Quarterly Report

March 31, 2024

(un-audited)

AKD

Islamic Income Fund

Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit form the Experience

AKD Investment
Management Ltd.

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

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY
Mr. Muhammad Yaqoob Sultan, CFA

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY
Mr. Muhammad Munir Abdullah

HEAD OF INERNAT AUDIT OF THE MANAGEMENT COMPANY
Ms. Tayyaba Masoom Ali, ACA (ICAP & ICAEW)

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

HUMAN RESOURCE AND REMUNERATION (HR & R) AND NOMINATION COMMITTEE
Mr.Khalid Mahmood (Chairman)
Mr. Imran Motiwala (Member)
Mr. Abid Hussain (Member)
Ms. Aysha Ahmed (Member)
Ms. Anum Dhedhi (Member)
Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING
AKD Investment Management Limited AM3++ (AM Three Plus Plus) issued by PACRA

VISION

To serve investors in Pakistan's capital markets with diligence, integrity and professionalism, thereby delivering consistent superior returns and unparalleled customer service.

MISSION STATEMENT

» Keep primary focus on investing clients' interest

» Achieve highest standards of regulatory compliance and good governance

» Prioritize risk management while endeavouring to provide inflation adjusted returns on original investment

» Enable the investing public and clients to make AKDIML Funds a preferred part of their overall savings and investment management strategy

» Distinguish themselves and compete on the basis of unparalleled service quality while setting industry standards for professionalism, transparency and consistent leading performance

» Foster and encourage technical, professional, ethical development of human capital to provide our people the best opportunities and environment for their personal growth.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), Golden Arrow Stock Fund (GASF), AKD Index Tracker Fund (AKDITF), AKD Islamic Stock Fund (AKDISSF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF) and AKD Islamic Daily Dividend Fund (AKDIDDF) is pleased to present its nine months report along with the funds' unaudited financial statements for the period ended March 31, 2024.

FUNDS' FINANCIAL PERFORMANCE

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

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

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

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

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

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

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

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

MACRO PERSPECTIVE

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

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

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

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

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

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

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

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

FIXED INCOME REVIEW:

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

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

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

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

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

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

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

FUTURE OUTLOOK:

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

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

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

In conclusion, the stock market holds significant potential for future gains, trading at a low forward PE of 3.4x compared to the long-term average of 8x. Furthermore, it offers an attractive dividend yield of 12.3%. The local equity market is expected to thrive with the onset of the interest rate reversal cycle expected from 1HFY25, along with decreasing inflation and timely realization of external inflows.

For and on behalf of the board

Imran Motiwala	**Khalid Mehmood**
Chief Executive Officer	Chairman

Karachi: ________________

FUND INFORMATION

AKD Islamic Income Fund

Management Company
AKD Investment Management Limited
216-217, Continental Trade Centre,
Block 8, Clifton, Karach - 74000

Legal Advisor
Sattar & Sattar
Attorneys-at-Law
3rd Floor, UBL Building
I.I Chundrigar Road, Karachi.

Trustee
Digital Custodian Company Limited (DCCL)
[Formerly: MCB Financial Services Limited (MCBFSL)]
4th Floor, Perdesi House, 2/1 R-Y Old Queens Road
Karachi-74200

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

Bankers
Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited

Distributor
Al-Hilal Securities Advisors (Pvt.) Ltd.
Financial Investments Mart (Pvt) Ltd.
Investlink Advisor (Private) Limited.
Investomate (Private) Limited
YPay Financial Services (Pvt.) Ltd.

Auditors
Riaz Ahmad and Company
Chartered Accountants
Office No. 5, 20th Floor, Bahria Town Tower
Block 2, P.E.C.H.S.
Karachi, Pakistan

Rating-AKDISIF
PACRA: AA-(f)

FUND MANAGER'S REPORT

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

Open – end Islamic Income Scheme

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

AKD Islamic Income Fund (AKDISIF) is a fund that primarily focuses on Shariah compliant income securities and instruments. The objective of AKDISIF is to provide investors with an investment vehicle that strives to enhance capital coupled with regular halal income by investing in Shariah compliant income investments.

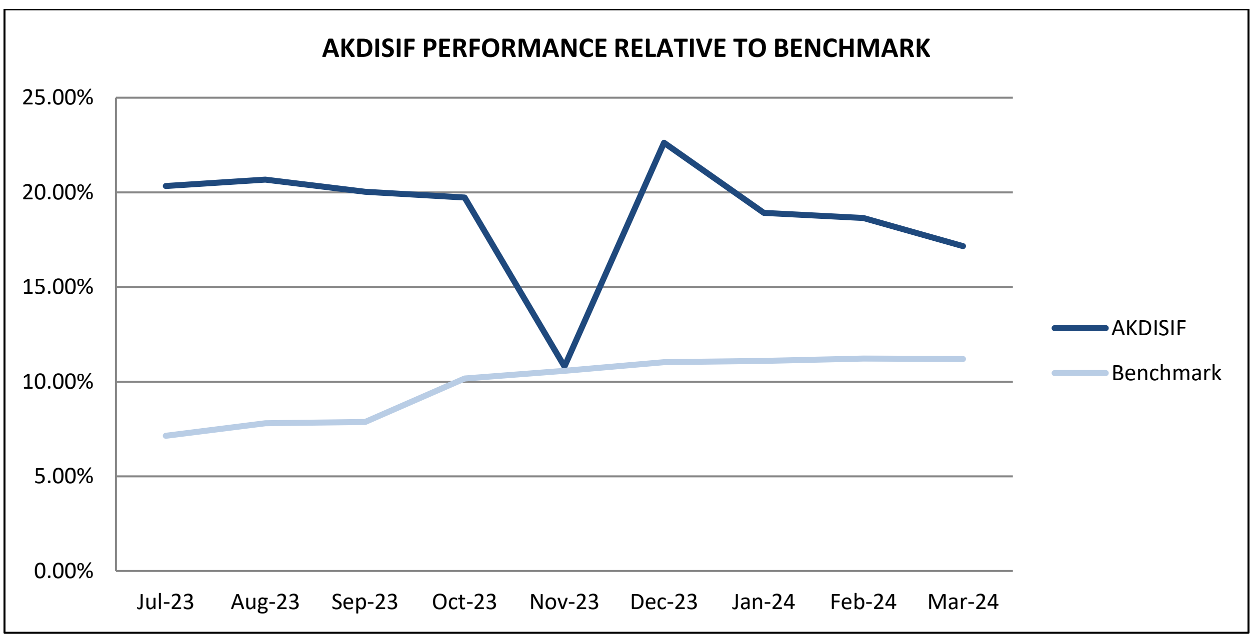
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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

Six (6) months average deposit rates of three (3) A Rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.

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



Monthly Return (annualized)	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
AKDISIF	20.33%	20.67%	20.03%	19.73%	10.80%	22.62%	18.92%	18.65%	17.16%
Benchmark	7.14%	7.80%	7.87%	10.17%	10.58%	11.03%	11.10%	11.22%	11.20%

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

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

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

Asset Allocation (% of Total Assets)	31-Mar-24	31-Dec-23
Cash and Cash Equivalents	26.31%	37.75%
Sukuk	29.89%	27.96%
Commercial Papers / Short Term Sukuk	30.75%	17.11%
Govt. Backed/Guaranteed Securities	-	0.59%
Spread Transactions	-	2.90%
Other Assets including Receivables	13.05%	13.68%

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

9MFY24 Return (annualized)	20.01%
Benchmark Return (annualized)	9.79%

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

Net Assets Value			NAV Per Unit	
31-Mar-24	31-Dec-23	Change in Net Assets	31-Mar-24	31-Dec-23
(Rupees in 000)			(Rupees)	
1,520,471	1,630,697	-6.76%	58.5161	55.8878

x) Disclosure on the markets that the Collective Investment Scheme has invested in including review of the market (s) invested in and return during the period:

MACRO PERSPECTIVE

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

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

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Rabi crops amid favorable input conditions. This shift in agricultural performance may serve as a buffer against the challenges faced by the industrial sector.

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

FIXED INCOME REVIEW:

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

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

FUTURE OUTLOOK:

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

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

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

In conclusion, the stock market holds significant potential for future gains, trading at a low forward PE of 3.4x compared to the long-term average of 8x. Furthermore, it offers an attractive dividend yield of 12.3%. The local equity market is expected to thrive with the onset of the interest rate reversal cycle expected from 1HFY25, along with decreasing inflation and timely realization of external inflows.

xi) Description and explanation of any significant changes in the state of the affairs of the Collective Investment Scheme during the period and up till the date of Fund Manager’s report, not otherwise disclosed in the financial statements:

There was no significant change in the state of affairs during the period under review.

xii) Break down of unit holding by size:

Range (Units)	No. of Investors
0.0001 to 9,999	2,087
10000 to 49999	77
50,000 - 99,999	31
100,000 - 499,999	36
500,000 and above	9
Total	**2,240**

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

There were no unit splits during the period.

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

Investments are subject to credit and market risk.

xv) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker (s) or dealers by virtue of transaction conducted by the Collective Investment Scheme:

No soft commission has been received by the AMC from its broker or dealer by virtue of transactions conducted by the Collective Investment Scheme.

AKD ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 MARCH 2024

	Note	(Unaudited) 31 March 2024	(Audited) 30 June 2023
		---------- (Rupees in 000) ---------	
ASSETS			
Bank balances	4	393,666	267,958
Investments	5	940,769	944,909
Profit receivable	6	65,539	45,066
Deposits, prepayments and other receivables	7	127,949	33,203
Receivable against sale / conversion of units		6,859	7,265
Total Assets		1,534,783	1,331,417
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	1,442	1,346
Payable to the Digital Custodian Company Limited -Trustee	10	292	149
Payable to Securities and Exchange Commission of Pakistan	11	197	229
Accrued expenses and other liabilities	12	6,211	20,744
Payable against redemption / conversion of units		6,170	18
Total liabilities		14,312	22,486
NET ASSETS		1,520,471	1,308,931
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,520,471	1,308,931
CONTINGENCIES AND COMMITMENTS	13		
		------ (Number of units) ------	
NUMBER OF UNITS IN ISSUE		25,983,800	25,719,078
		-------- (Rupees) ---------	
NET ASSET VALUE PER UNIT		58.5161	50.8934

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

AKD ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED 31 MARCH 2024

	Note	Nine Months Period Ended 31 March		Three Months Period Ended 31 March	
		2024	2023	2024	2023
		------------------ (Rupees in 000) ------------------			
Income					
Capital gain / (loss) on sale of investments classified as 'at fair value through profit or loss'		-	(2,928)	(5,301)	(71)
Net unrealised diminution on re-measurement of investments		-			
classified as 'at fair value through profit or loss	5.5	(6,828)	663	(3,840)	1,249
Unrealised loss on future contract		-	-	3,480	-
Income from Sukuk certificates, Commercial paper, GoP Ijara sukuk		**71,669.34**	74,722	(19,300)	27,771
Profit on Placements		**69,167.59**		(1,126)	
profit on bank deposits		**95,481.66**	44,699	95,482	21,109
Other Income		**8,693.52**		8,694	
Total income		238,184	117,156	78,088	50,058
Expenses					
Remuneration of the AKD Investment Management Limited - Management company	9.1	5,916	2,934	1,962	1,127
Sindh sales tax on remuneration of the Management Company	9.2	769	381	255	146
Remuneration of Digital Custodian Company Limited - Trustee	10.1	1,182	857	392	315
Sindh sales tax on the remuneration of trustee	10.2	157	111	54	41
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	887	146	294	56
Expenses allocated by the Management Company	9.3	-	1,597	(3,163)	705
Auditor's remuneration		188	188	62	62
Settlement and bank charges		48	164	(21)	10
Amortisation of preliminary expenses and floatation costs		-	183	-	17
Brokerage fee		907	-	645	39
Fee and subscription		5,414	622	4,935	205
Legal and professional charges		162	162	54	53
Charity		-	176	-	1
Total expenses		15,631	7,521	5,470	2,777
Net income for the period before taxation		222,553	109,635	72,618	47,281
Taxation	15	-	-	-	-
Net income for the period after taxation		222,553	109,635	72,618	47,281
Allocation of net income for the period					
Net income for the period after taxation		222,553	109,635	72,618	47,281
Income already paid on units redeemed		(65,829)	(26,196)	(8,824)	(12,124)
		156,724	83,439	63,794	35,157
Accounting income available for distribution					
Relating to capital gains		-	-	-	-
Excluding capital gains		156,724	83,439	63,794	35,157
		156,724	83,439	63,794	35,157

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

AKD ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED 31 MARCH 2024

	Nine Months Period Ended 31 March		Three Months Period Ended 31 March	
	2024	2023	2024	2023
	---------------- (Rupees in '000) ---------------			
Net income for the period after taxation	222,553	109,635	144,143	47,281
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	222,553	109,635	144,143	47,281

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

AKD ISLAMIC INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

	Nine Months Period Ended 31 March 2024			Nine Months Period Ended 31 March 2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	---------------------------- (Rupees in '000) ----------------------------					
Net assets at beginning of the period	1,296,661	12,270	1,308,931	886,157	6,716	892,873
Issue of 31,361,612 (2023: 27,887,306) units						
- Capital value (at Ex-net asset value per unit at the beginning of period)	1,596,099		1,596,099	1,410,989	-	1,410,989
- Element of income	101,024	-	101,024	99,925	-	99,925
Total proceeds on issuance of units	1,697,123	-	1,697,123	1,510,914	-	1,510,914
Redemption of 31,096,890 (2023: 18,207,814) units						
- Capital value (at Ex-net asset value per unit at the beginning of period)	(1,582,626)		(1,582,626)	(921,244)	-	(921,244)
- Element of loss	(57,945.94)	(65,829)	(123,775)	(19,132)	(26,196)	(45,328)
Total payments on redemption of units	(1,640,572)	(65,829)	(1,706,401)	(940,376)	(26,196)	(966,572)
Total comprehensive income for the period	-	222,553	222,553	-	112,894	112,894
Distribution during the period	-	(1,735)	(1,735)	-	-	-
	-	220,818	220,818	-	112,894	112,894
Net assets at end of the period	1,353,212	167,259	1,520,471	1,456,695	93,414	1,550,109
Undistributed income brought forward						
- Realised income		11,463			9,488	
- Unrealised income / (loss)		807			(2,772)	
		12,270			6,716	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		156,724			83,439	
Net profit for the period		156,724			83,439	
Distribution during the period of Rs. 0.07468 per unit on 05 July 2023 (2022: Nil)		(1,735)			-	
Undistributed income carried forward		167,259			90,155	
Undistributed income carried forward						
- Realised income		174,087			89,492	
- Unrealised loss		(6,828)			663	
		167,259			90,155	
Net assets value per unit at beginning of the period		50.8934			50.5961	
Net assets value per unit at end of the period		58.5161			56.7253	

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER   DIRECTOR   CHIEF FINANCIAL OFFICER

AKD ISLAMIC INCOME FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

	Note	Nine Months Period Ended 31 March 2024	Nine Months Period Ended 31 March 2023	Three Months Period Ended 31 March 2024	Three Months Period Ended 31 March 2023
		---------------- (Rupees in '000) --------------			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation		222,553	109,635	72,618	47,281
Adjustments for non cash and other items:					
Amortisation of preliminary expenses and floatation costs		-	183	-	39
Net unrealised diminution on re-measurement of investment classified as 'at fair value through profit or loss'		6,828	(663)	3,840	(1,249)
		229,381	109,155	76,458	46,071
(Increase) / decrease in assets					
Profit and dividend receivable		(20,473)	(8,482)	(4,056)	(13,284)
Deposits, prepayments and other receivables		(94,746)	(159)	(97,715)	(238)
Receivable against sale of investments		33,016	6,387	114,003	6,387
Receivable against sale / conversion of units		406	(3,910)	19,179	(3,910)
Net (increase) / decrease in assets during the period		(81,797)	(6,164)	31,411	(11,045)
Increase / (decrease) in liabilities					
Payable to AKD Investment Management Limited - Management Company		96	114	(204)	330
Payable to the Digital Custodian Company Limited -Trustee		143	39	142	35
Payable to Securities and Exchange Commission of Pakistan		(32)	(12)	(1)	58
Accrued expenses and other liabilities		(14,533)	(3,029)	(49,458)	354
Payable against redemption / conversion of units		6,152	58	(3,564)	57
Net increase / (decrease) in liabilities		(8,174)	(2,830)	(53,085)	834
Investment - net		(2,689)	(162,321)	(118,052)	(158,837)
Net cash flows from / (used in) operating activities		136,721	(62,160)	(63,268)	(122,977)
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		1,697,123	1,510,914	423,844	805,660
Dividend paid		(1,735)	-	186	(198,825)
Payment against redemption of units		(1,706,401)	(966,572)	(606,875)	-
Net cash (used in) / generated from financing activities		(11,013)	544,342	(182,845)	606,835
Net increase / (decrease) in cash and cash equivalents		125,708	482,182	(246,113)	483,858
Cash and cash equivalents at beginning of the period		267,958	336,944	267,958	338,527
Cash and cash equivalents at end of the period	4	393,666	819,126	21,845	822,385

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Islamic Income Fund (the Fund) was established under a Trust Deed, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Digital Custodian Company limited as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on 30 May 2017. The Initial Public Offering (IPO) of the Fund was made during the period from 19 February 2018 to 20 February 2018 and the Fund commenced operations from 21 February 2018. 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. 19 February 2018.

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 collective investment scheme 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 an open ended Shariah Compliant (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.

Title to the assets of the Fund are held in the name of Digital Custodian Company Limited as trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of 'AM3++' to the Management Company dated 27 June 2023. The Fund has been given performance ranking of 'AA-(f)' by PACRA on 07 September 2023.

The Fund was registered on 23 August 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12 of the Sindh Trusts Act, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS-34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017, 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 requirement of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the IAS-34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended 30 June 2023.

2.1.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at 31 December 2023.

2.2 Basis of measurement

This financial information has been prepared under the historical cost convention, except that investments, other than commercial papers, are measured at fair value.

2.3 Functional and presentation currency

This condensed interim financial information are presented in Pakistani Rupees which is the functional and presentation currency of the Fund and has been rounded off to the nearest thousand rupees, unless otherwise specified.

3. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS, FINANCIAL RISK MANAGEMENT AND CHANGES THEREIN

3.1 The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of audited financial statements of the Fund as at and for the year ended 30 June 2023.

3.2 The preparation of this condensed interim financial information in conformity with accounting and reporting standards and requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended 30 June 2023.

3.3 There are certain amended existing standards and interpretations on accounting and reporting standards that are effective during the period but are considered not to be relevant to the Fund's operations and do not have any significant impact on the Fund's operations and therefore not disclosed in this condensed interim financial information.

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

	Note	(Unaudited) 31 December 2023	(Audited) 30 June 2023
		------ (Rupees in '000) ------	
4. BANK BALANCES			
Savings accounts	4.1	393,666	267,958

4.1 Mark-up rates on these accounts range between 18.5% to 23.25% (30 June 2023: 19% to 21%) per annum.

	Note	(Unaudited) 31 December 2023	(Audited) 30 June 2023
5. INVESTMENTS			
At fair value through profit or loss			
- Sukuk certificates	5.1	473,894	303,363
- Government securities	5.2	10,059	10,006
- Listed equity securities (spread transactions)	5.3	52,605	86,540
At amortised cost			
- Commercial paper - unlisted / short term sukuk (STS)	5.4	290,000	545,000
		826,558	944,909

5.1 Sukuk certificates

Name of investee company	Rate of return per annum	Number of certificates				Carrying value as at 31 December 2023	Market value as at 31 December 2023	Unrealised appreciation / (diminution) as at 31 December 2023	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2023	Purchased during the period	Sold / matured during the period	As at 31 December 2023					
	(%)					------------------ (Rupees in '000) ------------------			------------------ (%) ------------------	
Sukuk certificates - listed										
TPL Trakker Limited	24.46	115	-	-	115	58,836	58,566	(270)	3.85	6.23
TPL Corporation Limited	23.62	1,150	-	-	1,150	115,000	108,980	(6,020)	7.17	11.58
Sukuk certificates - unlisted										
Hub Power Company Limited	23.35	250	-		250	6,313	6,260	(53)	0.41	0.67
Hub Power Holdings Limited	24.19	470	-	-	470	48,236	47,935	(301)	3.15	5.10
Mughal Iron & Steel Industries Limited	22.79	10	-	-	10	5,625	5,634	9	0.37	0.60
Pakistan International Airlines Corporation Limited	23.10	10,000	-	-	10,000	46,471	46,519	48	3.06	4.94
Mughal Iron & Steel Industries Limited	22.79	-	200	-	200	200,000	200,000	-	13.15	21.26
			Total as at 31 December 2023			480,481	473,894	(6,587)		
			Total as at 30 June 2023			302,512	303,363	851		

5.1.1 Significant terms and conditions of listed sukuk certificates are as follows:

Name of investee company	Face value per certificate (Rupees)	Redeemed Face value per certificate (Rupees)	Markup rate	Issue date	Maturity date	Secured / Unsecured	Rating
Sukuk certificates - listed							
TPL Trakker Limited	1,000,000	500,000	3 months KIBOR + 300 bps	30-Mar-21	30-Mar-26	Secured	A+
TPL Corporation Limited	100,000	100,000	3 months KIBOR + 225 bps	23-Jun-22	23-Jun-27	Secured	AA-
Sukuk certificates - unlisted							
Mughal Iron & Steels Industries Limited	1,000,000	562,500	3 months KIBOR + 130 bps	02-Mar-21	02-Mar-26	Secured	A+
Hub Power Company Limited	100,000	25,000	1 year KIBOR + 190 bps	19-Mar-20	19-Mar-24	Secured	AA+
Hub Power Holdings Limited	100,000	100,000	6 months KIBOR + 250 bps	12-Nov-20	12-Nov-25	Secured	AA+
Pakistan International Airlines Corporation Limited	5,000	4,740	1 months KIBOR + 100 bps	26-Jul-21	26-Jul-31	GoP Guaranteed	GoP Guaranteed
Mughal Iron & Steels Industries Limited	1,000,000	1,000,000	3 months KIBOR + 145 bps	12-Dec-23	27-Mar-25	Secured	AA-

5.2

Name of investee company	Rate of return per annum	Profit payments / principal redemptions	Issue Date	Maturity Date	As at 01 July 2023	Purchased during the year	Sold / Matured during the year	As at 31 December 2023	Carrying value as at 31 December 2023	Market value as at 31 December 2023	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	--- % ---	Terms and Conditions			------------- Face Value Rupees in '000-----------				--------------- (Rupees in '000) ------------			----------%--------	
GoP Ijara Sukuk Certificate VRR	23.60	At Maturity	17-Apr-23	17-Apr-24	10,000	-	-	10,000	10,006	10,059	53	0.62	1.22
GoP Ijara Sukuk Certificate VRR	23.71	At Maturity	7-Aug-23	7-Aug-24	-	100,000	(100,000)	-	-	-	-	-	-
						Total as at 31 December 2023			**10,006**	**10,059**	**53**		
						Total as at 30 June 2023			10,000	10,006	6		

5.3 Listed equity securities (spread transactions)

Name of investee company	Face value per share (Rupees)	As at 01 July 2023	Purchased during the year	Right / bonus shares	Sold / disposed	As at 31 March 2024	Balance as at 31 March 2024: Carrying Value	Market value	Unrealised appreciation / (diminution)	Percentage in relation to: Market value as percentage of net assets	Market value as percentage of total investement	Paid up value of shares as a percentage of total paid up capital of the investee company
		---------------- Number of shares ----------------					-------------- (Rupees in '000) --------------			------------------ (%) -------------------		
Cement												
Maple Leaf Cement Factory Limited	10	-	1,000,000	-	-	1,000,000	36,650	38,920	2,270	2.56	4.14	0.01
							36,650	38,920	2,270			
Fertilizer												
Fauji Fertilizer Bin Qasim Limited	10	-	429,000	-	-	429,000	12,409	13,685	1,276	0.90	1.45	0.00
							12,409	13,685	1,276			
Food & personal care products												
Unity Foods Limited	10	2,778,000	782,000	-	3,560,000	-	-	-	-	-	-	-
Al Shaheer Corporation Limited	10	4,000,000	9,300,000	-	13,300,000	-	-	-	-	-	-	-
Oil & Gas Exploration Companies												
Oil & Gas Development Company Limited		-	722,000	-	722,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited		-	264,500	-	264,500	-	-	-	-	-	-	-
Oil & Gas Marketing Companies												
Pakistan State Oil Company Limited	10	-	170,000	-	170,000	-	-	-	-	-	-	-
Refinery												
Attock Refinery Limited	10	-	21,500	-	21,500	-	-	-	-	-	-	-
Cnergyico	10	5,000,000	-	-	5,000,000	-	-	-	-	-	-	-
							-	-	-			
				Total as at 31 March 2024			49,059	52,605	3,546			
				Total as at 30 June 2023			81,764	86,540	4,776			

5.3.1 The above equity securities were purchased in ready market and simultaneously sold in future market during the period.

5.4 Commercial paper - Unlisted / short term sukuk (STS)

Name of investee company	Profit rate	Issue date	Maturity date	Face value	Carrying value	Markup rate	Carrying value as percentage of net assets	Carrying value as percentage of total investment	Rating
	--- % ---			---- (Rupees in '000) -----			------------- % -------------		
Lucky Electric Power Company Limited	23.55	15-Aug-23	16-Feb-24	65,000	65,000	6 Month KIBOR + 45 bps	4.27	6.91	A1+
K-Electric Limited	23.61	28-Aug-23	28-Feb-24	128,000	128,000	6 Month KIBOR + 45 bps	8.42	13.61	A1+
The Hub Power Company Limited	21.96	8-Nov-23	8-May-24	50,000	50,000	6 Month KIBOR + 25 bps	3.29	5.31	A1+
Lucky Electric Power Company Limited	21.74	28-Dec-23	28-Jun-24	47,000	47,000	6 Month KIBOR + 30 bps	3.09	5.00	A1+
Total as at 31 March 2024				290,000	290,000				
Total as at 30 June 2023				545,000	545,000				

5.4.1 The nominal value of these commercial papers is Rs 1,000,000 each.

		Note	(Unaudited) 31 March 2024	(Audited) 30 June 2023
5.5	Net unrealised (diminution) /appreciation on re-measurement of investments classified as 'at fair value through profit or loss'		----- (Rupees in '000) -----	
	Market value of investments			
	- Sukuk certificates	5.1	473,894	303,363
	- Government securities	5.2	10,059	10,006
	- Listed equity securities	5.3	52,605	86,540
			536,558	399,909
	Less: Carrying amount of investments			
	- Sukuk certificates	5.4	480,481	302,512
	- Government securities	5.5	10,006	10,000
	- Listed equity securities	5.6	49,059	81,764
			539,546	(394,276)
			(2,988)	5,633

6. PROFIT RECEIVABLE

Profit receivable on:		
Sukuk certificates, Commercial paper, GoP Ijara sukuk	25,010	34,662
Bank deposits	40,529	10,404
	65,539	45,066

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposits with:			
National Clearing Company of Pakistan Limited		37,935	2,500
Central Depository Company of Pakistan Limited		100	100
Prepaid annual listing fee		8	-
Prepaid rating fee		40	-
Advance tax	7.2	54	54
Other receivables		89,813	
		127,949	33,203

7.1 Spread transactions are subect to deposit of exposure margin as per regulation 12.5 of NCCPL Regulations.

7.2 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to Collective Investment Schemes (CISs) are exempt from withholding tax under section 151 and 150. However, uptill period ended 31 December 2020, withholding tax on profit on debt and dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) /2008-VOL.II - 66417- R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not presented before him by the withholder.

8. PRELIMINARY EXPENSES AND FLOATATION COST

Cost		1,433	1,433
Accumulated amortisation			
Opening balance		(1,433)	1,250
Amortisation during the period / year	8.1	-	183
Closing balance		(1,433)	(1,433)
		-	-

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

9. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	(Unaudited) 31 March 2024	(Audited) 30 June 2023
		----- (Rupees in '000) -----	
Management fee	9.1	1,276	533
Sindh sales tax on management fee	9.2	166	69
		1,442	1,346

9.1 The Management Company charged remuneration at the rate of 0.5% (30 June 2023: 0.4%) per annum of the daily average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 Sindh sales tax at the rate of 13% (30 June 2023: 13%) on gross value of management fee is charged under the provisions of Sindh sales tax on Services Act, 2011.

9.3 The Management Company has charged expenses at the rate of 0.4% (30 June 2023: 0.4%) per annum of the daily average annual net assets of the Fund.

10. PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE

Trustee fee	10.1	256	132
Sindh sales tax on trustee fee	10.2	35	17
		292	149

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

The tariff structure applicable to the Fund is as follows:

Net Assets	Tariff per annum
Upto Rs 1 billion	0.12% of Net Assets
Exceeding Rs 1 billion and up to Rs.5 billion	Rs. 1.2 million plus 0.065% per annum of daily average net assets of the Fund exceeding Rs. 1 billion.

10.2 Sindh sales tax at the rate of 13% (30 June 2023: 13%) on gross value of management fee under the provisions of Sindh sales tax on Services Act, 2011.

11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable to SECP	11.1	197	229

11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, all Collective Investment Schemes are required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075% (30 June 2023: 0.02%) of the average annual net assets of the scheme.

12. ACCRUED AND OTHER LIABLITIES

Auditor's remuneration	220	195
Brokerage payable	495	250
NCC fee payable	190	42
Charity payable	492	198
Other Payables	4,815	-
	6,211	20,744

13. CONTINGENCIES AND COMMITMENTS

Except as disclosed in 13.1, there were no contingencies and commitments outstanding as at 31 March 2024 and 30 June 2023.

13.1 The commitment to sell equity securities at a future date under spread transactions amounts to Rs. 49.995 million (30 June 2023: 83.6 million).

14. TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund is 1.28% (annualised) (30 June 2023: 1.07%) which includes 0.16% (30 June 2023: 0.09%) representing government levies on the Fund such as sales tax, annual fees to SECP etc.

15. 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 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. Since the management intends to distribute 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. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, the Trustee, directors and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations, 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business, and are carried out on agreed terms at contracted rates.

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

		(Unaudited) 31 March	
		2024	2023
16.1 Transactions during the period	Note	------ (Rupees in '000) ------	
AKD Investment Management Limited - Management Company			
Remuneration to Management Company		5,916	1,807
Sindh sales tax on Management remuneration		769	235
Expenses allocated by the Management Company		-	892
Sales load			103
Issue of 51,182 (2022: 321,424) units			16,867
Redemption of 51,924 (2022: 321,666) units			17,033
Digital Custodian Company Limited - Trustee			
Trustee fee		1,182	542
Sindh sales tax on trustee fee		157	70
M3 Technologies Pakistan Private Limited Employees Provident Fund - Common Directorship			
Issue of 271 (2022: Nil) units			-
Dividend paid			-

		(Unaudited) 31 March	
		2024	2023
Company Secretary and Chief Operating Officer of the Management Company (with spouse and minor children)	Note	------ (Rupees in '000) ------	
Issue of 3 (2022: 1,116) units			58
Redemption of 1,272 (2022: Nil) units			-

Chief Executive Officer of the Management Company		
Issue of 79,750 (2022: 19,782) units		1,021
Redemption of 79,750 (2022: 19,782) units		1,029
Spouse of the Chief Executive Officer of the Management Company		
Issue of 320,195 (2022: 388,692) units		20,540
Redemption of 281,447 (2022: 298,706) units		15,858
Spouse of the Director and Chief Investment Officer of the Management Company		
Issue of 1 (2022: Nil) unit		-
Redemption of Nil (2022: 282,997) units		14,679
Director and Chief Investment Officer of the Management Company		
Issue of 1 (2022: Nil) units		-
Redemption of Nil (2022: 82,504) units		4,186
Ali Wahab Siddiqui - Director of the Management Company		
Issue of 179,030 (2022: Nil) units		-
Dividend Paid		-
Redemption of 93,530 (2022: Nil) units		-
Hasan Ahmed - Director of the Management Company		
Issue of 1 (2022: 107) units		6
Hina Aqeel - Close relative of the Sponsor of the Management Company		
Issue of 354 (2022: Nil) units		-
Afsheen Aqeel Dhedhi - Close relative of the Sponsor of the Management Company		
Issue of 1 (2022: Nil) unit		-
Khalid Mahmood - Director of the Management Company		
Redemption of 108,257 (2022: Nil) units		-
Close relative of Director of the Management Company		
Redemption of 32,522 (2022: Nil) units		-
Muhammad Farid Alam - Key Management Personnel of Associated Company		
Issue of 555 (2022: 29) units		2
Pak Qatar Investment Account - Connected person due to holding of more than 10% units		
Redemption of Nil (2022: 2,857,415) units	-	150,000

16.2 Balances outstanding at the period / year end	Note	Unaudited 31 March 2024	Audited 30 June 2023
		(Rupees in '000)	
AKD Investment Management Limited - Management Company			
Remuneration payable		1,276	533
Sindh sales tax on Management remuneration		166	69

Payable against expenses allocated by the Management Company	-	533
Payable against formation cost	-	184
Sales load payable	-	27
Units held Nil (30 June 2023: 742)	-	38
Digital Custodian Company Limited - Trustee		
Remuneration payable	256	132
Sindh sales tax on trustee remuneration payable	35	17
Receivable / Payable against conversion of units between Funds under Management Company		
Receivable against Conversion of units - AKD Cash Fund		500
Receivable against Conversion of units - AKD Opportunity Fund		-
Receivable against Conversion of units - AKD Islamic Stock Fund		-
Receivable against Conversion of units - AKD Islamic Stock Fund		-
Receivable against Conversion of units - AKD Index Tracker Fund		6,765
Payable against Conversion of units - AKD Islamic Stock Fund		-
Payable against Conversion of units - AKD Opportunity Fund		-
Director and Chief Investment Officer of the Management Company		
Units held 47 (30 June 2023: 47)	3	2
Company Secretary and Chief Operating Officer of the Management Company (with spouse and minor children)		
units held 2 (30 June 2023: 1,270)	1	65
Spouse of the Director and Chief Investment Officer of the Management Company		
units held 997 (30 June 2023: 995)	53	51
AKD Securities Limited - Associated Company		
Brokerage payable	-	153
Hasan Ahmed - Director of the Management Company		
Units held 123 (30 June 2023: 123)	7	6
Ali Wahab Siddiqui - Director of Management Company		
Units held 288,874 (30 June 2023: 203,373)	16,145	10,350
Muhammad Farid Alam - Key Management Personnel of Associated Company		
Units held 555 (30 June 2023: Nil)	31	-
Afsheen Aqeel Dhedhi - Close relative of Sponsor of Management Company		
Units held 36 (30 June 2023: 36)	2	2
Hina Aqeel- Close relative of Sponsor of Management Company		
Units held 354 (30 June 2023: Nil)	20	-

	Note	Unaudited 31 March 2024	Audited 30 June 2023
		------------- (Rupees in '000) -------------	
Yasmeen Dhedhi- Close relative of Sponsor of Management Company			
Units held 18,844 (30 June 2023: 18,821)		1,053	958
M3 Technologies Pakistan Private Limited Employees'			

Provident fund - Common Directorship		
Units held 216,868 (30 June 2023: 216,598)	12,120	11,023
Durain Cassim - Connected person due to holding of more than 10% units**		
Units held 5,636,137 (30 June 2023: 6,552,129)	314,991	333,460

* Prior period connected party

** Current period connected party

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

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

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

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

	Unaudited			
	31 December 2023			
	Level 1	Level 2	Level 3	Total
	----------------------------Rupees----------------------			
Investment in securities - at fair value through profit or loss				
Investments	62,664	473,894	-	536,558
	62,664	473,894	-	536,558

	Audited			
	30 June 2023			
	Level 1	Level 2	Level 3	Total
	----------------------------Rupees----------------------			
Investment in securities - at fair value through profit or loss				
Investments	96,546	303,363	-	399,909
	96,546	303,363	-	399,909

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

18. GENERAL

18.1 This condensed interim financial information is unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended 31 December 2023 and 31 December 2022 in this condensed interim financial information, has not been subject to limited scope review by the auditors.

18.2 No reclassification to the corresponding figures have been made during the period.

19. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on ________________ by the Board of Directors of the Management Company.

For AKD Investment Management Limited
(Management Company)

CHIED EXECUTIVE OFFICER	DIRECTOR	CHIE FINANCIAL OFFICER

AKD Investment
Management Ltd.

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