



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

DISPUTE RESOLUTION/ COMPLAINTS HANDLING:

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DISCLAIMER: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved. Performance data does not include the cost incurred directly by an investor in the form of sales loads etc.

Message from CIO's Desk

In the first month of FY25, the KSE-100 Index experienced a strong upward trend, reaching a new high of 81,840 points. This surge followed the incumbent Government's successful negotiation of a staff-level agreement (SLA) with the IMF for a 37-month Extended Fund Facility (EFF) program amounting to USD 7 billion (equivalent to SDR 5,320 million), thus improving the likelihood of a new program shortly. However, recent upward adjustments in the electricity tariffs triggered political and social unrest, which understandably eroded earlier gains. On a positive side, after the staff-level agreement with the IMF, Fitch Ratings upgraded the Country's Long-Term Foreign Currency Issuer Default Rating (IDR) to CCC+ from CCC. Additionally, a 100 basis points further reduction in the policy rate helped improve market sentiment, with the index ending the month at 77,887 points—a modest decline of 558 points (-0.71% MTD/FYTD).

The staff-level agreement reached with the IMF is awaiting Executive Board's approval, anticipated in August 2024. This Extended Fund Facility program aims to capitalize on the macroeconomic stability achieved over the past year under the Stand-by Arrangement 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.

During the month, the investor participation was marginally lower as compared to the previous month, with average traded volume declining by ~1% to 397 million shares, as compared to the preceding month's 403 million shares. However, foreigners' interest remained steadfast, with net buying totaling USD 23.84 million, higher than the USD 1.83 million shares recorded in the previous month. Notable sectors attracted foreign capital included Technology and Communication (USD 6.09 million), Commercial Banks (USD 5.81 million), and Textile Composite (USD 2.22 million). On the domestic front, Banks / DFIs and Individuals emerged as major net buyers, with net buying of USD 5.21 million and USD 4.77 million, respectively. Conversely, Mutual Funds and Corporates were major net sellers, with respective divestments of USD 15.09 million and USD 8.85 million.

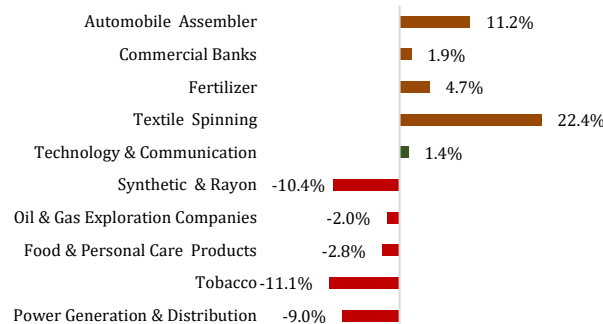
Some other key developments during the month that led the market were:

- The State Bank of Pakistan (SBP) projects Pakistan's GDP growth for FY25 to be in the range of 2.5 to 3.5%, driven primarily by growth in industrial and services sectors, attributed to lower interest rates and higher development spending. However, agricultural sector growth is expected to slow down after posting robust growth in FY24.
- The SBP also highlighted that Pakistan is set to repay a total of USD 26.2 billion external debt repayments in principal and interest payments for FY25. Out of this, USD 16.1 billion is highly expected to be rolled over from friendly countries and commercial loans.
- For the month of June 2024, the current account posted a deficit of USD 329 million as compared to a deficit of 248 million recorded during May 2024. This took the FY24 CAD to USD 681 million significantly lower than USD 3.28 billion in the same period last year.
- According to the data published by PBS, the Large Scale Manufacturing Industries (LSMI) posted an increase of 7.33% for May 2024 as compared to the same period last year, and increased by 7.52% when compared with April 2024.
- During the first month of FY25, the Federal Board of Revenue (FBR) collected PKR 659.2 billion against the assigned target of PKR 656 billion thereby successfully achieving the collection target.

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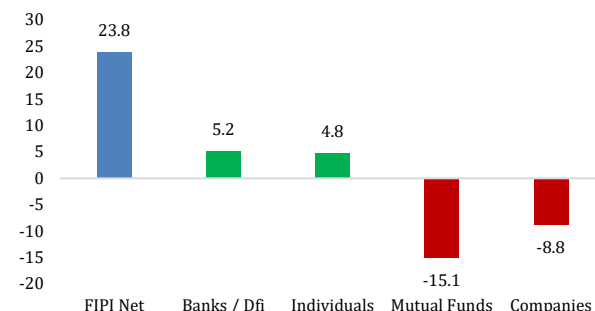
MARKET MOVERS



Source: PSX, AKDIML Research

Millions \$

PORTFOLIO INVESTMENT



Source: NCCPL, AKDIML Research

Message from CIO's Desk

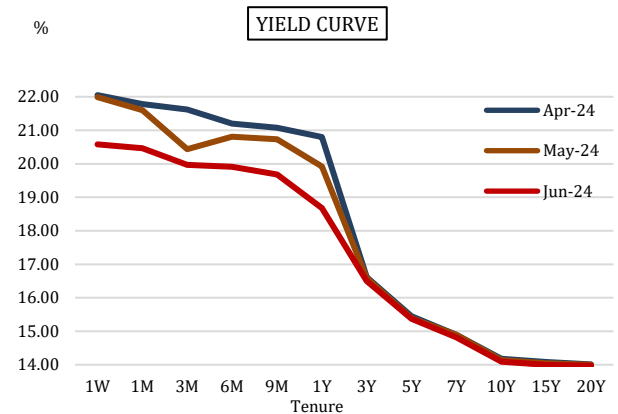
- The foreign exchange reserves held by SBP were recorded at USD 9.10 billion, declining by USD 287 million (-3.1% MoM) during July 2024. Total liquid foreign exchange reserves held by the Country stood at USD 14.39 billion.

At its meeting on July 29, 2024, the Monetary Policy Committee (MPC) of the State Bank of Pakistan decided to further reduce the policy rate by 100 bps to 19.50%, taking the cumulative cut to 250 bps since June 2024. The SBP premised its decision on better than anticipated improvement in inflation recorded in June 2024 coupled with inflationary pressures of FY25 budgetary measures which was also broadly in line with earlier expectations. The inflationary pressures continued to ease amidst stringent monetary and fiscal consolidation efforts, leading the real interest rate to remain significantly positive. The Committee also noted that despite substantial debt repayments and other obligations, the external account condition has considerably improved reflected by the continuous growth in foreign exchange reserves supported by the substantial decline in the CAD in FY24. Thus, the MPC viewed that it was appropriate to cut interest rates to promote economic growth while also keeping inflationary pressures in check.

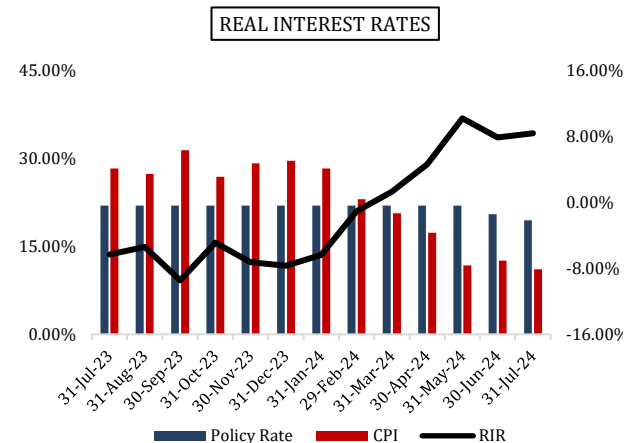
NCPI during the month clocked in at 11.09% YoY (a 33-month low), as compared to 12.57% in June 2024 and significantly lower than 28.30% recorded in July 2023, marking the first CPI reading of FY25 reflecting the continuation of the downward trend in inflation. On MoM basis, the NCPI increased by 2.10%, driven primarily by a 4.67% rise in the food index, attributed to higher food prices, and a general rise in prices across all other sectors. Regionally, Urban and Rural CPI were recorded at 13.18% and 8.14%, respectively. SBP expects that the impact of recent budgetary measures will take some time to fully reflect in the domestic prices. Looking ahead, inflation is expected to continue its downward trend amid the sufficiently tight fiscal and monetary policy stance with average inflation expected to remain in the range of 11.5% to 13.5% in FY25, down significantly from 23.4% in FY24.

On the fixed income side, the State Bank of Pakistan conducted two (2) MTB auctions during the month, with a realized amount of PKR 831.56 billion. The weighted average yields for 3-month, 6-month, and 12-month plunged by 53 bps, 75 bps, and 36 bps to 19.4852%, 19.1908%, and 18.1273%, 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 67.28 billion raised by the government as compared to the auction target of PKR 50 billion.

Going forward, the IMF's Board approval and the disbursement of the first tranche under the new program will be one of the key driving factors of market sentiment. 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. Furthermore, the market still continues to trade at a low forward PE of 3.8x compared to the long term average of 8x and is also offering an attractive dividend yield of 11.5%.



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 July 2024, AKD Islamic Daily Dividend Fund (AKDIDDF) posted an annualized return of 19.58% against the benchmark return of 11.07%. The exposure in Govt. Backed / Guaranteed Securities was 53.47%, 15.04% in Commercial Papers / Short Term Sukuk (STS), and Cash was 26.42% at the end of July 2024. The weighted average maturity of the Fund was at 36 days.

Fund Information		FYTD	MTD	1 Year	3 Year	5 Year	Since Inception**								
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.		BM*	11.07%	11.07%	11.29%	-	-	9.04%							
		AKDIDDF	19.58%	19.58%	20.46%	-	-	19.18%							
			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).													
Fund Type	Open-End	Asset Allocation (% of Total Assets)		31-Jul-2024		30-Jun-2024									
Category	Shariah Compliant Money Market	Cash		26.42%		44.45%									
Risk Profile	Low	Govt. Backed / Guaranteed Securities		53.47%		37.11%									
Risk of Principal Erosion	Principal at Low Risk	Commercial Papers / Short Term Sukuk		15.04%		14.63%									
Net Assets (PKR)	525,044,125	Placements with Banks and DFIs		0.00%		0.00%									
NAV (PKR) (Ex Div.)	50.0000	Others including receivables		5.07%		3.81%									
Benchmark	BM*	Credit Quality of Portfolio (% of Total Assets)													
Dealing Days	Monday to Friday	<table><tr><td>Govt. Securities</td><td>54%</td></tr><tr><td>AA+</td><td>41%</td></tr><tr><td>AA</td><td>5%</td></tr><tr><td>Unrated</td><td>0%</td></tr></table>						Govt. Securities	54%	AA+	41%	AA	5%	Unrated	0%
Govt. Securities	54%														
AA+	41%														
AA	5%														
Unrated	0%														
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 (0.59%), YTD (0.59%)														
Government Levies (Annualized)	MTD (0.08%), YTD (0.08%)														
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)	36														
Leverage	Nil														
Fund Manager		Sukuk Certificates (% of Total Assets)													
Mr. Danish Aslam		Rating		31-Jul-2024											
Investment Committee Members		K-Electric Limited STS – 02-May-2024													
Mr. Imran Motiwala	Ms. Anum Dhedhi	AA						14.28%							
Mr. Muhammad Yaqoob, CFA	Mr. Raheel Farooque	K-Electric Limited STS – 04-Jun-2024						AA	0.76%						
Mr. Danish Aslam		Total						15.04%							

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
K-Electric Limited	Short Term Sukuk	79,000,000	-	79,000,000	15.05%	15.04%

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MUFAP's Recommended Format