

Quarterly Report

March 31, 2024

(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. Khalid Mehmood

Chief Executive Officer

Mr. Imran Motiwala

Director(s)

Ms. Anum Dhedhi
Ms. Aysha Ahmed
Mr. Ali Wahab Siddiqi
Mr. Hasan Ahmed
Mr. Abid Hussain

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 INERNAT AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali, ACA (ICAP & ICAEW)

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Abid Hussain (Chairman)
Ms. Aysha Ahmed (Member)
Mr. Ali Wahab Siddiqui (Member)
Mr. Hasan Ahmed (Member)
Ms. Tayyaba Masoom Ali, ACA (ICAP & ICAEW) (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) AND NOMINATION COMMITTEE

Mr. Khalid Mahmood (Chairman)
Mr. Imran Motiwala (Member)
Mr. Abid Hussain (Member)
Ms. Aysha Ahmed (Member)
Ms. Anum Dhedhi (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 Islamic Stock Fund (AKDISSF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF) and AKD Islamic Daily Dividend Fund (AKDIDDF) is pleased to present its nine months report along with the funds' unaudited financial statements for the period ended March 31, 2024.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 9MFY24, the return of AKD Opportunity Fund stood at 19.08% compared to the benchmark KSE-100 Index return of 61.64%.

Golden Arrow Stock Fund (GASF)

For the 9MFY24, the return of Golden Arrow Stock Fund at 37.48% compared to the benchmark KSE-100 Index return of 61.64%.

AKD Islamic Stock Fund (AKDISSF)

For the 9MFY24, the return of AKD Islamic Stock Fund stood at 72.75% compared to the benchmark KMI-30 Index return of 58.82%.

AKD Index Tracker Fund (AKDITF)

For the 9MFY24, the return of AKD Index Tracker Fund at 58.34% compared to the benchmark KSE-100 Index return of 61.64%.

AKD Cash Fund (AKDCF)

For the 9MFY24, the annualized return of AKD Cash Fund stood at 21.67% compared to the benchmark return of 21.12%.

AKD Islamic Income Fund (AKDISIF)

For the 9MFY24, the annualized return of AKD Islamic Income Fund stood at 20.01% compared to the benchmark return of 9.79%.

AKD Aggressive Income Fund (AKDAIF)

For the 9MFY24, the annualized return of AKD Aggressive Income Fund stood at 20.20% as compared to the benchmark return of 22.29%.

AKD Islamic Daily Dividend Fund (AKDIDDF)

For the 9MFY24, the annualized return of AKD Islamic Daily Dividend Fund stood at 19.50% as compared to the benchmark return of 9.97%.

MACRO PERSPECTIVE

The third quarter of FY24 commenced on a positive note, driven by several key developments. The approval and disbursement of USD 700 million after the successful first review of the Stand-By Arrangement (SBA) by the executive board of IMF, along with the UAE and China each rolling over USD 2 billion debt for an additional year, notably strengthening the country's external account position. Moreover, the 12th General Elections took place as scheduled on February 8, 2024, leading to the formation of a coalition government, providing much needed clarity on the political front. Shortly after its formation, the new government reached a staff-level agreement with the IMF on the second and final review under the SBA, paving the way for the disbursement of USD 1.1 billion subject to the IMF's board approval. Furthermore, inflation continued to trend downwards, while interest rates remained at record-high levels, reflecting the cautious monetary stance adopted by the central bank throughout the year in light of potential risks stemming from rising international commodity prices and escalating tensions in the Middle East region.

In its last meeting held on March 18, 2024, the Monetary Policy Committee (MPC) maintained the policy rate at 22% for the sixth consecutive time, contrary to market expectations of a marginal reduction. Despite a notable decrease in inflation in February 2024, it remains at elevated levels, and further adjustments in administered prices and fiscal measures which could exert upward pressure on prices in the near to medium term. Additionally, while international commodity prices have generally stabilized, recent increases in oil prices, attributed to escalating tensions in the Middle East, which pose further inflationary risks. Hence, the MPC deemed it necessary to sustain the current monetary policy stance in order to steer inflation towards the medium-term inflation target of 5-7% by the end of FY25.

In March 2024, the National Consumer Price Index (NCPI) dropped to 20.68% YoY (a 22-month low) as compared to 23.06% in February 2024 and 35.37% in March 2023, taking 9MFY24 average NCPI to 27.06%, slightly lower than the 27.26% recorded during the same period last year. Regionally, Urban and Rural CPI were recorded at 21.90% and 18.97%, respectively. However, there was a 1.71% MoM increase in NCPI, on the back of rising food prices and electricity charges within the housing index. March 2024 saw a positive real interest rate of 1.32%, the first time in nearly three years, compared to in January 2021 when it stood at 1.35%.

On the external front, the current account showed a surplus of USD 619 million in March 2024, compared to a surplus of USD 98 million (revised) in the previous month. This brings the 9MFY24 Current Account Deficit (CAD) to USD 508 million, a massive decline of 87% from USD 4.05 billion in the same period last year. This significant reduction in the CAD was driven by a decline in imports, an increase in exports, and other current transfers. Total imports for 9MFY24 amounted to USD 46.25 billion, down 4% compared to the same period last year, while total exports stood at USD 28.83 billion, marking an increase of 7%. Additionally, a stable exchange rate has contributed to a boost in workers' remittances, with remittances reaching USD 7.60 billion in the third quarter of FY24, up by 18% from the corresponding quarter last year. This improvement in the external sector indicates positive momentum in trade and remittances, potentially contributing to the country's balance of payments and overall economic stability.

According to the latest data released by the State Bank of Pakistan (SBP), the foreign exchange reserves held by the SBP stand at USD 7.98 billion, with the country's liquid foreign exchange reserves reaching USD 13.28

billion. This marks a remarkable 45% increase since the beginning of FY24. This surge can be primarily attributed to the disbursement of the first and second tranches under the IMF Stand-by Arrangement, injecting USD 1.9 billion into Pakistan's reserves. Additionally, this growth has been bolstered by an uptick in export earnings and workers' remittances. This increase in reserves not only enhances the country's ability to meet its external obligations but also strengthens investor confidence in Pakistan's economic prospects.

In March 2024, the Federal Board of Revenue (FBR) collected PKR 879 billion, bringing the 9MFY24 total tax collection to PKR 6,710 billion, surpassing the ambitious assigned target of PKR 6,707 billion and registering a growth of 30% compared to the same period last year. With a tax collection target of PKR 9.4 trillion for FY24, 30% higher from the previous year's revised collection, the FBR has been making continuous efforts such as broadening the tax base and imposing taxes on sectors historically under-taxed to achieve its goal. Meanwhile, the government's fiscal policy has been centered on maintaining a primary balance surplus, a crucial precondition of the IMF loan program, demonstrating fiscal discipline and stability essential for continued support from international financial institutions.

The Large Scale Manufacturing Index (LSMI) output experienced a modest increase of 0.06% YoY in February 2024, marking the fourth consecutive month of positive growth on YoY basis. Despite this, the 8MFY24 LSMI growth remains in negative territory at 0.51% when compared with the same period last year. Notably, key sectors such as Textile (-1.75), Automobiles (-1.14), Tobacco (-0.80), and Electrical Equipment (-0.26) significantly contributed to this overall decline. However, there were positive developments in the agricultural sector, with yields on Kharif crops surpassing last year's performance and promising prospects for Rabi crops amid favorable input conditions. This shift in agricultural performance may serve as a buffer against the challenges faced by the industrial sector.

The Government's persistent efforts to attract foreign investment, coupled with the relative stability in exchange rates, have yielded promising outcomes, evident by the total foreign investments reaching USD 1,164 million. Of this total, investments from China & Hong Kong accounted for USD 526 million, representing 45% of the total. Other significant investments originated from the United Kingdom, amounting to USD 203 million (17%), and the United States, contributing USD 145 million (12%). These figures indicate a diversified investor base and highlight the attractiveness of Pakistan's investment environment to major global players.

EQUITY MARKET REVIEW

During the first nine months of FY24, the equity market exhibited remarkable performance, registering a gain of 25,552 points, representing a substantial return of 62%, with KSE-100 Index closing at 67,005 points. This performance was underpinned by several key factors. Investors celebrated improving macros, including an appreciating currency, amidst essential measures taken by the caretaker setup to ensure the country's sustainability. The bullish sentiment in 3QFY24 was fueled by Pakistan's successful first review of its Stand-By Arrangement with the IMF, unlocking funds from external partners. Reports of the government planning to inject PKR 1,250 billion to reduce energy sector's circular debt further boosted market sentiment. Political noise surrounding election results briefly marred momentum, but stability returned with the formation of the new government. The staff-level agreement with the IMF on the final review of the SBA also acted as a strong trigger

for the local bourse, along with declining inflation, a stable currency, and an improved external account position, collectively contributing to the market's upward momentum.

Investor participation during the period witnessed a substantial increase, surging by 119% with an average daily volume of 443.98 million shares, compared to 202.48 million shares in the same period last year. Foreign Investors Portfolio Investment (FIPI) also witnessed a substantial rise, recording net buying of USD 74.88 million as compared to USD 7.21 million in the same period last year. Major foreign net buying was observed in key sectors such as Commercial Banks (USD 29.28 million), Power Generation & Distribution (USD 10.91 million), and Cement (USD 10.43 million). Meanwhile, domestically, only Insurance and Corporations remained net buyers, with USD 120.90 million and USD 30.54 million, respectively. This surge in investor participation reflects growing confidence in the market, driven by positive economic indicators.

Breaking down the sector-wise performance, top gainers during the period were led by Commercial Banks (76.62%), followed by Oil & Gas Exploration Companies (56.69%), and Fertilizer (44.63%). Conversely, sectors experiencing declines included Property (-5.74%), Modarabas (-3.92%), and Vanaspati & Allied Industries (-1.54%).

Over the past decade, the KSE-100 Index has yielded an annualized return of 9.4%. However, during the same period, the USD appreciated by ~11% annually against PKR, dissuading foreign investors from Pakistan's equity market. This trend shifted at the onset of FY24, with the PKR appreciating by 3% against the USD, closing at 277.95 by the end of March 2024. This relative stability in exchange rates has sparked renewed foreign interest, as evidenced by significant net foreign buying during this period, halting the continuous net selling observed in recent years. Therefore, ensuring this exchange rate stability becomes a critical task for the new government, necessitating strategic administrative actions to maintain and enhance this positive trajectory.

Looking ahead, the equity market outlook remains positive, supported by the country's stable and improved macroeconomic conditions as stock valuations remain attractive. However, certain factors pose potential risks to market performance. These include the possibility of rising inflation, PKR depreciation, a negative current account balance, or delays in expected inflows from external partners. While the overall sentiment is optimistic, investors should stay cautious and responsive to these challenges.

FIXED INCOME REVIEW:

During the first nine months of FY24, the Monetary Policy Committee of the State Bank of Pakistan has consistently adhered to a cautious monetary policy stance in its meetings, maintaining the policy rate at 22%, marking the sixth consecutive decision to hold it at this historically high level. This conservative stance has been in response to persistent inflationary pressures. Despite a notable deceleration over the past two months, inflation levels remain elevated, with the average National Consumer Price Index for the period at 27.06% YoY as of March 2024.

The improvement in inflation can be attributed to various factors, including the contractionary monetary policy measures implemented by the SBP, efforts towards fiscal consolidation, moderating global commodity prices, and a favorable base effect.

The decision to maintain the heightened policy rate during the period has resulted in elevated yields on government securities. Consequently, these securities have attracted substantial investor interest, as investors seek enhanced returns offered by government debt securities, despite the alternative of a high-performing equity market.

During the period, SBP conducted a total of nineteen (19) Market Treasury Bills (MTB) auctions, where the government managed to raise PKR 17.70 trillion against the auction target of PKR 18.01 trillion. Notably, the weighted average yields for 3, 6, and 12-month MTB were 21.86%, 21.83%, and 21.80% respectively, up by 507 bps, 510 bps, and 501 bps as compared to 16.78%, 16.73%, and 16.78% during the same period last year.

To further address the need for liquidity, SBP also conducted nine (9) auctions of fixed-rate Pakistan Investment Bonds (PIB) and was successful in raising PKR 1.26 trillion. The weighted average yield for 3, 5, and 10 years PIB increased by 398 bps, 241 bps, and 133 bps to 18.05%, 15.68%, and 14.28% respectively, as compared to 14.07%, 13.28%, and 12.95% during the same period last year.

In the market for Shariah Compliant instruments, a significant milestone was reached with the decision to conduct primary market auctions of GOP Ijara Sukuk through capital markets in addition to the State Bank of Pakistan. This aims to broaden the investor base, increase transparency, and foster competitive pricing for government debt securities. A total of eleven (11) auctions were held for GOP Ijara Sukuk, including those conducted through the capital markets. These auctions, covering Variable Rental Rate (VRR), Fixed Rental Rate (FRR), and Fixed Rate Discounted (FRD) instruments, successfully raised PKR 1.53 trillion, against the target of PKR 1.60 trillion.

Looking ahead to the auction target calendars for April through June 2024, the State Bank of Pakistan aims to raise PKR 2.48 trillion by issuing 3 to 12-month MTB against the maturing amount of PKR 2.12 trillion. Additionally, the SBP targets to raise PKR 570 billion through 3 to 30-year fixed-rate PIB against maturing amount of PKR 4 billion whereas, PKR 1.92 billion is targeted to be raised through 2 to 10-year floating-rate PIB. Moreover, the Pakistan Stock Exchange issued a notice announcing auctions for the sale of GOP Ijara Sukuk, with the target of raising PKR 550 billion.

FUTURE OUTLOOK:

Since the beginning of FY24, the equity market has shown robust performance, largely attributed to the Stand-by Arrangement with the IMF, which significantly strengthened the country's economic and financial position. Pakistan's economic growth prospects have continued to recover as the government implemented prudent policy measures, successfully passing through the first and second reviews of the IMF program, resulting in the resumption of inflows from multilateral and bilateral partners. However, growth is forecasted to remain moderate at 2-3% this year, as inflation persists above the target range and certain monetary and fiscal policy reforms are necessary to ensure financial stability amid elevated external and domestic financing needs.

Following the completion of the SBA with the IMF, authorities have expressed interest in a medium-term Extended Fund Facility (EFF) program, expected to be a key driver of the stock market's performance. Investors are keenly observing this for clarity on the economic front. The new Government is committed to ensuring

economic and financial stability, continuing policy reforms initiated under the current SBA, including broadening the tax base and timely adjustments of power and gas tariffs to prevent circular debt accumulation in FY24. Additionally, the upcoming federal budget for FY25 will be a significant event, focusing on revenue expansion and growth while maintaining the primary balance agreed with the IMF.

The next Monetary Policy Committee meeting is scheduled for April 29, 2024, where the SBP is expected to keep the rate unchanged at 22%, despite earlier expectations of a rate cut reflected in secondary market yields. Although inflation has started to taper off and is projected to decline further, it remains susceptible to risks such as upward adjustments in fuel, power, and gas prices as part of targeted fiscal consolidation. Thus, the State Bank is required to maintain its current monetary stance to bring inflation down to the target range of 5-7% by the end of FY25. Moreover, central banks worldwide have maintained a cautious monetary policy stance in recent meetings amid volatility in global commodity prices due to rising tensions in the Red Sea.

In conclusion, the stock market holds significant potential for future gains, trading at a low forward PE of 3.4x compared to the long-term average of 8x. Furthermore, it offers an attractive dividend yield of 12.3%. The local equity market is expected to thrive with the onset of the interest rate reversal cycle expected from 1H FY25, along with decreasing inflation and timely realization of external inflows.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Khalid Mehmood
Chairman

Karachi: _____

FUND INFORMATION

AKD Islamic Daily Dividend Fund



Management Company

AKD Investment Management Limited
216-217, Continental Trade Centre,
Block 8, Clifton, Karach - 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

Dubai Islamic Bank Pakistan Limited

Auditors

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

Legal Advisor

Siddiqui & Raza
Barristers and Legal Consultants
Office # 301, 3rd Floor, The Plaza
Block No. 9, Clifton, Karachi.

Registrar

ITMinds Limited
Central Depository Company of Pakistan Limited,
CDC House, 99B, Block B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.

Distributor

Al-Hilal Securities Advisors (Pvt.) Ltd.
ITMinds Limited.
YPay Financial Services (Pvt.) Ltd.

Rating-AKDIDDF

BY PACRA: AA(f)

FUND MANAGER'S REPORT

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

Open – end Islamic Income Scheme

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

AKD Islamic Daily Dividend Fund (AKDIDDF) is a fund that primarily focuses on Shariah compliant money market securities and instruments. The objective of AKDIDDF is to provide competitive return in the form of daily dividend by investing in low risk and highly liquid Shariah Compliant money market instruments.

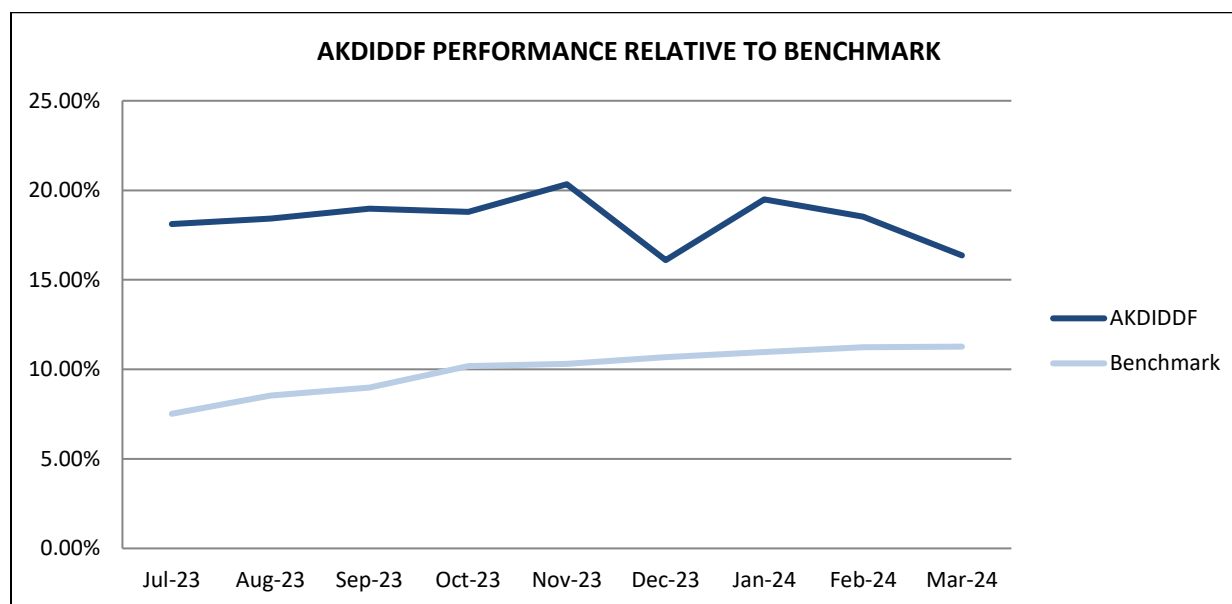
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 9MFY24, the annualized return of AKD Islamic Daily Dividend Fund stood at 19.50% compared to the benchmark return of 9.97%.

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

Three (3) months average deposit rates of three (3) AA Rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.

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



Monthly Return (annualized)	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
AKDIDDF	18.11%	18.42%	18.98%	18.79%	20.34%	16.10%	19.50%	18.53%	16.36%
Benchmark	7.52%	8.54%	8.99%	10.18%	10.30%	10.69%	10.96%	11.24%	11.27%

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

AKD Islamic Daily Dividend Fund is an open – end Islamic Money Market Scheme. The returns of the fund are generated primarily through investment in government securities, Shariah Complaint debt instruments and Islamic bank deposits. AKDIDDF is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

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

Asset Allocation (% of Total Assets)	31-Mar-24	31-Dec-23
Cash and Cash Equivalents	93.62%	75.92%
Commercial Papers / Short Term Sukuk	2.84%	7.89%
Placements with Banks and DFIs	-	-
Govt. Backed/Guaranteed Securities	-	14.43%
Other Assets including Receivables	3.54%	1.76%

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

9MFY24 Return (annualized)	19.50%
Benchmark Return (annualized)	9.97%

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

Net Assets Value		Change in Net Assets	NAV Per Unit (Ex Div.)	
31-Mar-24	31-Dec-23		31-Mar-24	31-Dec-23
(Rupees in 000)			(Rupees)	
522,889	694,236	-24.68%	50.0000	50.0000

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

The third quarter of FY24 commenced on a positive note, driven by several key developments. The approval and disbursement of USD 700 million after the successful first review of the Stand-By Arrangement (SBA) by the executive board of IMF, along with the UAE and China each rolling over USD 2 billion debt for an additional year, notably strengthening the country's external account position. Moreover, the 12th General Elections took place as scheduled on February 8, 2024, leading to the formation of a coalition government, providing much needed clarity on the political front. Shortly after its formation, the new government reached a staff-level agreement with the IMF on the second and final review under the SBA, paving the way for the disbursement of USD 1.1 billion subject to the IMF's board approval. Furthermore, inflation continued to trend downwards, while interest rates remained at record-high levels, reflecting the cautious monetary stance adopted by the central bank throughout the year in light of potential risks stemming from rising international commodity prices and escalating tensions in the Middle East region.

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notable decrease in inflation in February 2024, it remains at elevated levels, and further adjustments in administered prices and fiscal measures which could exert upward pressure on prices in the near to medium term. Additionally, while international commodity prices have generally stabilized, recent increases in oil prices, attributed to escalating tensions in the Middle East, which pose further inflationary risks. Hence, the MPC deemed it necessary to sustain the current monetary policy stance in order to steer inflation towards the medium-term inflation target of 5-7% by the end of FY25.

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On the external front, the current account showed a surplus of USD 619 million in March 2024, compared to a surplus of USD 98 million (revised) in the previous month. This brings the 9MFY24 Current Account Deficit (CAD) to USD 508 million, a massive decline of 87% from USD 4.05 billion in the same period last year. This significant reduction in the CAD was driven by a decline in imports, an increase in exports, and other current transfers. Total imports for 9MFY24 amounted to USD 46.25 billion, down 4% compared to the same period last year, while total exports stood at USD 28.83 billion, marking an increase of 7%. Additionally, a stable exchange rate has contributed to a boost in workers' remittances, with remittances reaching USD 7.60 billion in the third quarter of FY24, up by 18% from the corresponding quarter last year. This improvement in the external sector indicates positive momentum in trade and remittances, potentially contributing to the country's balance of payments and overall economic stability.

According to the latest data released by the State Bank of Pakistan (SBP), the foreign exchange reserves held by the SBP stand at USD 7.98 billion, with the country's liquid foreign exchange reserves reaching USD 13.28 billion. This marks a remarkable 45% increase since the beginning of FY24. This surge can be primarily attributed to the disbursement of the first and second tranches under the IMF Stand-by Arrangement, injecting USD 1.9 billion into Pakistan's reserves. Additionally, this growth has been bolstered by an uptick in export earnings and workers' remittances. This increase in reserves not only enhances the country's ability to meet its external obligations but also strengthens investor confidence in Pakistan's economic prospects.

In March 2024, the Federal Board of Revenue (FBR) collected PKR 879 billion, bringing the 9MFY24 total tax collection to PKR 6,710 billion, surpassing the ambitious assigned target of PKR 6,707 billion and registering a growth of 30% compared to the same period last year. With a tax collection target of PKR 9.4 trillion for FY24, 30% higher from the previous year's revised collection, the FBR has been making continuous efforts such as broadening the tax base and imposing taxes on sectors historically under-taxed to achieve its goal. Meanwhile, the government's fiscal policy has been centered on maintaining a primary balance surplus, a crucial precondition of the IMF loan program, demonstrating fiscal discipline and stability essential for continued support from international financial institutions.

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The Government's persistent efforts to attract foreign investment, coupled with the relative stability in exchange rates, have yielded promising outcomes, evident by the total foreign investments reaching USD 1,164 million. Of this total, investments from China & Hong Kong accounted for USD 526 million, representing 45% of the total. Other significant investments originated from the United Kingdom, amounting to USD 203 million (17%), and the United States, contributing USD 145 million (12%). These figures indicate a diversified investor base and highlight the attractiveness of Pakistan's investment environment to major global players.

FIXED INCOME REVIEW:

During the first nine months of FY24, the Monetary Policy Committee of the State Bank of Pakistan has consistently adhered to a cautious monetary policy stance in its meetings, maintaining the policy rate at 22%, marking the sixth consecutive decision to hold it at this historically high level. This conservative stance has been in response to persistent inflationary pressures. Despite a notable deceleration over the past two months, inflation levels remain elevated, with the average National Consumer Price Index for the period at 27.06% YoY as of March 2024.

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To further address the need for liquidity, SBP also conducted nine (9) auctions of fixed-rate Pakistan Investment Bonds (PIB) and was successful in raising PKR 1.26 trillion. The weighted average yield for 3, 5, and 10 years PIB increased by 398 bps, 241 bps, and 133 bps to 18.05%, 15.68%, and 14.28% respectively, as compared to 14.07%, 13.28%, and 12.95% during the same period last year.

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FUTURE OUTLOOK:

Since the beginning of FY24, the equity market has shown robust performance, largely attributed to the Stand-by Arrangement with the IMF, which significantly strengthened the country's economic and financial position. Pakistan's economic growth prospects have continued to recover as the government implemented prudent policy measures, successfully passing through the first and second reviews of the IMF program, resulting in the resumption of inflows from multilateral and bilateral partners. However, growth is forecasted to remain moderate at 2-3% this year, as inflation persists above the target range and certain monetary and fiscal policy reforms are necessary to ensure financial stability amid elevated external and domestic financing needs.

Following the completion of the SBA with the IMF, authorities have expressed interest in a medium-term Extended Fund Facility (EFF) program, expected to be a key driver of the stock market's performance. Investors are keenly observing this for clarity on the economic front. The new Government is committed to ensuring economic and financial stability, continuing policy reforms initiated under the current SBA, including broadening the tax base and timely adjustments of power and gas tariffs to prevent circular debt accumulation in FY24. Additionally, the upcoming federal budget for FY25 will be a significant event, focusing on revenue expansion and growth while maintaining the primary balance agreed with the IMF.

The next Monetary Policy Committee meeting is scheduled for April 29, 2024, where the SBP is expected to keep the rate unchanged at 22%, despite earlier expectations of a rate cut reflected in secondary market yields. Although inflation has started to taper off and is projected to decline further, it remains susceptible to risks such as upward adjustments in fuel, power, and gas prices as part of targeted fiscal consolidation. Thus, the State Bank is required to maintain its current monetary stance to bring inflation down to the target range of 5-7% by the end of FY25. Moreover, central banks worldwide have maintained a cautious monetary policy stance in recent meetings amid volatility in global commodity prices due to rising tensions in the Red Sea.

In conclusion, the stock market holds significant potential for future gains, trading at a low forward PE of 3.4x compared to the long-term average of 8x. Furthermore, it offers an attractive dividend yield of 12.3%. The local equity market is expected to thrive with the onset of the interest rate reversal cycle expected from 1H FY25, along with decreasing inflation and timely realization of external inflows.

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:

Range (Units)	No. of Investors
0.0001 to 9,999	2
10000 to 49999	0
50,000 - 99,999	1
100,000 - 499,999	5
500,000 and above	4
Total	12

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 ISLAMIC DAILY DIVIDEND FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2024

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	6	394,354	195,592
Investments	7	115,080	18,000
Profit receivable	8	17,427	3,322
Security deposit and prepayments	9	470	438
Preliminary expenses and floatation cost	10	801	955
Total assets		528,132	218,307
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	11	1,226	1,122
Payable to Central Depository Company of Pakistan Limited - Trustee	12	53	8
Payable to the Securities and Exchange Commission of Pakistan	13	50	10
Accrued expenses and other liabilities	14	3,913	657
Total liabilities		5,242	1,797
NET ASSETS		522,890	216,510
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		694,236	216,510
CONTINGENCIES AND COMMITMENTS			
	15	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		10,457,789	4,330,196
----- (Rupees) -----			
NET ASSETS VALUE PER UNIT		50.0000	50.0000

The annexed notes from 1 to 21 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 ISLAMIC DAILY DIVIDEND FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024

		Nine months period ended March 31, 2024	Three months period ended March 31, 2024	Three months period ended March 31, 2023
	Note	(Rupees in '000)		
INCOME				
Net unrealised diminution on remeasurement of investments 'at fair vale through profit or loss'		(1,520)	(510)	-
Income from :				
-Short term sukuks		7,780	3,620	584
-GOP Ijara sukuk		10,281	5,884	-
Profit on bank deposit		30,119	14,897	2,729
Total income		46,659	23,890	3,313
EXPENSES				
Remuneration of AKD Investment Management Limited - Management Company	11.1	-		88
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	136	53	11
Sindh sales tax on the remuneration of Trustee	12.2	18	9	1
Fee to the Securities and Exchange Commission of Pakistan	13.1	185	95	4
Amortisation of preliminary expenses and floatation costs	10.1	155	51	24
Auditor's remuneration		224	74	66
Bank and settlement charges		347	345	5
Legal and professional charges		81	27	49
PSX listing fee		23	8	-
Rating fee		129	42	-
Shariah advisory fee		123	40	64
Total expenses		1,422	745	312
Net income for the period before taxation		45,237	23,145	3,001
Taxation	16	-	-	-
Net income for the period		45,237	23,145	3,001
Allocation of net income for the period				
Net income for the period after taxation		45,237	23,145	3,001
Income already paid on units redeemed		-	-	-
		45,237	23,145	3,001
Accounting income available for distribution				
- Relating to capital gains		-	-	-
- Excluding capital gains		45,237	23,145	3,001
		45,237	23,145	3,001

The annexed notes from 1 to 21 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 ISLAMIC DAILY DIVIDEND FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended March 31, 2024	Three months period ended March 31, 2023
	----- (Rupees in '000) -----	
Net income for the period	45,237	3,001
Other comprehensive income for the period	-	-
Total comprehensive income for the period	45,237	3,001

The annexed notes from 1 to 21 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 ISLAMIC DAILY DIVIDEND FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended March 31, 2024	Three months period ended December 31, 2023
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	45,237	3,001
Adjustments for non - cash and other items		
Amortisation of preliminary expenses and floatation costs	155	24
Net unrealised diminution on remeasurement of investments 'at fair value through profit or loss'	1,520	-
Income from short term sukuks	(7,780)	(584)
Income from GOP Ijara sukuk	(10,281)	-
Profit on bank deposit	(30,119)	(2,729)
	<u>(1,267)</u>	<u>(288)</u>
(Increase) / decrease in assets		
Security deposit and prepayments	(32)	113
Increase / (decrease) in liabilities		
Payable to AKD Investment Management Limited -Management Company	104	26
Payable to Central Depository Company of Pakistan Limited - Trustee	45	6
Payable to the Securities and Exchange Commission of Pakistan	40	26
Accrued expenses and other liabilities	3,256	674
	3,446	732
Income from investment received	7,785	(518)
Profit received on bank deposits	26,289	(753)
Investments - net	(98,601)	(117,110)
	<u>(62,379)</u>	<u>(117,824)</u>
Net cash used in operating activities	(62,379)	(117,824)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	1,103,644	1,095,619
Amount paid against redemption of units	(580,755)	(539,600)
Dividend paid	(261,748)	(252,468)
Net cash generated from financing activities	261,141	303,551
Net increase in cash and cash equivalents during the period	198,762	185,728
Cash and cash equivalents at the beginning of the period	195,592	141,021
Cash and cash equivalents at the end of the period	<u>394,354</u>	<u>326,749</u>

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The annexed notes from 1 to 21 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 ISLAMIC DAILY DIVIDEND FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Capital value	Undistributed income (Rupees in '000)	Total
	-----	-----	-----
Net assets as at July 01, 2023	216,510	-	216,510
Issue of 10,831,783 units			
- Capital value	541,589	-	541,589
Redemption of 1,277,259 units			
- Capital value	(63,863)	-	(63,863)
Total comprehensive income for the period	-	45,237	45,237
Distribution during the period	-	(45,237)	(45,237)
Net assets at end of the period	694,236	-	694,236
Undistributed income brought forward			
- Relating to capital gains		-	
- Excluding capital gains		45,237	
		45,237	
Distribution during the period		(45,237)	
Undistributed income carried forward		-	

Rupees

Net assets value per unit at beginning of the period	50.0000
Net assets value per unit at end of the period	50.0000

The annexed notes from 1 to 21 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 ISLAMIC DAILY DIVIDEND FUND
NOTES TO AND FORMING PART OF THE CONDENSE INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED MARCH 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Islamic Daily Dividend Fund (the Fund) was established under a Trust Deed executed between AKD Investment Management Limited (AKDIML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed on November 10, 2021 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Initial Public Offering (IPO) of the Fund was made on February 17, 2023. The Fund commenced operations from February 18, 2023. 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. February 18, 2023.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC 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 offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Fund is categorised as 'Money Market Fund' as per circular 7 of 2008 by SECP. The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, deposits with banks, certificate of deposits, certificate of musharakas, commercial papers and reverse repos.

The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.

The Management Company has been assigned a quality rating of "AM3++" by the Pakistan Credit Rating Agency Limited (PACRA) on June 27, 2023. The Fund has been given initial stability rating of 'AA(f)' by PACRA on March 20, 2023.

The AKD Islamic Daily Dividend Fund (the Fund) is established through a Trust Deed (the Deed) registration # KAR/ST/194-2021 dated November 10, 2021 under 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 (the Act);
- Provisions of and directives issued under the Companies Act, 2017, along with Part VIIIA of the repealed Companies Ordinance 1984; 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 Act, 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 the requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the 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 the conjunction with the annual published financial statements of the Fund for the year ended June 30, 2023.

2.1.3 The Fund commenced its operations from February 18, 2023, therefore, there is no information to present in comparatives.

2.1.4 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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 December 31, 2023.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention unless stated otherwise.

2.3 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023 except for amendment to International Accounting Standard - 'Presentation of Financial Statements' - (IAS - 1) which is applicable for period beginning from on or after January 01, 2023. In this amendment significant accounting policies has been updated with the material accounting policy.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with accounting and reporting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual financial statements as at and for the year ended June 30, 2023.

There are certain amendments to accounting and reporting standards which have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. These amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information except as mentioned in note 3.

5. FINANCIAL RISK MANAGEMENT

The Fund's risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund as at and for the year ended June 30, 2023.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
6. BANK BALANCES			
In saving accounts	6.1	<u>394,354</u>	<u>195,592</u>
6.1	These represent profit and loss sharing accounts maintained with banks carrying profit at the rate of 18.5% per annum (June 30, 2023 : 19% per annum).		

													(Unaudited) December 31, 2023	(Audited) June 30, 2023
													----- (Rupees in '000) -----	----- (Rupees in '000) -----
7. INVESTMENTS														
At amortised cost														
Short Term Sukuks												7.1	15,000	18,000
At fair value through profit or loss														
GOP Ijara Sukuk												7.2	100,080	-
													<u>115,080</u>	<u>18,000</u>

7.1 Short Term Sukuks

Name of investee Company	Rate of return per annum	Issue date	Maturity date	As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Rating	Carrying value as a percentage of	
										Investments	Net assets
	(%)									----- (%) -----	----- (%) -----
Power Generation and Distribution											
K-Electric Limited	22.82	Feb 27, 2023	Aug 28, 2023	18,000	-	(18,000)	-	-	AA	-	-
K-Electric Limited	23.24	Aug 09, 2023	Feb 09, 2024	-	12,000	-	12,000	12,000	AA	10.43	2.29
Lucky Electric Power Company Limited	23.55	Aug 16, 2023	Feb 16, 2024	-	10,000	-	10,000	10,000	A1+	8.69	1.91
K-Electric Limited	23.61	Aug 28, 2023	Feb 28, 2024	-	18,000	-	18,000	18,000	AA	15.64	3.44
Lucky Electric Power Company Limited	21.74	Dec 28, 2023	Jun 28, 2024	-	15,000	-	15,000	15,000	A1+	13.03	2.87
					55,000	(18,000)	55,000	55,000			

7.2 GOP Ijara sukuk

Name of Security	Rate of return per annum	Issue date	Maturity date	As at July 01, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealised diminution as at December 31, 2023	Carrying value as a percentage of	
											Investments	Net assets
	(%)										----- (%) -----	----- (%) -----
GOPISV-17-04-2024 (365 days)	23.60	Apr 17, 2023	Apr 17, 2024	-	101,600	-	101,600	101,600	100,590	(1,010)	88.29	19.43

		(Unaudited) March 31, 2024	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
8.	PROFIT RECEIVABLE		
	Profit receivable on:		
	- Bank deposits	5,781	1,951
	- GOP Ijara sukuk	10,798	-
	- Short term sukuk	849	1,371
		<u>17,427</u>	<u>3,322</u>
9.	SECURITY DEPOSIT AND PREPAYMENTS		
	Prepaid fee:		
	- Central depository system	197.06	18
	- Shariah Advisory	252.80	105
	- Listing fee	7.73	-
	- Professional fee	12.26	-
		<u>470</u>	<u>438</u>
10.	PRELIMINARY EXPENSES AND FLOATATION COST		
	Preliminary expenses and floatation cost	<u>800.19</u>	<u>1,030</u>
		<u>800</u>	<u>955</u>
10.1	Preliminary expenses and floatation cost represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from February 18, 2023.		
		(Unaudited) March 31, 2024	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
11.	PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	Payable against formation cost	<u>1,226</u>	<u>1,030</u>
		<u>1,226</u>	<u>1,122</u>
11.1	The Management Company has charged remuneration at 0% per annum of the average net assets of the Fund from July 01, 2023 to December 31, 2023. Therefore, no management fee is charged and expenses are allocated from Management company.		
		(Unaudited) March 31, 2024	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
12.	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Trustee fee	12.1 46	6
	Sindh sales tax payable on trustee fee	12.2 6	1
	CDS charges	1	1
		<u>53</u>	<u>8</u>

12.1 The Trustee is entitled to a monthly remuneration 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 0.055% per annum of net assets on monthly basis in arrears.

12.2 Sindh sales tax on services has charged at the rate of 13% on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
13. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Fee payable to the SECP	13.1	<u>50</u>	<u>10</u>

13.1 In accordance with the NBFC Regulation 2008, a Collective Investment Scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP) on annual basis at the rate of 0.02% of average Net Assets of Collective Investment Scheme calculated on daily basis.

Effective as of July 1, 2023, the SECP through SRO 592 dated May 17, 2023 has revised the annual fee rate from 0.02% to 0.075% and introduced a shift in payment frequency, from annual to monthly basis.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
14. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditor's remuneration		224	211
Withholding tax payable		3,689	446
		<u>3,913</u>	<u>657</u>

15. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2023 and June 30, 2023.

16. 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 accumulated losses and 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 atleast 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund has not distributed any amount for the year ended June 30, 2023 being whole of the accounting income available for distribution pertaining to capital gain (realised or unrealised) and accordingly, no provision in respect of taxation has been made in this condensed interim financial information.

17. TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 01, 2023 to December 31, 2023 is 0.56% annualised, which includes 0.08% representing government levies on the Fund such as sales taxes and fee to the SECP. This ratio is within the maximum limit of 2.0% prescribed under the NBFC Regulations.

18. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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 person or trust beneficially owning (directly or indirectly) ten percent or more of the net assets of the Fund, directors and their close relatives 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 of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

		(Unaudited) December 31, 2023 (Rupees in '000)	
18.1	Details of transactions with related parties / connected persons during the period		
	AKD Investment Management Limited - Management Company		
	Other expenses paid by Management Company on behalf of the Fund		155
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee fee		136
	Sindh Sales Tax on trustee fee		18
	CDS charges		17
	Unit holders holding 10% or more of the units in issue		
	Al Ameen Trading Corporation (Private) Limited		
	Issue of units : 273,000		13,650
	Dividend paid		14
	Cherat Cement Company Limited Staff Gratuity Fund		
	Issue of units : 6,140		307
	Dividend paid		307
18.2	Details of balances with related parties / connected persons as at period end	(Unaudited) December 31, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2023
	AKD Investment Management Limited - Management Company		
	Payable against formation cost	1,226	1,030
	Other expenses paid by Management Company on behalf of Fund	-	92
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee fee payable	46	6
	Sindh Sales Tax payable on trustee fee	6	1
	CDS charges payable	1	1

	(Unaudited) December 31, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2023
Unit holders holding 10% or more of the units in issue		
Askari General Insurance Company Ltd Window Takaful Operations OPF Investment*		
Outstanding units: 254,163 (June 30, 2023: 622,958 Units)	12,708	31,148
Abdul Wahab Ghaffar Kodvavi*		
Outstanding units: 273,103 (June 30, 2023: 635,335 Units)	13,655	31,767
National Management and Consultancy Services Pvt Limited*		
Outstanding units: 2,190 (June 30, 2023: 1,034,650 Units)	109	51,732
Askari General Insurance Company Ltd Window Takaful Operations PTF Investment*		
Outstanding units: 2,417 (June 30, 2023: 901,967 Units)	121	45,098
Al Ameen Trading Corporation (Pvt) Ltd.		
Outstanding units: 4,001,507 (June 30, 2023: Nil)	200,075	-
Muhammad Sami Ullah		
Outstanding units: 5,119,846 (June 30, 2023: Nil)	255,992	-
Cherat Cement Company Limited Staff Gratuity Fund		
Outstanding units: 2,063,143 (June 30, 2023: Nil)	103,157	-

* Prior period connected person, current figures not shown

** Current period connected person prior figures not shown

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value based on:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	(Unaudited) As at December 31, 2023			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
ASSETS				
GOP Ijara sukuk	100,080	-	-	100,080

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

20. GENERAL

20.1 This condensed interim financial information is unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended December 31, 2023 in this condensed interim financial information, has not been subject to limited scope review by the auditors.

20.2 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

21. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were 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

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N: 92-21-111 AKDIML (111-253-465) | fAX: 92-21-35303125

Gulshan - e - Iqbal Branch

Bungalow No. FL-3/12,
Ground Floor, Block No. 5, KDA,
Scheme No. 24, Gulshan-e-Iqbal, Karachi.
Contact # 92-21-34823003-7

Lahore Branch

Plaza # 250, 2nd Floor, Phase IV,
Block-FF, D.H.A., Lahore Cantt.
Contact # 0333-0342762-4

E-mail: info@akdinvestment.com
Website: www.akdinvestment.com