Quarterly Report
September 30, 2024
(Un-audited)

AKD
ISLAMIC DAILY DIVIDEND FUND

Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit form the Experience

AKD Investment Management Ltd.

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
Mr. Khalid Mehmood
Mr. Imran Motiwala

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 annual report along with the Funds' audited Financial Statements for the year ended June 30, 2024.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)
For the FY24, the return of AKD Opportunity Fund stood at 27.28% compared to the benchmark KSE–100 Index return of 89.24%.

Distribution for the year ended June 30, 2024:
The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 2.75 per unit to the unit holders during the year ended June 30, 2024.

Golden Arrow Stock Fund (GASF)
For the FY24, the return of Golden Arrow Stock Fund stood at 61.40% compared to the benchmark KSE–100 Index return of 89.24%.

Distribution for the year ended June 30, 2024:
The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 0.50 per unit to the unit holders during the year ended June 30, 2024.

AKD Islamic Stock Fund (AKDISSF)
For the FY24, the return of AKD Islamic Stock Fund stood at 94.74% compared to the benchmark KMI–30 Index return of 78.70%.

Distribution for the year ended June 30, 2024:
The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 5.85 per unit to the unit holders during the year ended June 30, 2024.

AKD Index Tracker Fund (AKDITF)
For the FY24, the return of AKD Index Tracker Fund stood at 84.42% compared to the benchmark KSE–100 Index return of 89.24%.

Distribution for the year ended June 30, 2024:
The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 2.00 per unit to the unit holders during the year ended June 30, 2024.

AKD Cash Fund (AKDCF)

For the FY24, the return of AKD Cash Fund stood at 22.32% compared to the benchmark return of 20.90%.

Distribution for the year ended June 30, 2024:

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 10.90 per unit to the unit holders during the year ended June 30, 2024.

AKD Islamic Income Fund (AKDISIF)

For the FY24, the return of AKD Islamic Income Fund stood at 20.52% compared to the benchmark return of 10.10%.

Distribution for the year ended June 30, 2024:

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 9.90 per unit to the unit holders during the year ended June 30, 2024.

AKD Aggressive Income Fund (AKDAIF)

For the FY24, the return of AKD Aggressive Income Fund stood at 21.40% compared to the benchmark return of 21.88%.

Distribution for the year ended June 30, 2024:

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 10.45 per unit to the unit holders during the year ended June 30, 2024.

AKD Islamic Daily Dividend Fund (AKDIDDF)

For the FY24, the return of AKD Islamic Daily Dividend Fund stood at 20.31% compared to the benchmark return of 10.28%.

Distribution for the year ended June 30, 2024:

The Chief Executive under the authority granted by the Board of Directors approved total distribution of Rs. 9.27 per unit to the unit holders during the year ended June 30, 2024.

MACRO PERSPECTIVE

Since the onset of FY24, Pakistan's economic growth prospects have shown marked improvement, supported by prudent policy measures enacted by the Government and the successful completion of the IMF Stand-by Arrangement program. This progress has facilitated the resumption of inflows and the rollover of debt from multilateral and bilateral partners, alleviating pressure on the current account. As anticipated, the Country's real GDP growth reached 2.38% in FY24, reflecting ongoing challenges as inflation persisted above the target range and certain monetary and fiscal policy reforms implemented, which were necessary to ensure financial stability amid elevated external and domestic financing needs. This fiscal year also marks the initiation of the monetary easing cycle, following a considerable period during which the State Bank of Pakistan (SBP) maintained a cautious monetary policy stance, keeping the policy rate at a historically high level of 22%.

In its last meeting on September 12, 2024, the Monetary Policy Committee (MPC) of the State Bank of Pakistan decided to further reduce the policy rate by 200 bps to 17.50%. The SBP premised its decision on sharp decline in inflation over preceding two months, which has somewhat outpaced the Committee's earlier expectations. This decline is primarily attributed to delays in implementing planned increases in administered energy prices, as well as favorable trends in global oil and food prices. In light of recent economic developments and potential risks to the inflation outlook, the MPC assessed that the real interest rate to still be adequately positive, positioning it to guide inflation toward the medium-term target of 5 – 7 percent and help ensure macroeconomic stability.

In August 2024, the National Consumer Price Index (NCPI) fell to a single-digit rate of 9.64% YoY, down from 11.09% in July 2024 and significantly lower than 27.38% in August 2023, taking the average inflation for the first two months of FY25 to 10.36%. On MoM basis, the NCPI increased by 0.39%, driven primarily by a 1.46% rise in the Food Index, attributed to higher prices of food items, and a general rise in prices across other sectors. Regionally, Urban and Rural CPI were recorded at 11.71% and 6.73%, respectively. While prices for food and other essential items saw an increase during the month, the overall CPI declined, influenced by a high base effect and a 1.40% reduction in the Housing Index on a MoM basis. Looking forward, inflation is projected to continue its downward trajectory, supported by a sufficiently tight fiscal and monetary policy.

On the external front, the current account recorded a surplus of USD 75 million in August 2024, compared to a revised deficit of USD 246 million in the previous month. This brings the Current Account Deficit (CAD) for the first two months of FY25 to USD 171 million, reflecting an impressive 81% reduction from USD 893 million during the same period last year. Furthermore, the CAD for FY24 was reported at USD 665 million, down significantly from USD 3.28 billion, marking an 80% YoY reduction. This noteworthy decline in the CAD is primarily driven by a decrease in the trade deficit with a marked increase in overseas workers' remittances and higher other current transfers. Total imports for FY24 amounted to USD 63.28 billion, a 3% increase compared to the previous year. However, this rise was more than offset by a significant increase in total exports, which reached USD 38.90 billion, reflecting a 10% YoY growth.

Moreover, a stable exchange rate has contributed to a boost in workers' remittances, which totaled USD 30.25 billion in FY24, representing an 11% increase from USD 27.33 billion in the same period last year. This improvement in the external sector indicates a positive momentum in trade and remittances, enhancing the country's balance of payments and overall economic stability.

According to the data released by the SBP, the foreign exchange reserves held by the central bank stood at USD 9.39 billion by the end of FY24, with the Country's liquid foreign exchange reserves reaching USD 14.00 billion. This marks a remarkable 53% increase since the beginning of the fiscal year. This surge can be primarily attributed to the disbursement of tranches under the IMF Stand-by Arrangement and other inflows from friendly countries. Additionally, this growth has been bolstered by an uptick in export earnings and elevated overseas workers' remittances. This increase in reserves not only enhances the Country's ability to meet its external obligations but is also likely to strengthen investor confidence in Pakistan's economic prospects. Currently, the total liquid foreign exchange reserves are USD 14.87 billion as on September 20, 2024.

During FY24, the Federal Board of Revenue (FBR) collected PKR 9,306 billion, surpassing the ambitious assigned target of PKR 9,252 billion by a significant margin of PKR 54 billion, and registering a growth of 30% compared to the same period last year. With a tax collection target of PKR 9,252 trillion for FY24, ~29% higher from the previous year's 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, demonstrating fiscal discipline and stability essential for continued support from international financial institutions.

The Government's persistent efforts to attract foreign investment, coupled with the relative stability in exchange rates, have yielded promising results so far, evident by the net foreign investments reaching USD 1,519 million in FY24, a significant growth of 153% YoY. Out of the total foreign inflows USD 2,022 million, China and Hong Kong accounted for USD 927 million, representing 46% of the total. Other significant investments originated from the United Kingdom, amounting to USD 286 million (14%), and the United States, contributing USD 184 million (9%). 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 fiscal year 2023-24, the Equity market delivered exceptional performance, gaining 36,992 points for an impressive return of 89.24%, with the benchmark index closing at 78,445 points. This strong performance was driven by several key factors. The market thrived on improving macroeconomic indicators, including a strengthening currency, amid essential measures taken by the government to ensure the country's long-term sustainability. Bullish sentiment was further fueled by the successful completion of the IMF Stand-by Arrangement, timely formation of a new government, and a notable decline in inflation reaching a 30-month low at 11.76% YoY in May 2024, contributing to a more stable economic environment.

The external account also showed significant improvement, with 80% YoY reduction in the current account deficit, alongside record high overseas workers' remittances of USD 3.24 billion in May 2024. Additionally, a roughly 3% appreciation of the rupee against the US dollar, the initiation of a reversal in the monetary cycle, and albeit tough budgetary measures pathing the way to continuity in IMF funding collectively boded well for the market sentiment.

During the period, investor participation exhibited a substantial increase of 138% YoY, with an average daily traded volume of 455 million shares, compared to 191 million shares in the same period last year. Foreign Investors Portfolio Investment (FIPI) also saw significant growth, recording net inflows of USD

140.77 million, a notable rise from USD 1.57 million in the previous year. Key sectors attracting foreign capital included Commercial Banks (USD 59.81 million), Fertilizer (USD 18.44 million), and Power Generation and Distribution (USD 16.48 million). Domestically, only Insurance Companies and Corporations were net buyers, with net purchases of USD 126.34 million and USD 35.65 million, respectively. Conversely, other domestic participants, including Banks/DFIs, Individuals, and Mutual Funds, emerged as major net sellers, with respective divestments of USD 141.29 million, USD 59.63 million, and USD 46.92 million.

In terms of sector performance, top gainers during the period were led by Commercial Banks (+114.78%), followed by Oil & Gas Exploration Companies (+72.53%), Food & Personal Care Products (+60.40%), Fertilizer (+65.35%), and Cement (+59.27%). Conversely, sectors experiencing declines included Chemical (-49.11%), Modarabas (-42.13%), Property (-6.54%), and Vanaspati & Allied Industries (-1.72%).

Over the past decade, the KSE-100 Index has yielded an annualized return of 10.2%. However, during the same period, the USD appreciated by ~10% annually against PKR, dissuading foreign investors from Pakistan's equity market. This trend shifted in FY24, with the PKR appreciating by ~3% against the USD, closing at 278.34 by the end of June 2024. This relative stability in exchange rates has sparked renewed foreign interest, as evidenced by significant net foreign buying during this period. 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 appears promising, supported by the Country's stable and improving macroeconomic conditions as stock valuations remain attractive. Furthermore, progress in securing approval for a new IMF program and potential inflows from other sources are expected to be a major impetus for the market. However, the political uncertainty remains the most significant downside risk which could lead to policy / reform slippages and delays adversely affecting economic and market performance. While the overall sentiment is optimistic, investors should stay cautious and responsive to these challenges.

FIXED INCOME REVIEW

Throughout the year, the State Bank of Pakistan has consistently adhered to a cautious monetary policy stance, keeping the policy rate at a historically high level of 22% until implementing monetary easing in June 2024. This conservative stance was necessitated by ongoing inflationary pressures, which, despite a notable deceleration in last few months, remained elevated, with the average NCPI for the period at 23.41% YoY as of June 2024.

The decision to maintain the heightened policy rate during the year has resulted in elevated yields on government debt 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 twenty six (26) Market Treasury Bills (MTB) auctions, where the Government managed to raise PKR 21.68 trillion against the auction target of PKR 21.10 trillion. Notably, the weighted average yields for 3, 6, and 12-month MTB were 21.69%, 21.61%, and 21.41% respectively, up by 362 bps, 358 bps, and 334 bps as compared to 18.07%, 18.03%, and 18.07% during the same period last year.

To further address the need for liquidity, SBP also conducted twelve (12) auctions of fixed-rate Pakistan Investment Bonds (PIB) and was successful in raising PKR 1.49 trillion. The weighted average yield for 3, 5, and 10 years PIB increased by 248 bps, 229 bps, and 134 bps to 17.70%, 15.62%, and 14.28% respectively, as compared to 15.22%, 13.32%, and 12.94% 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. This aims to broaden the investor base, increase transparency, and foster competitive pricing for government debt securities. A total of sixteen (16) auctions were held for GOP Ijara Sukuk, including those conducted through the Pakistan Stock Exchange. These auctions, covering Variable Rental Rate (VRR), Fixed Rental Rate (FRR), and Fixed Rate Discounted (FRD) instruments, successfully raised PKR 1.89 trillion, against the target of PKR 2.00 trillion.

Looking ahead to the auction target calendars for September through November 2024, the State Bank of Pakistan aims to raise PKR 3.48 trillion by issuing 3 to 12-month MTB against the maturing amount of PKR 4.59 trillion. Additionally, the SBP targets to raise PKR 500 billion through 2 to 10-year fixed-rate PIB against maturing amount of PKR 534 billion whereas, PKR 2.32 trillion 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 860 billion.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

(a) The financial statements, prepared by the Management of the Company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and movement in unit holders' funds.
(b) Proper books of account of the Funds have been maintained.
(c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments.
(d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from have been adequately disclosed.
(e) The system of internal control is sound in design and has effectively implemented and monitored.
(f) There are no significant doubts upon the Funds' ability to continue as a going concern.
(g) Statutory payments, taxes, duties, levies and charges, if any have been properly disclosed in the financial statements.
(h) Summary of key financial data / performance tables is appended to the Financial Statements of the Funds.
(i) The Pattern of unit holdings is appended to the Financial Statements of the Funds.
(j) The statement showing the attendance of Directors in BOD meetings and Audit Committee meetings is as under:

S.No.	Name of Director	MEETINGS ATTENDANCE						
		30-Apr-24	29-Mar-24	31-Oct-23	22-Sep-23	05-Jul-23	Attended	Leave
1	Mr. Abdul Karim Memon*	—	—	—	✓	✓	2	0
2	Mr. Imran Motiwala	✓	✓	✓	✓	✓	5	0
3	Ms. Anum Dhedhi	✓	✓	✓	✗	✓	4	1
4	Mr. Hasan Ahmed	✓	✓	✓	✓	✓	5	0
5	Ms. Aysha Ahmed	✓	✓	✓	✓	✓	5	0
6	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	✓	5	0
7	Mr. Abid Hussain	✓	✓	✓	✗	✓	4	1
8	Mr. Khalid Mahmood*	✓	✓	✓	—	—	3	0

Elected on October 10, 2023 in place of retiring director Mr. Abdul Karim Memon

S.No.	Name of Director	MEETINGS ATTENDANCE					
		29-Apr-24	29-Mar-24	31-Oct-23	22-Sep-23	Attended	Leave
1	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
2	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
3	Ms. Aysha Ahmed*	✓	✓	✓	—	3	0
4	Mr. Abid Hussain**	✓	✓	—	—	2	0

**Appointed on October 31, 2023   **Appointed on March 29, 2024*

(k) There have been no trades in the units of the Funds carried out by the Directors, CEO, CFO, CIO, COO, Company Secretary and their spouses and minor children of the Management Company other than as disclosed below and in the note to the financial statements:

S.No.	Trades by	Designation	Investment (No of Units)	Redemption (No of Units)
AKD OPPORTUNITY FUND				
1	Khalid Mahmood	Director	195,055	-
2	Shifa Khalid	Spouse - Director	58,425	33,819
AKD ISLAMIC INCOME FUND				
1	Mr. Imran Motiwala	CEO & Director	86,219	86,261
2	Mrs. Sehr Imran Motiwala	Spouse - CEO & Director	389,269	390,328
4	Mrs. Maliha Yaqoob	Spouse - COO & Company Secretary	53,616	53,616
5	Shifa Khalid	Spouse - Director	59,820	92,239
5	Khalid Mahmood	Director	782	307,641
5	Ali Wahab Siddiqui	Director	178,776	93,530
5	Muhammad Amin Yaqoob	Minor Children - COO & Company Secretary	-	424
5	Abdul Rehman Yaqoob	Minor Children - COO & Company Secretary	-	424
5	Ayesha Yaqoob	Minor Children - COO & Company Secretary	-	424
AKD CASH FUND				
1	Mr. Imran Motiwala	CEO & Director	61,131	61,131
2	Mrs. Sehr Imran Motiwala	Spouse - CEO & Director	558,283	612,900
GOLDEN ARROW STOCK FUND				
5	Ali Wahab Siddiqui	Director	374,012	-
5	Khalid Mahmood	Director	199,580	-
5	Shifa Khalid	Spouse - Director	-	59,701

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

i. The total number of directors are seven as follows:
   a) Male: Five
   b) Female: Two

ii. The composition of the Board of Directors is as follows:
   - Independent Director: Two
   - Non-Executive Directors: Five
   - Executive Directors: Two
   - Female Directors: Two

RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of AM3++ (A M three Plus Plus) to AKD Investment Management Limited (AKDIML) on June 27, 2024.

RATING OF THE FUNDS

AKD OPPORTUNITY FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 3-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year) and trailing 60 months (5 Year)] and 2-Star Performance Ranking in short term [based on performance review of trailing 12 months (1 Year)] for the period ended December 31, 2023 to AKD Opportunity Fund on February 16, 2024.

AKD CASH FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of "AA+(f)" (Double A Plus; fund stability rating) for the period ended December 31, 2023 to AKD Cash Fund on March 7, 2024.

AKD AGGRESSIVE INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of "A+(f)" (Single A Plus; fund stability rating) for the period ended December 31, 2023 to AKD Aggressive Income Fund on March 7, 2024.

GOLDEN ARROW STOCK FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 4-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year) and trailing 60 months (5 Year)] and 3-Star Performance Ranking in short term [based on performance review of trailing 12 months (1 Year)] for the period ended December 31, 2023 to Golden Arrow Stock Fund on February 16, 2024.

AKD ISLAMIC INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of "AA-(f)" (Double A Minus; fund stability rating) for the period ended December 31, 2023 to AKD Islamic Income Fund on March 7, 2024.

AKD ISLAMIC STOCK FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 1-Star and 4-Star Performance Ranking in long term [based on performance review of trailing 60 months (5 Year) and 36 months (3 Year), respectively] and 4-Star Performance Ranking in short term [based on performance review of trailing 12 months (1 Year)] for the period ended December 31, 2023 to AKD Islamic Stock Fund on February 16, 2024.

AKD ISLAMIC DAILY DIVIDEND FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of "AA(f)" (Double A; fund stability rating) for the period ended December 31, 2023 to AKD Islamic Daily Dividend Fund on March 7, 2024.

HOLDING COMPANY

AKD Group Holdings (Private) Limited [Formerly: Aqeel Karim Dhedhi Securities (Private) Limited] is the holding company of AKD Investment Management Limited and holds 99.97% of the outstanding ordinary shares of the Company.

APPOINTMENT OF AUDITORS

The present auditors M/s Yousuf Adil, Chartered Accountants are retiring and have completed their five years as auditors of AKD Index Tracker Fund (AKDITF), AKD Opportunity Fund (AKDOF), AKD Aggressive Income Fund (AKDAIF), AKD Cash Fund (AKDCF) and AKD Islamic Daily Dividend Fund (AKDIDDF). As per the requirements of the Code of Corporate Governance the auditors have to be changed this year.

The Board has appointed M/s BDO Ebrahim & Co., Chartered Accountants as the statutory auditors of AKD Index Tracker Fund (AKDITF), AKD Opportunity Fund (AKDOF), AKD Aggressive Income Fund (AKDAIF) and AKD Cash Fund (AKDCF) for the year 2024-2025 as recommended by the Audit Committee.

The Board re-appointed M/s Riaz Ahmad & Company, Chartered Accountants as the statutory auditors for Golden Arrow Stock Fund (GASF), AKD Islamic Income Fund (AKDISIF), AKD Islamic Stock Fund (AKDISSF) and appointed for AKD Islamic Daily Dividend Fund (AKDIDDF) and for the year 2024-2025 as recommended by the Audit Committee.

The Board on the recommendation of Audit Committee has appointed M/s Riaz Ahmad & Company, Chartered Accountants as statutory auditors of AKD Investment Management Limited for the year 2024-2025 since M/s Yousuf Adil, Chartered Accountants are retiring and have completed their five years as auditors.

ACKNOWLEDGEMENTS

The Directors would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan, the Ministry of Finance, the State Bank of Pakistan, and the Management of the Pakistan Stock Exchange for their continued support and cooperation. The Board also appreciates the devoted performance of the staff and officers of the AKD Investment Management Limited. The Board will also like to thank the investors for their confidence in the Company.

FUTURE OUTLOOK

Following the successful completion of the Stand-By Arrangement with the IMF, authorities are in negotiations for a USD 7 billion Extended Fund Facility (EFF), pending approval from the IMF Executive Board, anticipated by the end of September 2024. This EFF program aims to capitalize on the macroeconomic stability achieved over the past year under the SBA by continuing efforts to strengthen public finances, reduce inflation, restore foreign exchange reserves, and eliminate economic distortions to foster growth. Key focus areas of the program includes implementing energy sector reforms, maintain a flexible exchange rate, strengthen fiscal and monetary policy, reforms to broaden the tax base, and improve State Owned Enterprises (SOE) management. Investors are closely watching these developments for insights into the future economic landscape and likewise market performance.

The Monetary Policy Committee embarked on a monetary easing stance in June 2024 and since then has reduced the policy rate by a substantial 450 bps to 17.50%, down from a historical high of 22%. This was in response to better than earlier anticipated decline in inflation which dropped to 9.64% YoY in August 2024, signaling a transition to single-digit inflation for the first time in a considerable period.

This pace of disinflation can be attributed to the impact of contained demand, reinforced by improved supply chain for essential food items, ongoing fiscal and monetary consolidation efforts, favorable global commodity prices, delays in upward adjustments in administered energy prices, and a favorable base effect. While inflation is on a downward trend and is expected to continue this trajectory, it remains vulnerable to risks such as the timing and magnitude of future adjustments in administered energy prices, volatility in global commodity markets, and potential new taxation measures to address revenue shortfalls. SBP projects that average inflation for FY25 will fall below the previously estimated range of 11.5% to 13.5%. However, this outlook is contingent upon achieving targeted fiscal consolidation and the timely realization of anticipated external inflows.

According to the Government's Annual Plan 2024-25, the economy is expected to achieve a growth rate of 3.6%. This growth will be driven by robust performances in the industrial and services sectors, projected to grow by 4.4% and 4.1% respectively, while the agriculture sector is anticipated to grow at 2.0%. Looking ahead, key drivers of market performance that are likely to sustain investor confidence include progress in securing board's approval for a larger IMF program and potential inflows from other sources. However, political uncertainty and any further delays in inflows from foreign partners pose significant downside risks to the market's performance.

In conclusion, the stock market holds significant potential for future gains, trading at a low forward PE of 3.9x and offers an attractive dividend yield of 11%.

For and on behalf of the board

Anum Dhedhi
Director

Imran Motiwala
Chief Executive Officer

Karachi: October 30, 2024

FUND MANAGER'S REPORT

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

Open – end Shariah Compliant Money Market 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.

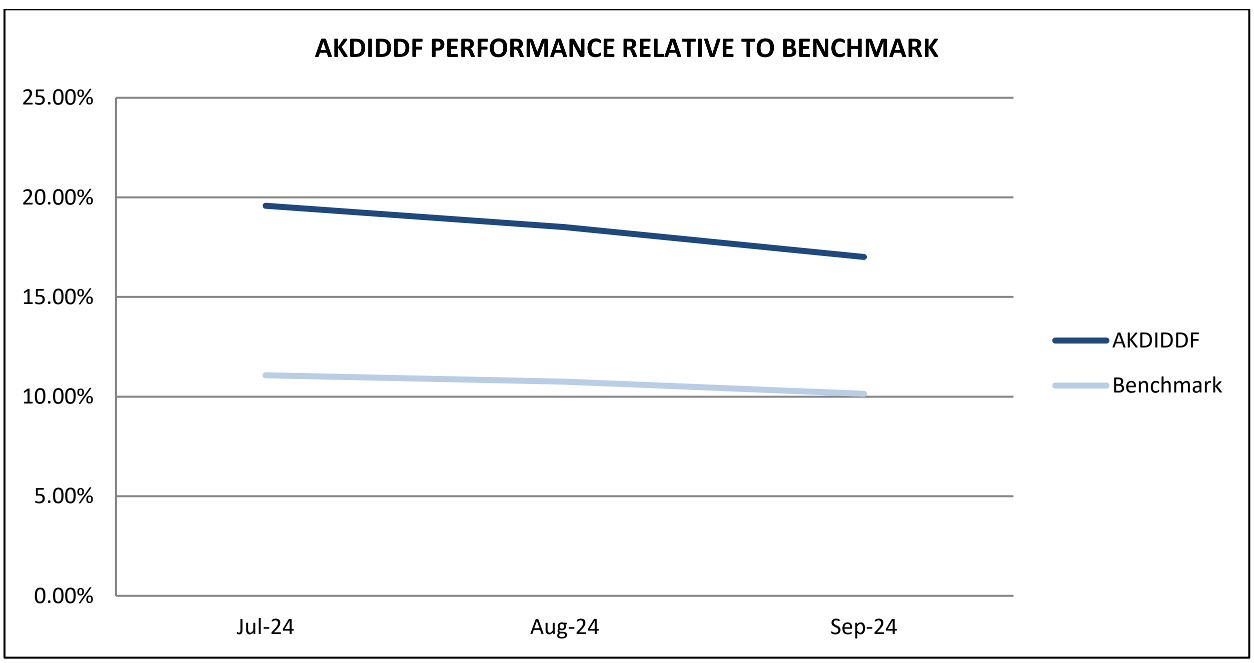
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1QFY25, the annualized return of AKD Islamic Daily Dividend Fund stood at 18.66% compared to the benchmark return of 10.65%.

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-24	Aug-24	Sep-24
AKDIDDF	19.58%	18.50%	17.01%
Benchmark	11.07%	10.75%	10.14%

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 Shariah Compliant Money Market Scheme. The returns of the fund are generated primarily through investment in government securities, Shariah Complaint corporate debt instruments, and Islamic bank deposits.

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)	30-Sep-24	30-Jun-24
Cash and Cash Equivalents	59.09%	62.99%
Commercial Papers / Short Term Sukuk	23.71%	14.63%
Placements with Banks and DFIs	-	-
Govt. Backed / Guaranteed Securities (over 90 days)	10.66%	18.57%
Other Assets including Receivables	6.54%	3.81%

viii) Non-Compliant Investments:

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
		------------------Rupees in '000-----------------				
K-Electric Limited	Short Term Sukuk	79,000	Nil	79,000	23.84%	23.71%

ix) Analysis of the Collective Investment Scheme's performance:

1FY25 Return (annualized)	18.66%
Benchmark Return (annualized)	10.65%

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

Net Assets Value			NAV Per Unit (Ex Div.)	
30-Sep-24	30-Jun-24	Change in Net Assets	30-Sep-24	30-Jun-24
(Rupees in 000)			(Rupees)	
331,308	532,733	-37.81%	50.0000	50.0000

xi) 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

As we embark on FY25, Pakistan's economic landscape continues to show promising signs of recovery, driven by strategic government policies and the successful transition to a new long-term Extended Fund Facility (EFF) program of USD 7 billion with the IMF. This development has renewed investor confidence and secured essential foreign inflows, further alleviating pressures on the current account. Additionally, the effects of contained demand, improved supply chains for essential food items, ongoing fiscal and monetary consolidation, favorable global commodity prices, and a positive base effect have significantly lowered inflation. In response to these favorable conditions, the State Bank of Pakistan has proactively reduced the policy rate, aiming to stimulate investment and drive sustainable economic growth.

In its last meeting on September 12, 2024, the Monetary Policy Committee (MPC) of the SBP decided to further reduce the policy rate by 200 bps to 17.50%, taking the cumulative reduction to 450 bps since June 2024. The SBP premised its decision on sharp decline in inflation over preceding two months, which has somewhat outpaced the Committee’s earlier expectations. This decline is primarily attributed to delays in implementing planned increases in administered energy prices, as well as favorable trends in global oil and food prices. Given these recent developments, the MPC assessed that the real interest rate remains adequately positive, positioning it to guide inflation toward the medium-term target of 5–7% and ensure macroeconomic stability.

In September 2024, the National Consumer Price Index (NCPI) fell to 6.93% YoY—the lowest rate since January 2021—down from 9.64% in August 2024 and significantly lower than 31.44% in September 2023. This brings the average inflation for the first quarter of FY25 to 9.19%. On a MoM basis, the NCPI decreased by 0.52%, driven primarily by a 1.38% decline in the Food Index, attributed to lower prices of perishable items. Regionally, the Urban and Rural CPI were recorded at 9.29% and 3.65%, respectively.

On the external front, the current account recorded a surplus of USD 119 million in September 2024, a significant increase from a revised surplus of USD 29 million the prior month. This shift brings the Current Account Deficit (CAD) for the first quarter of FY25 to USD 98 million, reflecting an impressive 92% reduction from USD 1,241 million during the same period last year. Furthermore, the revised CAD for FY24 was reported at USD 1,695 million, down substantially from USD 3.28 billion, marking a 48% YoY decline.

This reduction in the CAD can be attributed largely to a substantial rise in overseas workers’ remittances and increased other current transfers. Total imports for the first quarter of FY25 reached USD 16.83 billion, reflecting a 12% increase compared to the same period last year. However, this rise was largely offset by a marked increase in workers’ remittances. A stable exchange rate has further supported this growth, with remittances soaring to USD 8.79 billion in 1QFY25, up 39% from USD 6.33 billion in the same quarter last year. Overall, this positive momentum in the external sector indicates robust growth in trade and remittances, enhancing the country’s balance of payments and contributing to overall economic stability.

According to the data released by the SBP, the foreign exchange reserves held by the central bank stood at USD 10.74 billion by the end of 1QFY25, with the Country's liquid foreign exchange reserves reaching USD 15.40 billion. This marks a 10% increase since the beginning of the fiscal year. This surge can be primarily attributed to the disbursement of tranche under the IMF’s EFF program. This increase in reserves not only enhances the Country's ability to meet its external obligations but is also likely to strengthen investor confidence in Pakistan's economic prospects. Currently, the total liquid foreign exchange reserves are USD 16.02 billion as on October 18, 2024.

Recent data indicates that the LSMI output increased by 4.68% in August 2024 compared to July 2024. However, it decreased by 2.65% when compared to August 2023. For the first two months of FY25, the LSM sector registered a modest contraction of 0.19% relative to the same period last year. The sectors contributing most significantly to this overall growth include Wearing Apparel (2.15%), Textiles (0.63%), Coke and Petroleum Products (0.51%), Tobacco (0.39%), Automobiles (0.39%), and Food (0.32%). In contrast, notable declines were observed in Furniture (-1.85%), Non-Metallic Mineral Products (-1.38%), Iron and Steel Products (-0.71%), and Electrical Equipment (-0.63%). Looking ahead, the LSMI is poised for positive growth in FY25, supported by a potential reversal in interest rates that may enhance corporate profitability through lower debt burdens, alongside improving aggregate demand as the economy recovers.

FIXED INCOME REVIEW:

Since the SBP has started lowering policy rate in June 2024, the yields on government securities have seen a substantial reduction in both primary and secondary markets. This environment has generated heightened interest from both domestic and foreign investors seeking attractive returns on government debt securities, despite the allure of a robust equity market.

During the period, SBP conducted a total of six (6) Market Treasury Bills (MTB) auctions, where the Government managed to raise PKR 2.25 trillion against the auction target of PKR 1.84 trillion. Notably, the weighted average yields for 3, 6, and 12-month MTB were 18.61%, 18.61%, and 17.57% respectively, significantly down by 419 bps, 439 bps, and 555 bps as compared to 22.81%, 22.99%, and 23.12% during the same period last year.

To further address the need for liquidity, SBP also conducted three (3) auctions of fixed-rate Pakistan Investment Bonds (PIB) and was successful in raising PKR 334.46 billion. The weighted average yield for 3 and 5 years PIB decreased by 345 bps and 9 bps to 15.88% and 15.10%, respectively, as compared to 19.33% and 15.19% during the same period last year. Whereas, weighted average yield for 10 year PIB increased by 89 bps to 14.11% as compared to 13.22% in the same period last year.

In the market for Shariah Compliant instruments, a total of three (3) auctions were held for GOP Ijara Sukuk through the Pakistan Stock Exchange. These auctions, covering Variable Rental Rate (VRR), Fixed Rental Rate (FRR), and Fixed Rate Discounted (FRD) instruments, successfully raised PKR 388.36 billion, against the target of PKR 400 billion.

Looking ahead to the auction target calendars for October through December 2024, the State Bank of Pakistan aims to raise PKR 5.20 trillion by issuing 3 to 12-month MTB against the maturing amount of PKR 8.82 trillion. Additionally, the SBP targets to raise PKR 650 billion through 2 to 10-year fixed-rate PIB whereas, PKR 3.80 trillion 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 610 billion in the two upcoming auction during October through November 2024.

FUTURE OUTLOOK:

After extensive negotiations, the incumbent government has successfully secured the IMF board's approval for the USD 7 billion Extended Fund Facility (EFF), marking a pivotal achievement in our economic strategy. The program aims to capitalize on the macroeconomic stability achieved over the past year under the SBA by continuing efforts to strengthen public finances, reduce inflation, restore foreign exchange reserves, and eliminate economic distortions to foster growth. Key focus areas of the program includes implementing energy sector reforms, maintain a flexible exchange rate, strengthen fiscal and monetary policy, reforms to broaden the tax base, and improve State Owned Enterprises (SOE) management. Investors are closely watching these developments for insights into the future economic landscape and likewise market performance.

The Monetary Policy Committee embarked on a monetary easing stance in June 2024 and since then has reduced the policy rate by a substantial 450 bps to 17.50%, down from a historical high of 22%. This was in response to better than earlier anticipated decline in inflation which dropped to 9.64% YoY in August 2024, signaling a transition to single-digit inflation for the first time in a considerable period.

This pace of disinflation can be attributed to the impact of contained demand, reinforced by improved supply chain for essential food items, ongoing fiscal and monetary consolidation efforts, favorable global commodity prices, delays in upward adjustments in administered energy prices, and a favorable base effect. While inflation is on a downward trend and is expected to continue this trajectory, it remains vulnerable to risks such as the timing and magnitude of future adjustments in administered energy prices, volatility in global commodity markets, and potential new taxation measures to address revenue shortfalls. The central bank projects that average inflation for FY25 will fall below the previously estimated range of 11.5% to 13.5%. However, this outlook is contingent upon achieving targeted fiscal consolidation and the timely realization of anticipated external inflows.

According to the Government's Annual Plan 2024-25, the economy is expected to achieve a growth rate of 3.6%. This growth will be driven by robust performances in the industrial and services sectors, projected to grow by 4.4% and 4.1% respectively, while the agriculture sector is anticipated to grow at 2.0%. Looking ahead, key drivers of market performance that are likely to sustain investor confidence include progress in securing board's approval for a larger IMF program and potential inflows from other sources. However, political uncertainty and any further delays in inflows from foreign partners pose significant downside risks to the market's performance.

xii) 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.

xiii) Break down of unit holding by size:

Range (Units)	No. of Investors
0.0001 to 9,999	0
10000 to 49999	1
50,000 - 99,999	1
100,000 - 499,999	2
500,000 and above	4
Total	**8**

xiv) Disclosure on unit split (if any), comprising:

There were no unit splits during the period.

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

Investments are subject to credit and market risk.

xvi) 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

Interim Statement of Assets and Liabilities (Unaudited)

As at September 30, 2024

	Note	September 2024 (Rupees in '000)	June 2024 (Rupees in '000)
ASSETS			
Bank balances	**3**	**43,535**	240,028
Investments	**4**	**259,675**	279,350
Profit receivable	**5**	**39,719**	18,862
Security Deposit & Prepayments	**6**	**572**	545
Preliminary Expenses and Floatation Cost	**7**	**697**	749
Total assets		**344,198**	539,534
LIABILITIES			
Payable to AKD Investments Management Limited -Management Compan	**8**	**863**	1,139
Payable to Central Depository Company of Pakistan Limited - Trustee	**9**	**186**	20
Payable to the Securities and Exchange Commission of Pakistan	**10**	**142**	46
Accrued expenses and other liabilities	**11**	**11,699**	5,718
Total liabilities		**12,890**	6,923
NET ASSETS		**331,308**	532,611
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**331,308**	532,611
CONTINGENCIES AND COMMITMENTS	12		
		(Number of units)	**(Number of units)**
NUMBER OF UNITS IN ISSUE		**6,626,158**	10,652,223
		(Rupees)	**(Rupees)**
NET ASSET VALUE PER UNIT		**50.0000**	50.0000

The annexed notes 1 to 18 form an integral part of these interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer **Director** **Acting Chief Financial Officer**

AKD Islamic Daily Dividend Fund
Interim Income Statement (Unaudited)
For the period from July 01, 2024 to September 30, 2024

	Note	September 2024 (Rupees in '000)	September 2023 (Rupees in '000)
INCOME			
Capital Gain on disposal		**204**	-
Income from government securities and short term sukuk		**17,233**	1,757
Profit on Bank deposit		**7,113**	7,850
Un realized gain / (loss) on revaluation of investments		**(328)**	-
Total income		**24,222**	**9,607**
EXPENSES			
Remuneration to the Management Company	8.1	**-**	-
Sindh sales tax on remuneration of the Management Company	8.2	**-**	-
Remuneration of the Trustee	9.1	**71**	28
Sindh Sales tax on remuneration of the Trustee	9.2	**10**	4
Annual Fee Securities and Exchange Commission of Pakistan	10.1	**96**	38
Amortisation of preliminary expenses and floatation costs	7.1	**52**	52
Auditors' remuneration		**74**	75
Allocated Expenses	8.3	**-**	-
Bank Charges		**-**	2
Transaction charges		**-**	
Selling and Marketing Expense		**276**	
Other Expense		-	128
Total expenses		**578**	**327**
Net income for the year before taxation		**23,644**	9,280
Taxation	14	**-**	-
Net income for the year after taxation		**23,644**	9,280
Allocation of net income for the period:			
Net income for the period after taxation		**23,644**	**9,280**
Income already paid on units redeemed		**-**	**-**
		23,644	**9,280**
Accounting income available for distribution			
- Relating to capital gains		**-**	**-**
- Excluding capital gains		**23,644**	**9,280**
		23,644	**9,280**

The annexed notes 1 to 18 form an integral part of these interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer **Director** **Acting Chief Financial Officer**

AKD Islamic Daily Dividend Fund
Interim Cash Flow Statement (Unaudited)
For the period from July 01, 2024 to September 30, 2024

	September 2024 (Rupees in '000)	September 2023 (Rupees in '00
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	**23,644**	9,280
Adjustments for:		
Un realized gain / (loss) on revaluation of investments	**328**	-
Amortisation of preliminary expenses and floatation costs	**52**	52
	24,024	9,332
(Increase) / decrease in assets		
Investments	**19,347**	(22,000)
Profit receivable	**(20,857)**	(81)
Security Deposit & Prepayments	**(27)**	28
Preliminary Expenses and Floatation Cost	**-**	-
	(1,537)	(22,053)
Increase / (decrease) in liabilities		
Payable to AKD Investments Management Limited -Management Company	**(276)**	-
Payable to Central Depository Company of Pakistan Limited - Trustee	**166**	3
Payable to the Securities and Exchange Commission of Pakistan	**96**	2
Accrued expenses and other liabilities	**5,981**	555
	5,967	560
Net cash flows from operating activities	**28,453**	(12,161)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	**18,068**	8,025
Amount paid against redemption of units	**(219,371)**	(41,155)
Dividend Paid	**(23,644)**	(9,280)
Net cash flows from financing activities	**(224,946)**	(42,410)
Net increase in cash and cash equivalents during the period	**(196,493)**	(54,571)
Cash and cash equivalents at the beginning of the period	**240,028**	195,592
Cash and cash equivalents at the end of the period	**43,535**	141,021

The annexed notes 1 to 18 form an integral part of these interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer **Director** **Acting Chief Financial Officer**

AKD Islamic Daily Dividend Fund
Interim Statement of comprehensive income (unaudited)
For the period from July 01, 2024 to September 30, 2024

	September 2024 (Rupees in '000)	September 2023 (Rupees in '000)
Net income for the period after taxation	**23,644**	9,280
Other comprehensive income for the period	-	-
Total comprehensive income for the period	**23,644**	9,280

The annexed notes 1 to 18 form an integral part of these interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer **Director** **Acting Chief Financial Officer**

AKD Islamic Daily Dividend Fund
Interim Statement of Movement In Unit Holders' Fund (Un-audited)
For the period from July 01, 2024 to September 30, 2024

	September 2024			September 2023		
	---------------------(Rupees in '000)---------------------			---------------------(Rupees in '000)---------------------		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period	532,611	-	532,611	216,510	-	216,510
Issue of - 361,362 units (2023 :160,512 units)						
- Capital value (at par i.e. Rs. 50 per unit)	18,068	-	18,068	8,025	-	8,025
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	18,068	-	18,068	8,025	-	8,025
Redemption of 4,839,119 units (2023:823,100 units)						
- Capital value (at par i.e. Rs. 50 per unit)	(219,371)	-	(219,371)	41,155	-	41,155
- Element of income	-	-	-	-	-	-
Total payments on redemption of units	(219,371)	-	(219,371)	41,155	-	41,155
Total comprehensive income for the period	-	23,644	23,644	-	9,280	9,280
Distribution during the period	-	(23,644)	(23,644)	-	(9,280)	(9,280)
Net income for the period less distribution	-	-	-	-	-	-
	331,308	-	331,308	183,380	-	183,380
Undistributed income brought forward						
- Realised income		-			-	
- Unrealised income		-			-	
		-			-	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		23,644			9,280	
		23,644			9,280	
Distribution during the period		(23,644)			(9,280)	
Undistributed gain carried forward		-			-	
Undistributed gain carried forward						
- Realised income		-			-	
- Unrealised (loss) / income		-			-	
		-			-	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			50.0000			50.0000
Net assets value per unit at end of the period			50.0000			50.0000

The annexed notes 1 to 18 form an integral part of these interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer **Director** **Acting Chief Financial Officer**

AKD ISLAMIC DAILY DIVIDEND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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, 2024. The Fund has been given initial stability rating of 'AA(f)' by PACRA on September 20, 2024.

The AKD Islamic Daily Dividend Fund (the Fund) is establish through a Trust Deed (the Deed) registration # KAR/ST/194-2021dated November 10, 2021 under the Sindh Trusts Act, 2020.

The Fund is categorised as an open ended Shariah Complaint (Islamic) Income Scheme in accordance with Circular 7 of 2009, issued by the Securities and Exchange Commission of Pakistan (SECP). Al-Hilal Shariah Advisors (Private) Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) 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, 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 Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, along with 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 these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2024.

2.1.3 These condensed interim financial statements are unaudited. In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 30 September 2024.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except stated otherwise.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies adopted and the methods of computation of balance used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual

2.5 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the Management, determination of weighted average units for calculating EPU is not practicable.

	Note	Un-Audited September 30 2024	Audited June 30 2024
		(Rupees in '000)	
3 BANK BALANCES			
saving accounts	3.1	43,535	240,028
		43,535	240,028

3.1 These represents profit and loss sharing accounts maintained with various banks carrying profit at the rate ranging from 14% to 18% (June 30, 2024: 18.5%) per annum.

	Note	Un-Audited September 30 2023	Audited June 30 2024
		(Rupees in '000)	
4 INVESTMENTS			
At amoritsed cost			
Short Term Sukuk	4.1	**79,000**	79,000
At fair value through profit or loss			
GOP ijara sukuks	4.2	**180,675**	200,350
		259,675	279,350

4.1 Short Term Sukuk

Name of investee Company	Rate of return per annum	Issue date	Maturity date	Opening balance	Purchased during the period	Sold / matured during the period	As at September 30, 2024	Carrying value as at September 30, 2024	Rating	Carrying value as a percentage of Investment	Net assets
	(%)									------------ (%) --------------	
Power Generation and Distribution											
K-Electric Limited	21.06	Tuesday, June 4, 2024	Wednesday, December 4, 2024	4,000	-	-	**4,000**	**4,000**	AA	5%	1.21%
K-Electric Limited	21.69	Thursday, May 2, 2024	Friday, November 1, 2024	**75,000**	-	-	**75,000**	**75,000**	AA	95%	22.64%
					-	-	**79,000**	**79,000**		**100%**	
						June 30, 2024	79,000	79,000			

4.2 GOP ijara sukuks

Name of Security	Rate of return per annum	Issue date	Maturity date	Opening balance	Purchased during the period	Sold / matured during the period	As at September 30, 2024	Carrying value as at September 30, 2024	Market value as at September 30, 2024	Unrealised diminution as at September 30, 2024	Carrying value as a percentage of Investments	Carrying value as a percentage of Net assets
	(%)										------------ (%)	--------------
GOP IJARA SUKUK	21.24	7-Aug-23	7-Aug-24	1,000	230	1,230	-	-	-	-	0%	-
GOP IJARA SUKUK	22.49	9-Oct-23	9-Oct-24	1,000	-	-	1,000	100,290	**100,170**	120	55%	30%
GOP IJARA SUKUK	22.49	9-Oct-23	9-Oct-24	-	70	-	70	7,042	**7,013**	29	4%	2%
GOP IJARA SUKUK	22.49	9-Oct-23	9-Oct-24	-	49	-	49	4,935	**4,909**	26	3%	1%
GOP IJARA SUKUK	22.49	9-Oct-23	9-Oct-24	-	330	-	330	33,236	**33,059**	176	18%	10%
GOP IJARA SUKUK	15.99	16-Aug-24	15-Aug-25	-	2,000	-	2,000	8,800	**8,871**	(71)	5%	3%
GOP IJARA SUKUK	15.99	16-Aug-24	15-Aug-25	-	1,000	-	1,000	4,406	**4,436**	(29)	2%	1%
GOP IJARA SUKUK	15.99	16-Aug-24	15-Aug-25	-	1,000	-	1,000	4,404	**4,436**	(31)	2%	1%
GOP IJARA SUKUK	15.99	16-Aug-24	15-Aug-25	-	2,000	-	2,000	8,809	**8,871**	(62)	5%	3%
GOP IJARA SUKUK	15.99	16-Aug-24	15-Aug-25	-	10,000	8,999	1,001	4,409	**4,440**	(31)	2%	1%
GOP IJARA SUKUK	17.23	26-Jul-24	25-Jul-25	-	2,000	2,000	-	-	-	-	0%	0%
GOP IJARA SUKUK	17.23	26-Jul-24	25-Jul-25	-	2,000	1,000	1,000	4,438	**4,472**	(34)	2%	1%
									180,675			
								30-Jun-24	**200,350**			

		Un-Audited September 30 2024	Audited June 30 2024
		--------- (Rupees in '000) ---------	

5 PROFIT RECEIVABLE

	Note	Un-Audited September 30 2024	Audited June 30 2024
Profit receivable on			
- Bank deposits		**9,805**	2,928
- Short term sukuks		**7,049**	2,736
-GOP ijara sukuks		**23,078**	13,198
		39,932	18,862

6 SECURITY DEPOSIT AND PREPAYMENTS

	Un-Audited September 30 2024	Audited June 30 2024
	--------- (Rupees in '000) ---------	
Security deposit with Central Depository Company of Pakistan Limited	**200**	200
Prepaid CDS Annual Fee	**-**	1
Prepaid Shariah Advisory Fee	**171**	212
Prepaid Rating Fee	**88**	132
Prepaid Legal & Professional	**11**	-
Prepaid CDS Annual Fee	**-**	-
Prepaid KSE Annual Listing Fee	**6**	-
Other receiveables	**96**	
	572	545

7 PRELIMINARY EXPENSES AND FLOATATION COST

	Note	Un-Audited September 30 2024	Audited June 30 2024
Preliminary Expenses and Floatation Cost	7.1	**749**	955
Less: amortised during the period		**(52)**	(206)
		697	749

7.1 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 17, 2023.

8 PAYABLE TO AKD INVESTMENTS LIMITED - MANAGEMENT COMPANY

	Un-Audited September 30 2024	Audited June 30 2024
	--------- (Rupees in '000) ---------	
Payable against Formation Cost	**-**	1,030
Other Payables to Management Company	**863**	109
	863	1,139

8.1 The Management Company has charged remuneration at the Nil (2023: Nil) from July 01, 2024 to September 30, 2024 of the average net assets of the Fund. The remuneration is paid to the management on a monthly basis in arrears.

8.2 Sindh Sales Tax on services at the rate of 15% (June 30, 2024: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.

8.3 The Management Company has charged expenses at the rate of Nil (2023: Nil) per annum from July 01, 2024 to September 30, 2024 of the average net assets of the Fund

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	Un-Audited September 30 2024	Audited June 30 2024
		--------- (Rupees in '000) ---------	
Trustee remuneration payable	9.1	**162**	17
Sindh Sales Tax payable on trustee remuneration	9.2	**24**	2
CDS Charges Payable		**-**	1
		186	20

9.1 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 0.055% per annum of net assets on monthly basis in arrears

9.2 Sindh Sales Tax at 15% (30 June 2024 13%) Is charged on Trustee fee.

9.3 The remuneration is paid to the Trustee on a monthly basis in arrears.

			Un-Audited September 30 2024	Audited June 30 2024
			--------- (Rupees in '000) ---------	
10	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**	**Note**		
	Annual fee payable to the SECP	10.1	**142**	46

10.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 all Collective Investment Scheme are required to monthly fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075 % (June 30, 2024: 0.075 %) of the average annual net assets of the scheme.

			Un-Audited September 30 2024	Audited June 30 2024
11	**ACCRUED EXPENSES AND OTHER LIABILITIES**		--------- (Rupees in '000) ---------	
		Note		
	Auditors Remuneration Payable		**372**	298
	Withholding Tax Payable		**10,864**	5,412
	Others		**463**	8
			11,699	**5,718**

12 CONTINGENIES & COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2024 and June 30, 2024.

13 TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 01, 2024 to September 30, 2024 is 0.77% annualised, which includes 0.08% representing government levy and SECP fee.

14 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 90% of the net accounting income other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) and section 113 C (Alternate Corporate tax) under clause 11A of Part IV of the second Schedule to the income Tax Ordinance, 2001. Since the management has distributed 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

15 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 capital of the Management Company or 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 interim financial information, are as follows:

	Un-Audited September 30 2024	Audited June 30 2024
	--------- (Rupees in '000)	---------
15.1 Details of balances with related parties / connected persons as at period end		
AKD Investment Management Limited - Management Company		
Payable against Formation Cost	**-**	1,030
Other Payables to Management Company	**863**	109
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	**162**	17
Sindh Sales Tax on trustee fee	**24**	2
CDS charges	**-**	1
Unit holders holding 10% or more of the units in issue		
M3 Technologies Pakistan Private Limited	**115,663**	111,722
Outstanding units 2,313,259 (30 June 2024: 2,234,441) units		
National Management and Consultancy Services Private Limited		
Outstanding units 1,728,499 (30 June 2024: 5,544,937) units	**86,425**	277,247

15.2	Details of transactions with related parties / connected persons during the period	September 2024 (Rupees in '000)	September 2023 (Rupees in '000)
	AKD Investment Management Limited - Management Company		
	Management remuneration	-	-
	Sales Tax on Management Remuneration	-	-
	Allocated Expenses	-	-
	Formation Cost paid by Management Company	-	955
	Amount paid by Management Company on behalf of the Fund	-	92
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	**71**	28
	CDS Charges	**8**	7
	Sindh Sales Tax on trustee remuneration and CDS Charges	**10**	5
	Unit holders holding 10% or more of the units in issue		
	ABDUL WAHAB GHAFFAR KODVAVI		
	units issued: Nil (2023 22,690)	-	1,135
	Dividend Paid Nil	-	1,335
	Redemption of units Nil : (2023:260,000)	-	13,000
	M3 Technologies Pakistan Private Limited		
	units issued: Nil (2023:Nil)		
	Dividend Paid	**3,941**	-
	Redemption of units : Nil (30 June Nil)	-	-
	NATIONAL MANAGEMENT AND CONSULTANCY SERVICES PVT LIMITED		
	units issued: Nil (2023 :41,419)	-	2,071
	Dividend Paid	**9,178**	2,436
	Redemption of units : 4,000,000 (30 june 2023)	**200,018**	-
	ASKARI GENERAL INSURANCE COMPANY LTD WINDOW TAKAFUL OPERATIONS OPF INVESTMENT		
	units issued: Nil (2023:24,938)	-	1,247
	Dividend Paid	1,286	1,467
	ASKARI GENERAL INSURANCE COMPANY LTD WINDOW TAKAFUL OPERATIONS PTF INVESTMENT		
	units issued: Nil (2023:36,107)	-	1,805
	Dividend Paid	1,863	2,124

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

16.1 IFRS 13 establishes a single source of guidance unde IFRS for all fair value measurements and disclosures about fair value measurement where such measurement are required as permitted by other IFRS. 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 participation at the measurement date (i.e.an exit price). Adoption of IFRS 13 has not affected the interim financial information.

16.2 Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date . The estimated fair value of all other financial assets and liabilities is considered not significally different from book value.

16.3 The following table shows financial instruments recognised at fair value , analyzed between those whose fair value is based on:

Level 1 : Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities .

Level 2 : Fair value measurements using inputs other than quoted included within Level 1 that are observable for the assets and liability , either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyze financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurements is categorized:

	--------- As at September 30, 2024 --------			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	**------------------- (Rupees in '000) -------------------**			
Short term sukuk & GOP ijaara	**-**	**-**	**259,675**	**259,675**

	--------- As at June 30, 2024 --------			
	Level 1	Level 2	Level 3	Total
	------------------- (Rupees in '000) -------------------			
ASSETS				
Short term sukuk & GOP ijaara	-	-	279,350	279,350

17 GENERAL

17.1 These interim financial information are unaudited.

17.2 These interim financial information are presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest of thousand rupees.

18 DATE OF AUTHORIZATION OF ISSUE

These interim financial information were authorized for issue on ________________ by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer **Director** **Acting Chief Financial Officer**