AKD Investment Management Ltd.

Partner with AKD
Profit from the Experience

Risk Profile of Collective Investment Schemes/Plans

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

DISPUTE RESOLUTION/ COMPLAINTS HANDLING:
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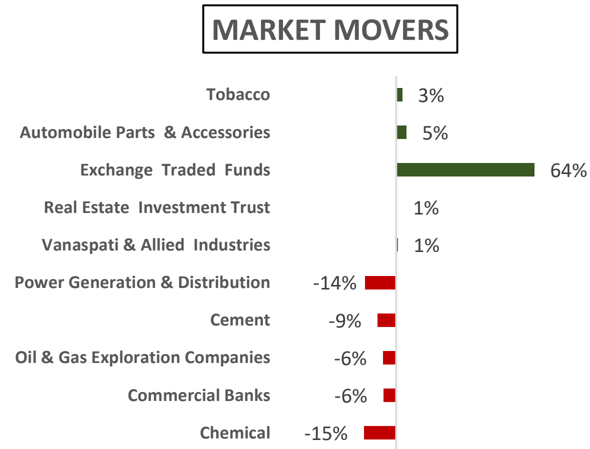
Message from CIO's Desk

The KSE-100 index started off the month with a bullish momentum inspired by positive news flow of the resolution of the gas circular debt and benefits of the newly approved refinery policy. Unfortunately, this sentiment was soon plagued by concerns over weak macros and some strict structural reforms taken by the Caretaker Government with notable pressure on the local currency. The Current Account, after a streak of four months of surpluses, posted a hefty deficit of USD 809 million following the lifting of restrictions on imports coupled with other FX requirements including dividend/profit repatriations on the back of a key IMF conditions under the Standby Agreement. This inevitably led to a sharp devaluation of the Pak Rupee, which declined by 6.18% during the month closing at PKR 305.54/USD. Furthermore, the nation already grappling with inflated electricity bills, also witnessed a massive hike in the prices of petroleum products allowed by the Government to pass on the impact of the exchange loss caused by the PKR depreciation. All of these factors dampened the investors' confidence and the local bourse plummeted by 3,032 points closing at 45,002.42 points (-6.31% MoM), making August 2023 wiping off approximately half of the gains the market recorded following the IMF staff level agreement and was also the worst performing month since March 2020 (outbreak of COVID-19).

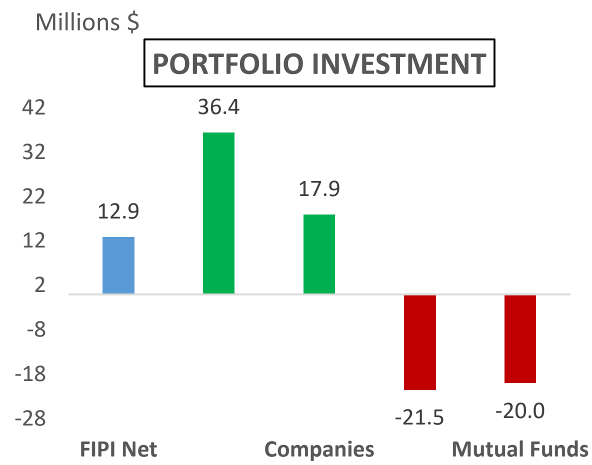
Amid lack of positive triggers, market participation also remained dull during the month with volumes declining by 23% to 297 million shares as compared to 384 million shares in the last month. However, Foreigners expectedly remained net buyers with inflows of USD 12.87 million as Frontier Market fund managers are likely to rebalance and further their exposure in Pakistan. Major buying was witnessed in Commercial Banks (USD 6.4 million), Oil & Gas Exploration Companies (USD 5.6 million), and Technology & Communication (USD 3.8 million). On the local front, Insurance and Companies were the largest buyers with buying of USD 36.44 million and USD 17.94 million respectively whereas Banks/DFIs and Mutual Funds offloaded USD 21.53 million and USD 20.00 million respectively.

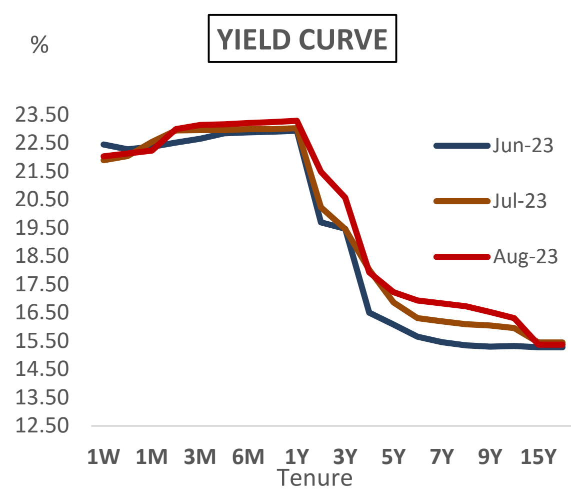
Other significant developments that impacted the Equity market during the month included:

1. Anwar-Ul-Haq Kakkar, ex Baluchistan senator, was appointed as the 8th caretaker Prime Minister of Pakistan and former governor of the State Bank of Pakistan (SBP) Shamshad Akhtar was appointed as the caretaker Finance Minister.
2. Large Scale Manufacturing (LSMI) sector, which accounts for about 80% of the country's industrial output, shrank for the 12th consecutive month in June, by 14.96 percent YoY, leading to contract by 10.26% in FY23 as almost all major industries reported substantial declines.
3. Pakistan's fiscal deficit surged to PKR 6.52 trillion (7.7% of GDP) during the fiscal year 2022-23, whereas the primary deficit amounted to PKR 0.69 trillion (0.8% of GDP) in contrast to the government's commitment of achieving a surplus in the previous fiscal year under the IMF's EFF arrangement.
4. According to the data released by SBP, Pakistan's total debt and liabilities surged by 29%, to reach PKR 77.10 trillion during FY23, compared to PKR 59.77 trillion in FY22.
5. Reportedly, Pakistan's newly approved Brownfield Refining Policy is expected to lower the output of furnace oil, a high-sulfur fuel, of all refiners by 78 percent to 3,400 tonnes per day from the current level of 15,500 tonnes per day.
6. According to the MSCI's quarterly review, Pakistan's weight in the MSCI FM100 index is to be increased by 34 bps to 2.93% which will be effective from August 31, 2023.
7. The State Bank of Pakistan (SBP) has begun to phase out its export finance scheme, a concessionary loan program for exporters, to comply with one of the key conditions of the International Monetary Fund (IMF) loan program.
8. The Government sought IMF's approval for an unbudgeted subsidy to provide relief to electricity consumers on account of inflated electricity bills following civil unrest and protests.
9. The FBR surpassed its revenue collection target for the month of August 2023 by collecting PKR 669 million tax revenues as against the target of PKR 649 billion.
10. During the month, the Foreign Exchange Reserves held by SBP declined by USD 305 million to stand at USD 7.85 billion.



Change in market capitalization during month





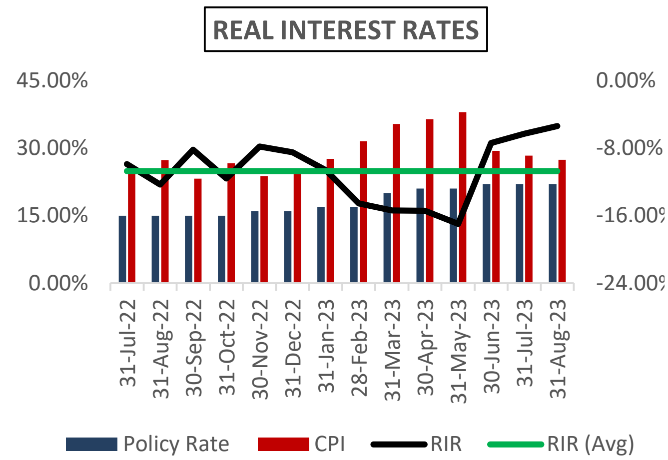
Message from CIO's Desk

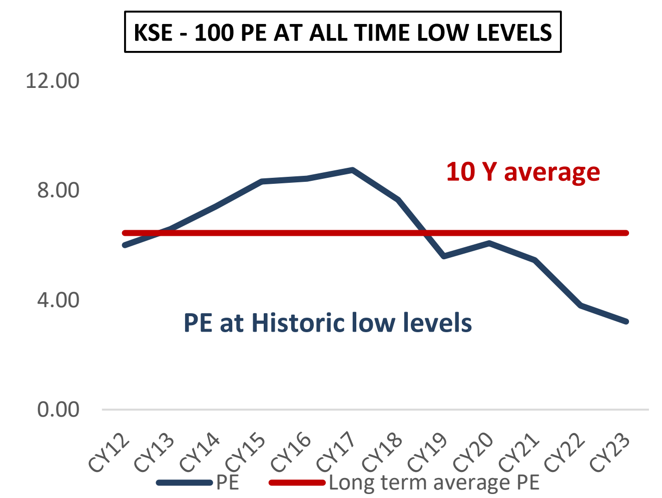
The NCPI during the month of August 2023 clocked in at 27.40% YoY as compared to 28.30% YoY in July 2023 taking the 2MFY24 average NCPI to 27.84% compared to 26.10% in the SPLY. On a regional basis, the Urban CPI clocked in at 25.00% YoY, whereas, the Rural CPI clocked in at 30.90%. The main contributors to the increase in inflation are Housing, Water, Electricity, Gas, and Fuel (weight in CPI 23.63%) with an impact of 1.08% MoM / 6.25% YoY because of the increasing fuel and utility prices and exchange rate devaluation. Furthermore, a heavy increase was observed in the Food and Non-alcoholic Beverages Index (weight in CPI 34.58%) with an impact of 0.57% MoM / 38.51% YoY due to an increase in prices of essential foods items such as tomatoes, condiments and spices, and eggs etc. Even though inflation readings have somewhat subsided this month, it is likely to neutralize the "base affect" in the coming months given the recent exchange rate depreciation and hike in the electricity and fuel prices.

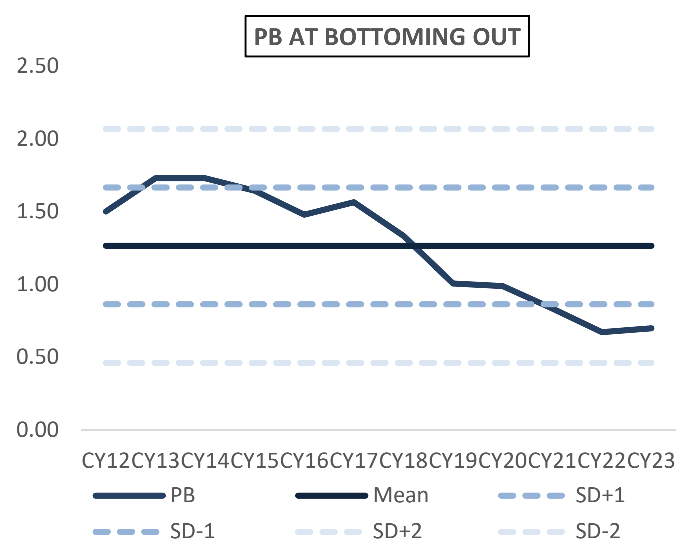
During the month of August 2023, the SBP conducted two MTB auctions with a realized amount of PKR 3.15 trillion. The Weighted average yields for 3 months, 6 months and 12 months decreased by 2bps, 15bps, and 3bps to 22.8734%, 22.7250%, and 22.9396%, respectively. The SBP in its last Monetary Policy Committee (MPC) stated that if required it would recalibrate its monetary policy stance after carefully monitoring the impact of developments on the domestic and international front on the inflation outlook. The recent PKR depreciation against the USD and massive hikes in the prices of fuel, gas and electricity announced by the Government has understandably changed the inflation outlook which was expected to start to taper off from 1HFY24. Therefore, against the market's earlier expectations of SBP maintaining status quo in the policy rate, an interest rate hike of 100-200bps in the next MPS which is scheduled to be held on September 14, 2023 is likely.

Going forward, the key factors that would drive the market direction include IMF's second quarterly review for the USD 3 billion loan facility under the SBA and clarity on the holding of general elections in Pakistan. One of the key challenges that the Government has been struggling with is to bring down the difference between the interbank and open market exchange rate which has now reached ~7% while the IMF believes the deviation needs to be maintained up to 1.25%. Moreover, the Government will also have to implement some strict measures to contain the soaring fiscal deficit and achieve the desired target of primary surplus agreed with the IMF which will bring a new wave of inflation pressures.

Lastly, even though the market witnessed a bearish month, we believe that it will recover once the Country successfully passes through the IMF program as it would bring the much needed policy and structural reforms that will ensure economic stability. The KSE-100 index continues to trade at exceedingly attractive multiples with PE and PB of 4.42x and 0.7x with a healthy dividend yield of 11%.







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AKD Islamic Daily Dividend Fund

Fund Manager's Comments

For the month of August'2023, AKD Islamic Daily Dividend Fund (AKDIDDF) posted an annualized return of 18.42% against the benchmark return of 8.54%. The exposure in Commercial Papers / Short Term Sukuk (STS) was 19.64% and Cash was 78.24% at the end of August'2023. The weighted average maturity of the Fund was at 35 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)	201,476,336
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 (0.64%), YTD (0.63%)
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 (20 Mar'2023)
Asset Manager Rating	AM3++ by PACRA (27 Jun'2023)
Weighted Average Maturity (Days)	35
Leverage	Nil

Fund Manager

Mr. Danish Aslam

Investment Committee Members

Mr. Imran Motiwala	Ms. Anum Dhedhi
Mr. Muhammad Yaqoob, CFA	Mr. Ali Abbas, CFA
Mr. Sheikh Usman Haroon, CFA, ACCA	Mr. Danish Aslam

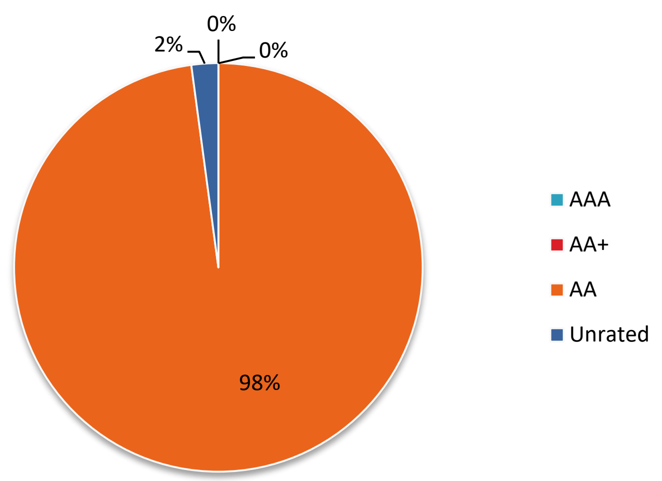
	FYTD	MTD	1 Year	3 Year**	5 Year**	Since Inception***
BM*	8.03%	8.54%	-	-	-	7.02%
AKDIDDF	18.41%	18.42%	-	-	-	18.26%
		FY23	**FY22**	**FY21**	**FY20**	**FY19**
BM*		6.62%	-	-	-	-
AKDIDDF		17.60%	-	-	-	-

*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-2023	31-Jul-2023
Cash	78.24%	87.38%
Commercial Papers / Short Term Sukuk	19.64%	8.75%
Placements with Banks and DFIs	0.00%	0.00%
Others including receivables	2.12%	3.87%

Credit Quality of Portfolio (% of Total Assets)



Sukuk Certificates	Rating	31-Aug-2023
K-Electric Limited STS – 28-Aug-2023	AA	8.84%
K-Electric Limited STS – 09-Aug-2023	AA	5.89%
Lucky Electric Power Company Ltd. STS – 16-Aug-2023	AA	4.91%
Total		**19.64%**

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