVICE DESK - CLICK ME
Toll Free (From Landline Only) 0800-88008
Complaints
Queries

AKD Cash Fund

Fund Manager's Comments

For the month of November'2022, AKD Cash Fund (AKDCF) posted an annualized return of 13.91% against the benchmark return of 14.99%. The exposure in T-bills was 81.08%, 11.92% in Short Term Sukuks (STS), 5.06% in Commercial Papers and 0.82% was Cash at the end of November'2022. The weighted average maturity of the Fund was at 43 days.

In continuation to provide distinguished services to our Unit Holders, AKD Investment Management Limited has decided to charge Management Fee on the AKD Cash Fund once the Net Assets of the fund crosses Rs.0.5 billion and will continue charging Management Fee on following basis:

Net Asset of the Fund	Management Fee (p.a.)
• Up to Rs.1 billion	0.4%
• Rs. 1 Billion – Rs. 5 Billion	0.5%
• Over Rs. 5 Billion	1.25%

Fund Information

Investment Objective: The objective of AKD Cash Fund (AKDCF) is to provide optimum returns consistent with minimal risk from a portfolio constituted of high quality short term securities/instruments, which will provide liquidity. The Fund will exclusively invest in highly secure ('AA' and above) short-term debt instruments such that the weighted average maturity of its net assets will stay below 90 days.

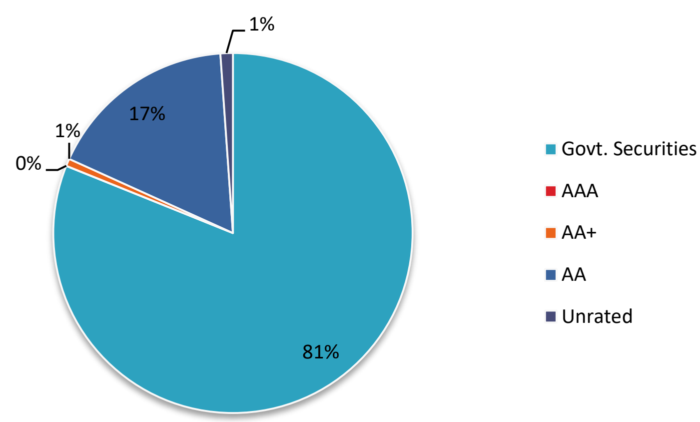
Fund Type	Open-End
Category	Money Market Scheme
Risk Profile	Low
Risk of Principal Erosion	Principal at Low Risk
Net Assets (PKR)	1,808,675,539
NAV (PKR)	53.8155
Benchmark	BM CF*
Dealing Days	Monday to Friday
Cut-off Timings	9:00 am to 5:00 pm
Pricing Mechanism	Forward Pricing
Management Fee	0.50% per annum
Total Expense Ratio (Annualized)	MTD (0.97%), YTD (0.92%)
Government Levies (Annualized)	MTD (0.09%), YTD (0.09%)
Sales Load (Front end)	Nil
Sales Load (Back end)	Nil
Date of Fund Launch	January, 2012
Trustee	Central Depository Company (CDC)
Auditor	Yousuf Adil, Chartered Accountants
Stability Rating	AA+(f) by PACRA (07 Sep' 2022)
Asset Manager Rating	AM3++ by PACRA (30 Jun' 2022)
Weighted Average Maturity (Years)	0.12
Duration (Days)	43
Leverage	Nil
Fund Manager	
Mr. Danish Aslam	
Investment Committee Members	
Mr. Imran Motiwala	Ms. Anum Dhedhi
Mr. Muhammad Yaqoob, CFA	Mr. Ali Abbas, CFA
Mr. Sheikh Usman Haroon	Mr. Danish Aslam

	FYTD	MTD	1 Year	3 Year**	5 Year**	Since Inception***
BM*	14.72%	14.99%	12.48%	31.26%	54.62%	7.93%
AKDCF	14.43%	13.91%	12.71%	32.16%	53.86%	8.11%
		FY22	FY21	FY20	FY19	FY18
BM*		9.29%	6.70%	11.69%	8.66%	5.35%
AKDCF		9.64%	6.38%	12.24%	7.89%	4.77%

*70% three (3) months PKRV rate + 30% three (3) months average deposit rate of three(3) AA rated scheduled Banks as selected by MUFAP.
The Fund's returns are computed on NAV to NAV with dividends reinvested – (excluding sales load).

Asset Allocation (% of Total Assets)	30-Nov-2022	31-Oct-2022
Cash	0.82%	1.50%
T-Bills	81.08%	85.09%
Commercial Papers	5.06%	0.00%
Placements with Banks and DFIs	0.00%	0.00%
TFCs / Sukuks	11.92%	13.18%
Others including receivables	1.12%	0.23%

Credit Quality of Portfolio (% of Total Assets)



Sukuk Certificates	Rating	30-Nov-2022
K-Electric Limited STS – 26-Oct-2022	AA	8.24%
Lucky Electric Power Company Ltd. STS – 13-Oct-2022	AA	2.20%
Lucky Electric Power Company Ltd. STS – 15-Jun-2022	AA	1.48%
Total		**11.92%**

** Cumulative Return
*** Geometric mean

Disclosure of Sindh Workers' Welfare Fund (SWWF): During the month of August 2021, provisioning against Sindh Workers Welfare Fund by AKDCF amounting to PKR 3.11 million has been reversed on the basis of clarification received from Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan, received on August 13, 2021. This reversal of provision has contributed towards an unusual increase in NAV of the AKDCF (0.25/unit) 0.49%. This is one-off event and is not likely to be repeated in the future.

Details of Non-Compliant Investment

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage(%) of Net Assets	Percentage(%) of Gross Assets

MUFAP's Recommended Format