AKD Investment Management Ltd.

Partner with AKD
Profit from the Experience

Risk Profile of Collective Investment Schemes/Plans

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

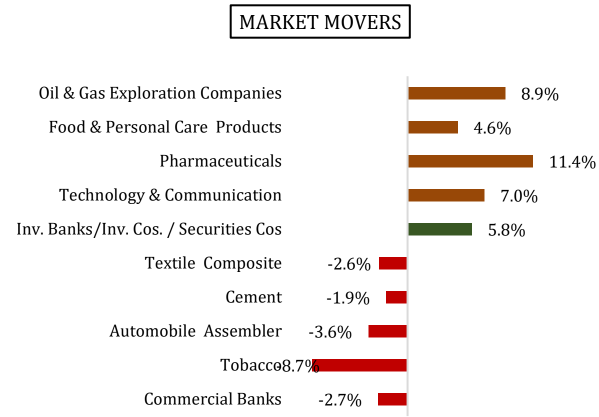
Message from CIO's Desk

In August 2024, the KSE-100 Index experienced mixed momentum, influenced by several key factors. The market showed a positive outlook in anticipation of the IMF Board's approval for the Extended Fund Facility program and subsequent loan disbursement. Early in the month, the government secured crucial one-year debt rollover agreements from China, Saudi Arabia, and the UAE, a key step towards obtaining IMF board approval. Additionally, Moody's upgraded the country's local and foreign currency issuer and senior unsecured debt ratings from Caa3 to Caa2, with the outlook revised to positive. However, the delay in the IMF's board approval somewhat dampened market momentum, with the benchmark index closing the month at 78,488 points, registering a modest gain of 601 points (+0.77 MTD / +0.06% FYTD).

During the month, the investor participation witnessed robust growth, with average traded volumes surging by 35% MoM to 538 million shares, as compared to the preceding month's 397 million shares. Foreigners' interest remained steadfast, with net buying totaling USD 9.27 million, although significantly lower than USD 23.84 million recorded in the previous month. Notable sectors attracted foreign capital included Oil and Gas Exploration Companies (USD 3.81 million), Technology and Communication (USD 2.98 million), Food and Personal Care Products (USD 2.71 million), and Commercial Banks (USD 2.24 million). Domestically, Individuals and Brokers emerged as net buyers, with net buying of USD 20.31 million and USD 3.01 million, respectively. Conversely, other domestic market participants, including Mutual Funds, Insurance Companies, and Banks / DFI were major net sellers, with respective divestments of USD 8.42 million, USD 7.33 million, and USD 7.27 million.

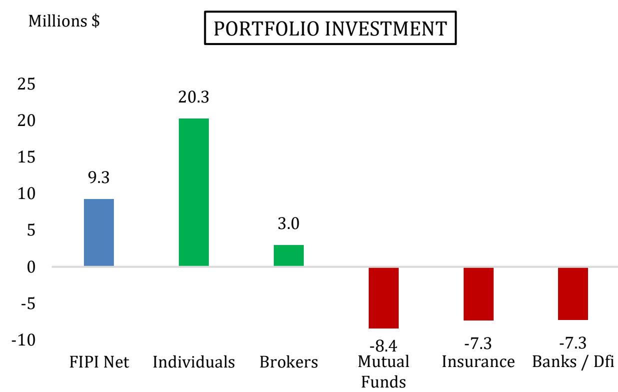
Some other key developments during the month that led the market were:

- For the month of July 2024, the current account posted a deficit of USD 162 million as compared to a deficit of USD 313 million recorded during June 2024. On a YoY basis, the current account deficit recorded a significant improvement coming down from USD 741 million in July 2023.
- Remittances received from overseas Pakistanis recorded a major jump of 48% YoY to USD 3 billion in July 2024 as compared to USD 2.03 billion in July 2023. On a MoM basis, remittances decline by 5% from USD 3.16 billion recorded in June 2024.
- According to the data published by PBS, the Large Scale Manufacturing Industries (LSMI) posted a decline of 0.03% for June 2024 as compared to the same period last year, and 4.70% when compared with May 2024.
- During the first two months of FY25, the Federal Board of Revenue collected PKR 1,588 billion against the assigned target of PKR 1,554 billion thereby successfully achieving the collection target.
- The foreign exchange reserves held by SBP were recorded at USD 9.44 billion, increasing by USD 216 million (2.34% MoM) during August 2024. Total liquid foreign exchange reserves held by the Country stood at USD 14.74 billion.
- The Foreign Direct Investment (FDI) in the Country witnessed a robust growth of 64% YoY during the first month of the current fiscal year amounting to USD 136.3 million.



Source: PSX, AKDIML Research

**Change in market capitalization during the month*



Source: NCCPL, AKDIML Research

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

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Complaints http://sdms.secp.gov.pk complaints@secp.gov.pk
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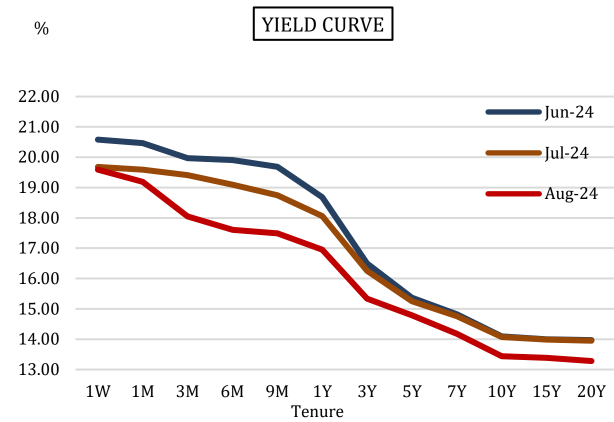
Message from CIO's Desk

The upcoming Monetary Policy Committee meeting, scheduled for September 12, 2024, has garnered market anticipation for another rate cut of 100-150 bps, potentially lowering the policy rate to 18.50%-18.00%. This would mark the third consecutive rate cut by the SBP since the start of interest rate reversal cycle in June 2024. The market consensus of a rate cut is supported by the sustained downward trajectory in inflation, improvement in current account deficit, rise in SBP's foreign exchange reserves, and perceived stability in the Country's financial position with staff-level agreement reached with the IMF. Furthermore, since the last monetary policy announcement in July 2024, there has been a noticeable decline in yields as well on government securities across both primary and secondary markets. This trend also underscores investors' anticipation of further monetary easing.

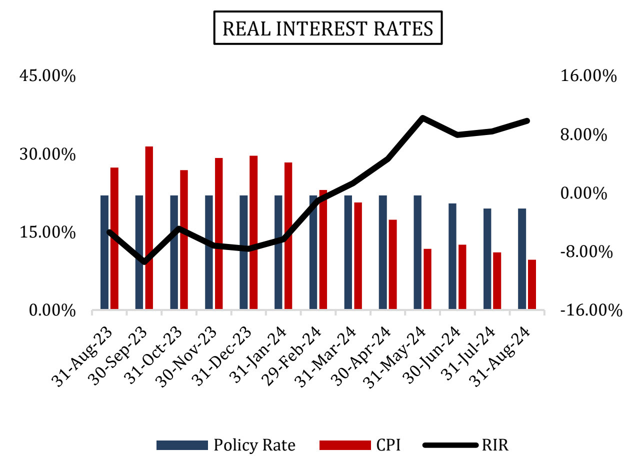
NCPI during the month dropped to single digit at 9.64% as compared to 11.09% in July 2024 and significantly lower than 27.38% in August 2023, taking the average inflation for 2MFY25 to 10.36%. On MoM basis, the NCPI increased by 0.39%, driven primarily by a 1.46% rise in the food index, attributed to 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. Although food and other essentials prices registered an incline in the month, overall CPI declined due to high base effect and decline in Housing Index by a 1.40% MoM.

On the fixed income side, the State Bank of Pakistan conducted two (2) MTB auctions during the month, with a realized amount of PKR 674 billion. The weighted average yields for 3-month, 6-month, and 12-month plunged by 202 bps, 149 bps, and 126 bps to 17.4660%, 17.6959%, and 16.8631%, respectively, as compared to the previous month. In the market for Shariah Compliant instruments, one (1) auction for the sale of GOP Ijara Sukuk was carried out through the PSX, resulting in a total of PKR 119.02 billion raised by the government as compared to the auction target of PKR 100 billion.

The government is actively working to secure IMF Board's approval for the USD 7 billion Extended Fund Facility program, contingent on receiving timely confirmation of necessary financing assurances from bilateral partners. The approval is expected towards the end of September 2024 and is expected to be a major impetus for the market. Additionally, anticipated monetary easing by the central bank is likely to further boost market momentum and sustain investor interest in local equities. However, the political uncertainty and any further undue delays in IMF approval remains the most significant downside risk to the market's performance.



Source: MUFAP, AKDIML Research



Source: PBS, AKDIML Research

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AKD Islamic Daily Dividend Fund

Fund Manager's Comments

For the month of August 2024, AKD Islamic Daily Dividend Fund (AKDIDDF) posted an annualized return of 18.50% against the benchmark return of 10.75%. The exposure in Govt. Backed / Guaranteed Securities was 48.92%, 14.55% in Commercial Papers / Short Term Sukuk (STS), and Cash was 31.25% at the end of August 2024. The weighted average maturity of the Fund was at 69 days.

Fund Information

Investment Objective: The objective of AKD Islamic Daily Dividend Fund (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.

Fund Type	Open-End
Category	Shariah Compliant Money Market
Risk Profile	Low
Risk of Principal Erosion	Principal at Low Risk
Net Assets (PKR)	531,341,861
NAV (PKR) (Ex Div.)	50.0000
Benchmark	BM*
Dealing Days	Monday to Friday
Cut-off Timings	9:00 am to 5:00 pm
Pricing Mechanism	Backward Pricing
Management Fee	0.00% per annum
Sales Load (Front end)	Nil
Sales Load (Back end)	Nil
Total Expense Ratio (Annualized)	MTD (0.58%), YTD (0.59%)
Government Levies (Annualized)	MTD (0.08%), YTD (0.09%)
Date of Fund Launch	February 17, 2023
Trustee	Central Depository Company of Pakistan Limited (CDC)
Auditor	Yousuf Adil, Chartered Accountants
Stability Rating	AA(f) by PACRA (07 Mar'2024)
Asset Manager Rating	AM3++ by PACRA (27 Jun'2024)
Weighted Average Maturity (Days)	69
Leverage	Nil

Fund Manager

Mr. Danish Aslam

Investment Committee Members

Mr. Imran Motiwala	Ms. Anum Dhedhi
Mr. Muhammad Yaqoob, CFA	Mr. Raheel Farooque
Mr. Danish Aslam	

	FYTD	MTD	1 Year	3 Year	5 Year	Since Inception**
BM*	10.91%	10.75%	10.76%	-	-	8.87%
AKDIDDF	19.19%	18.50%	20.47%	-	-	19.34%

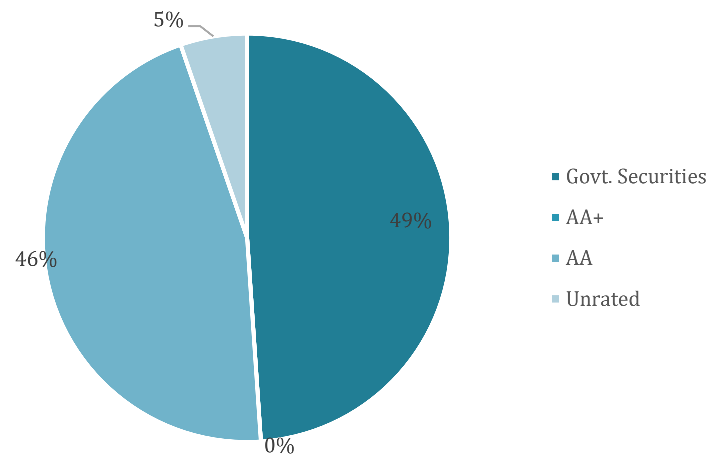
	FY24	FY23	FY22	FY21	FY20
BM*	10.28%	6.62%	-	-	-
AKDIDDF	20.31%	17.60%	-	-	-

*Three (3) months average deposit rates of Three (3) AA rated Scheduled Islamic Banks or Islamic Banking windows of Conventional Bank as selected by MUFAP.
** Geometric mean

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

Asset Allocation (% of Total Assets)	31-Aug-2024	31-Jul-2024
Cash	31.25%	26.42%
Govt. Backed / Guaranteed Securities	48.92%	53.47%
Commercial Papers / Short Term Sukuk	14.55%	15.04%
Placements with Banks and DFIs	0.00%	0.00%
Others including receivables	5.28%	5.07%

Credit Quality of Portfolio (% of Total Assets)



Sukuk Certificates (% of Total Assets)	Rating	31-Aug-2024
K-Electric Limited STS – 02-May-2024	AA	13.81%
K-Electric Limited STS – 04-Jun-2024	AA	0.74%
Total		**14.55%**

Details of Non-Compliant Investment

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

MUFAP's Recommended Format