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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

DISPUTE RESOLUTION/ COMPLAINTS HANDLING:

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



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

During the month of September 2022, the equity market remained under pressure recording a decline of 1,222 points to settle at 41,128.67 points (down 2.89%/0.99% MoM/FYTD). Weak sentiment during the month stemmed from unprecedented devastating floods which is reportedly expected to cost the economy USD 28 billion and drag GDP growth to below 2.5% in FY23. While Pakistan received its much-needed IMF tranche of USD 1.16 billion, but increased financing requirements and import pressures led to a continued devaluation of the exchange rate to PKR 228/USD. The average daily traded volume decreased by 47% to 172.57 million as compared to 326.58 million recorded during August 2022 and the KSE-100 Index closed at a forward P/E and P/B of 4.2x and 0.8x respectively, with a healthy dividend yield of 9.8%.

On the other hand, it was encouraging to note foreigners as net buyers with a net inflow of USD 14.59 million during the month as compared to an outflow of USD 5.38 million recorded during the preceding month. On the local front, Mutual Funds and Insurance offloaded dismal amounts of USD 20.20 million and USD 16.66 million respectively as liquidity it seems continued to move to high yielding government securities, whereas Banks and Individuals remained net buyers with amounts of USD 9.00 million and USD 6.46 million, respectively.

Other major news reports that affected the investors' sentiment during the month included:

- 1) A 15-member team of the Financial Action Task Force (FATF) concluded a five-day visit to Pakistan which is expected to pave the way for the Country to finally exit the Grey List.
- 2) The Saudi Fund for Development (SFD) agreed to roll over USD 3 billion deposits with Pakistan for another year which was deposited in December 2021 under an agreement, which was notably scheduled to mature in December 2022.
- 3) The Country's Current Account Deficit (CAD) for the month of August 2022 shrunk by 42% MoM to USD 703 million taking the 2MFY23 CAD to USD 1.92 billion compared to USD 2.37 billion in SPY.
- 4) The Large Scale Manufacturing Index (LSMI) for the month of July 2022 declined by 16.5% MoM /1.4% YoY as compared to July 2021.
- 5) Ishaq Dar, a veteran politician, was sworn in as the Country's Finance Minister for the fourth time after his predecessor Miftah Ismail resigned from the said post.
- 6) The World Bank and Asian Development Bank are reportedly contemplating financing approximately USD 2 billion and USD 1.5 billion arrangements respectively, to jump start reconstruction and rehabilitation of infrastructure, housing, restoring livelihoods, and more importantly to help strengthen Pakistan's resilience to climate-related risks.
- 7) During the month, the Country's Foreign Exchange Reserves held with the State Bank of Pakistan (SBP) declined by another USD 828 million (down 9%) to close at USD 8.01 billion.

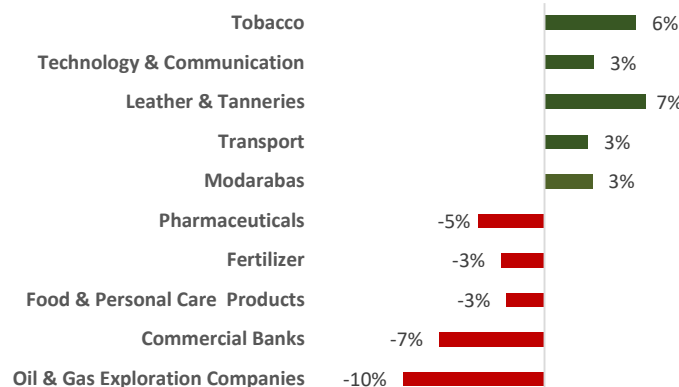
NCPI during the month of September 2022 clocked in at 23.2%, a surprisingly low reading than the estimated 26% taking the average inflation for 3MFY23 to 25.11%. This decline in monthly inflation came mainly on the back of the Government's decision to disperse fuel tariff adjustments over the course of October 2022-March 2023 to offset the flood-induced price hike in food items.

The appreciation of the local currency by 4% to PKR/USD 228.45 after touching a low of PKR 239.71 coupled with the Government's administrative efforts is widely expected to positively impact the inflation readings going forward; thus providing space to the State Bank of Pakistan (SBP) to keep the interest rates unchanged in the next Monetary Policy Statement (MPS) scheduled on October 10, 2022. However, it is pertinent to note that one of Pakistan's International Bonds amounting to USD 1 billion is scheduled to mature in December 2022 which is expected to eat into approximately 12% of the Country's FX reserves. During the month, the SBP conducted two MTB auctions with a realized amount of PKR 2.12 trillion. The Weighted average yields for 3 months, 6 months, and 12 months, MTB increased by 24bps, 13bps, and 9bps to 15.9749%, 15.9461%, and 15.9884% respectively as compared to the last month.

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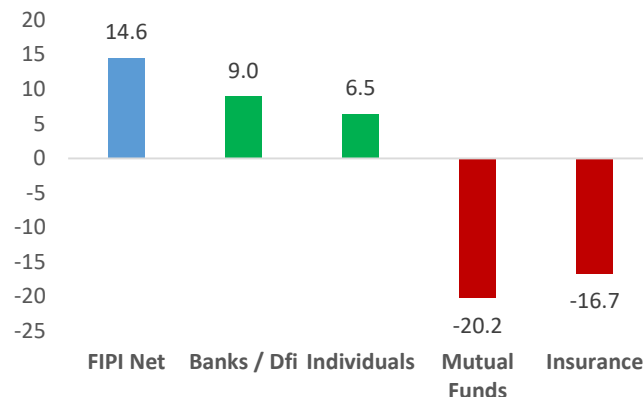
MARKET MOVERS



*Change in market capitalization during month

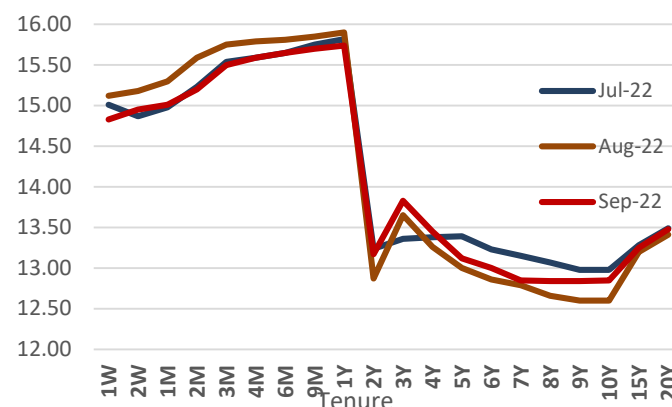
Millions \$

PORTFOLIO INVESTMENT



%

YIELD CURVE



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Queries
queries@secp.gov.pk



AKD Islamic Income Fund

Fund Manager's Comments

For the month of September'2022, AKD Islamic Income Fund (AKDISIF) posted an annualized return of 14.46% against the benchmark return of 4.98%. The exposure in Sukuk and Cash stood at 61.16% and 34.19% respectively at the end of September'2022. The weighted average maturity of the Fund was at 357 days.

Fund Information

Investment Objective: The objective of AKD Islamic Income Fund (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.

Fund Type	Open-End
Category	Islamic Income Scheme
Risk Profile	Medium
Risk of Principal Erosion	Principal at Medium Risk
Net Assets (PKR)	968,429,984
NAV (PKR)	52.4149
Benchmark	BM*
Dealing Days	Monday to Friday
Cut-off Timings	9:00 am to 5:00 pm
Pricing Mechanism	Forward Pricing
Management Fee	0.40% per annum
Sales Load (Front end)	1%
Sales Load (Back end)	-
Total Expense Ratio (Annualized)	MTD (0.93%), YTD (0.93%)
Government Levies (Annualized)	MTD (0.09%), YTD (0.09%)
Date of Fund Launch	February, 2018
Trustee	Digital Custodian Company Limited (Formerly: MCBFSL)
Auditor	M/s Riaz Ahmad & Company, Chartered Accountants
Stability Rating	AA-(f) by PACRA (02 Sep' 2022)
Asset Manager Rating	AM3++ by PACRA (30 Jun' 2022)
Weighted Average Maturity (Days)	357
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	Mr. Danish Aslam

** Cumulative Return

*** Geometric mean

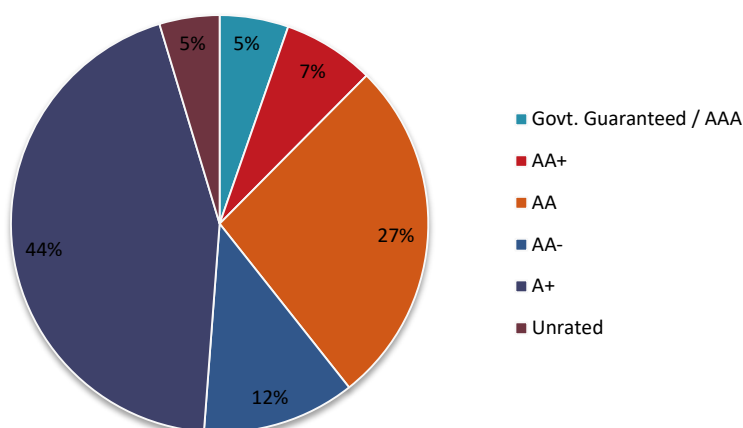
	FYTD	MTD	1 Year	3 Year**	5 Year**	Since Inception***
BM*	4.66%	4.98%	3.73%	13.52%	-	4.09%
AKDISIF	14.26%	14.46%	10.94%	31.30%	-	9.01%
	FY22	FY21	FY20	FY19	FY18	
BM*	3.34%	3.55%	6.33%	3.68%	2.41%	
AKDISIF	9.39%	6.95%	11.54%	8.43%	4.30%	

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

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

Asset Allocation (% of Total Assets)	30-Sep-2022	31-Aug-2022
Cash	34.19%	31.47%
Sukuks	61.16%	64.20%
Commercial Papers	0.00%	0.00%
Spread transactions	0.00%	0.00%
Placements with Banks and DFIs	0.00%	0.00%
Others including receivables	4.66%	4.32%

Credit Quality of Portfolio (% of Total Assets)



Top 10 Sukuk Certificates	Rating	30-Sep-2022
TPL Corporation Limited - 23-Jun-2022	AA-	11.85%
K-Electric Limited STS - 12-Apr-2022	AA	9.28%
TPL Trakker Limited - 30-Mar-2021	A+	9.27%
Lucky Electric Power Company Ltd. STS - 15-Jun-2022	AA	7.52%
K-Electric Limited STS - 10-Aug-2022	AA	5.15%
Pakistan International Airlines Corp. Ltd. - 26-Jul-2021	Govt. Guaranteed / AAA	5.07%
Lucky Electric Power Company Ltd. STS - 14-Apr-2022	AA	4.74%
China Power Hub Generation Co. Ltd. STS - 28-Jul-2022	AA+	2.58%
Hub Power Holdings Limited - 12-Nov-2020	AA+	2.55%
The Hub Power Company Limited - 19-Mar-2020	AA+	1.98%
Total		59.99%

Disclosure of Sindh Workers' Welfare Fund (SWWF):

During the month of August 2021, provisioning against Sindh Workers Welfare Fund by AKDISIF amounting to PKR 1.64 million has been reversed on the basis of clarification received from Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan, received on August 13, 2021. This reversal of provision has contributed towards an unusual increase in NAV of the AKDISIF (0.11/unit) 0.21%. This is one-off event and is not likely to be repeated in the future.

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

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MUFAP's Recommended Format