Funds Managed by:

AKD Investment Management Ltd.

Half Yearly Report
December 31, 2019
(Un-audited)

half yearly report

AKD OPPORTUNITY FUND

AKD INDEX TRACKER FUND

AKD CASH FUND

AKD AGGRESSIVE INCOME FUND

AKD ISLAMIC INCOME FUND

AKD ISLAMIC STOCK FUND

GOLDEN ARROW STOCK FUND

Partner with AKD
Profit from the Experience

AKD Investment Management Ltd.

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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. Abdul Karim

Director & Chief Executive Officer
Mr. Imran Motiwala

Directors
Ms. Anum Dhedhi
Ms. Aysha Ahmed
Mr. Ali Wahab Siddiqui
Mr. Hasan Ahmed
Mr. Saim Mustafa Zuberi

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)
Mr. Hasan Ahmed (Member)
Mr. Saim Mustafa Zuberi (Member)
Ms. Tayyaba Masoom Ali (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

Ms. Aysha Ahmed (Chairman)
Mr. Abdul Karim (Member)
Mr. Imran Motiwala (Member)
Ms. Anum Dhedhi (Member)
Mr. Saim Mustafa Zuberi (Member)
Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING

AKD Investment Management Ltd. (AMC)
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

AKD Fund shall continuously strive to:

- *Keep primary focus on investing clients' interest*
- *Achieve highest standards of regulatory compliance and good governance*
- *Prioritize risk management while endeavoring 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 superior 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), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF) AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF), AKD Islamic Stock Fund (AKDISSF), and Golden Arrow Stock Fund (GASF)- (Formerly: Golden Arrow Selected Stocks Fund Limited) is pleased to present its Half Yearly report along with the Funds' reviewedfinancial statements forthe first half ended December 31, 2019.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 1HFY20, the return of AKD Opportunity Fund stood at 10.54% compared to the benchmark KSE-100 Index return of 20.16%.

AKD Index Tracker Fund (AKDITF)

For the 1HFY20, the return of AKD Index Tracker Fund stood at 18.48% compared to the benchmark KSE-100 Index return of 20.16%.

AKD Cash Fund (AKDCF)

For the 1HFY20, the annualized return of AKD Cash Fund stood at 12.16% compared to benchmark return of 12.67%.

AKD Aggressive Income Fund (AKDAIF)

For the 1HFY20, the annualized return of AKD Aggressive Income Fund stood at 11.59% compared to benchmark return of 13.82%.

AKD Islamic Income Fund (AKDISIF)

For the 1HFY20, the annualized return of AKD Islamic Income Fund stood at 12.11% compared to benchmark return of 6.12%.

AKD Islamic Stock Fund (AKDISSF)

For the 1HFY20, the return of AKD IslamicStock Fund stood at 8.62% compared to the benchmark KMI-30 Index return of 22.01%.

Golden Arrow Stock Fund (Formerly: Golden Arrow Selected Stocks Fund Limited)

For the 1HFY20, the return of Golden Arrow Stock Fund (Formerly: Golden Arrow Selected Stocks Fund Limited) stood at 0.98% compared to the benchmark KSE-100 Index return of 20.16%.

MACRO PERSPECTIVE:

The Current Account Deficit (CAD) for 1HFY20 stood at $2.099 billion (1.5% of GDP) as compared to $8.614 billion(5.8% of GDP) in the same period last year (SPLY), exhibiting a significant decline of 75.6% YoY. The improved performance was on the back of a decline in import of goods by 21.0% YoY to $22.17 billion from $28.063 billion while exports illustrated a modest increase of 4.46% YoY to $12.391 billion in the 1HFY20. In addition, workers' remittances also provided support for the period at $11.395 billion as compared to $11.029 billion SPLY.

On the fiscal front, the Federal Board of Revenue (FBR) managed to collect PKR 2.080 trillion in the 1HFY20. The FBR's full target of PKR 5.550 trillion implying an estimated 45% growth from the last fiscal year's collection of PKR 3.828 trillion was widely referred to as ambitious to begin with and as expected the tax collection target was later revised downward to PKR 5.238 trillion.

As per the Pakistan Bureau of Statistics (PBS), National Consumer Price Index (NCPI) for the month of January 2020 stood at 14.56% YoY which pulls the average inflation for 7MFY20 to 11.60% as compared to 5.90% SPLY. This significant increase in monthly inflation was primarily due to increase in prices of Food and non- alcoholic beverages (weight 34.58%) by 23.65% YoY. Average Core Inflation (Non Food Non Energy) for Urban and Rural clocked in at 7.9% and 9.0% respectively. Despite the recent inflationary pressures noticed, the State Bank of Pakistan (SBP) has maintained it average inflation target at 11% - 12% for the fiscal year unchanged in its latest Monetary Policy Statement (MPS) announced on January 28, 2020.

The Large Scale Manufacturing (LSM) witnessed a decline of 3.35% cumulatively for the 1HFY20 (July-December). Major decline was witnessed in sectors such as such as Automobiles (-36.40%), Electronics (-14.08%), Iron & Steel products (-12.31%), and Coke & petroleum products (-10.33%) during the period. On the other hand, there were some LSM related sectors that exhibited major positive growth which were Food and Beverages and Tobacco (4.33%), Non Metalic Mineral Product (2.90%), Fertilizers (4.89%), and Paper & Boards (7.87%).

During the 1HFY20, Pakistan was able to attract $1.34 billion in Foreign Direct Investment (FDI) as compared to $0.80billion in the SPLY, exhibiting an increase of 68.25% YoY. Portfolio Investment in Pakistan's debt securities for 1HFY20 stood at $452 million, which has shown an unprecedented increase due to attractive risk free yields offered during the period.

The total liquid foreign exchange reserves of Pakistan stood at $17.930 billion ($6.594 billion net reserves with banks and $11.336 billion net reserves with State Bank of Pakistan) as compared to $13.757 SPLY. After completion of the review, Pakistan has received its second tranche of $452.4 million by the end of 1HFY20 bringing total disbursements to approximately $1.440 billion from International Monetary Fund (IMF) under 39-month Extended Fund Facility (EFF) of $6 billion.

EQUITY REVIEW:

Equity markets witnessed a period of revival, reversing the negative trend with the KSE-100 index providing a return of 20.2% during 1HFY20. In retrospect, it seems that the KSE-100 index bottomed out during August 2019 near a five year low of 28,765pts providing exceptional valuations. Undergoing significant pull back since, renewed buying interest and increased appetite for equity exposure pushed the index to return 42% despite relatively high yields on government papers, as the market showed some resilience after a prolonged period of weakness. The stock market ended on a strong note with the index climbing 33.1% during Sept-Dec'19 (with Nov'19 being the best month for returns since May'13).

Encouraging participation was witnessed during the period with average daily traded volumes rising 20.6%YoY for 1HFY20 and 37.9% over 2HFY19, while average traded value climbed 25.6% vs. 2HFY19. Investors flocked to main board or index heavyweight companies where the share of KSE-100 volumes in overall market volumes averaged 71% during 1HFY20 vs. 59% during 1HFY19, indicating improved confidence on the prospects of an economic revival. End of calendar year played a major part in driving volumes as well, with Dec'19 average volume of 194.3mn being the highest since Jan'17 as GoP policy to tackle fiscal and external deficiencies was welcomed by market participants.

Significant sectors moving the index higher during 1HFY20 included: 1) Commercial Banks (+12%), 2) Fertilizers (+15%YoY), 3) Cements (+16%), 4) Food & Personal Goods (+19%) and 5) OMCs (+19%). No major sector was seen to be in the red during the period. Foreign Portfolio Investors were net buyers during the period with cumulative inflow of US$8.0mn continuing the US$47.7mn inflow seen during 2HFY19. Amongst domestic investor fund flows individuals were net buyers (US$140.1mn) aided by Trusts, other organizations (US$14.2mn) while institutional selling was seen. This outflow was led by Banks/DFIs (US$90.8mn), Mutual Funds (US$52.7mn) and Insurance Companies (US$19.7mn).

Going into 2HFY20, market is expected to remain volatile with FATF related news and stringent compliance requirement particularly on fiscal side under the IMF program, i.e. electricity and gas tariff hike, and structural reforms. Government running revenue shortfall can additionally maintain pressure on market. Sharp uptick inflation has delayed the monetary easing cycle hence pace and timing of monetary adjustments holds the key for sustaining the thrust of the market.

MONEY MARKET REVIEW:

During 1HFY20, fourteen (14) T-Bill auctions were carried out by the SBP, where the Government successfully managed to raise PKR 9.93 trillion. Weighted average yield on the 3-month, 6-month, and 12-month period were 13.50%, 13.58%, and 13.48% respectively, as compared to 8.38%, and 9.01% for same period last year. During the said period it was also noted that there was no participation recorded in the 12 month paper in the aforementioned auctions. It is pertinent to note that yield curve has been on a declining trend since touching its high of 13.75%, 13.95% and 14.22% for 3-months, 6-months and 12-months T-bills respectively, depicting an inversion in the yield curve within short tenure papers as well.

To further address liquidity demand, the SBP conducted six (6) auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR 1,374.86 billion during 1HFY20 with weighted average maturity yield on 3-year, 5-year, and 10-year of 12.97%, 12.60%, and 12.38%, as compared to 8.31%, 9.70%, and 9.49% respectively, during the same period last year. In the recent auction result, weighted average maturity yields for 5 year/ 10 years had fallen by 6.12bps/6.28bps to 11.0899%/ 10.8825% respectively. The yield spread between the 3 year and 10 year PIBs have widened by 84bps as compared to 75bps in the previous auction further endorsing market consensus of eventual monetary easing.

The Monetary Policy Committee (MPC) announced three (3) Monitory Policy Statements (MPS) in 1HFY20 where the committee raised the interest rate during monetary policy in July 2019 by 100bps to 13.25%. In its recent MPS held in November 2019, MPC decided to maintain policy rate keeping the inflation outlook intact. The SBP conducted 55 Open Market Operations (OMO) in 1HFY20 of different maturities, and injected average amount of PKR581.68 billion per OMO at an average cut-off yield of 13.24%.

As per the auction calendar of the SBP, it will raise PKR300 billion by issuing 3 to 20-year tenor Pakistan Investment Bonds (PIBs) and PKR2.50 trillion by issuing 3 to 12-month tenor T-Bills to pay back the maturing debt of PKR2.35 trillion, in the next quarter. In addition, SBP will raise another PKR150 billion through the auction of a 10-Year Floating PIB, in the next quarter.

FUTURE OUTLOOK:

Going into 2HFY20, the market is expected to remain volatile with FATF related news and stringent compliance requirements particularly on the fiscal side under the IMF program, including prospective hikes in electricity and gas tariffs in addition to structural reforms. With the Government running revenue shortfalls investors will remain cautious of an early economic revival which is expected to exert pressure on stock prices or keep significant upside in check. Sharp uptick in inflation has delayed the monetary easing cycle hence pace and timing of monetary adjustments holds the key for sustaining the thrust of the market.

With the upcoming result season, near term market performance will largely be guided by earning reads. We believe a significant reversal in equity market will be more dependent on liquidity rather than valuations for now. The KSE-100 index trades at a Price-to-earnings (P/E) and Dividend Yield (DY) of 6.74x and 7.46% respectively as compared to Regional Markets P/E and DY of 13.72x and 2.65% respectively. The investor confidence level and foreign participation will play a major role in this regard.

On the Fixed Income side, the yields offered by 3 year, 5 year and 10 year Pakistan Investment Bonds (PIBs) has declined by 2.21%, 2.97% and 2.72% respectively. This rapid decrease in short term and long term yields of Government bonds illustrates a market consensus of a foreseeable decline in interest rates by the central bank.

The investors are closely monitoring the improving macro economic situation of Pakistan, and combined with the bearish outlook for the future interest rates, more investors would shift their preference to the equity market. This will provide substantial liquidity to the bourse, and will help the stock market continue its upward movement on the back of attractive valuations.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim Memon
Chairman

Karachi: February 21, 2020

AKD Islamic Stock Fund
Financial Information - First Half FY19

Contents

AKD Islamic Stock Fund

AKD ISLAMIC STOCK FUND

MANAGEMENT COMPANY
AKD Investment Management Limited
216-217, Continental Trade Centre, Block-8,
Clifton, Karachi-74000

TRUSTEE
MCB Financial Services Limited
4th Floor, Perdesi House,
2/1 R-Y Old Queens Road,
Karachi-74200

BANKERS
BankIslami Paskistan Limited
Dubai Islamic Bank Pakistan Limited
Summit Bank Limited (Islamic Banking)

AUDITORS
Deloitte Yousuf Adil
Chartered Accoutants
Cavish Court A-35, Block 7 & 8
KCHSU, Sharah-e-Faisal,
Karachi-75350, Pakistan

LEGAL ADVISER
Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU Shahrah-e-Faisal,
Karachi-75350

REGISTRAR
AKD Investment Management Limited.
216 - 217, Continental Trade Centre,
Block-8, Clifton Karachi-74000
UAN: 111-253-465 (111-AKDIML)

DISTRIBUTORS
AKD Investment Management Limited
Investomate (Private) Ltd.
Investlink Advisor (Private) Limited
Metro Capital (Private) Ltd.

RATING
AKD Islamic Stock Fund
PACRA: 1 Year Category:
MFR 2-Star

FUND MANAGER'S REPORT

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

Open -end Islamic Equity Scheme

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

AKD Islamic Stock Fund (AKDISSF) is designed to earn competitive returns by investing in the stock market. The objective of AKD Islamic Stock Fund is to invest in the capital Markets through an optimal combination of strategies in Shariah compliant equities providing growth and dividends.

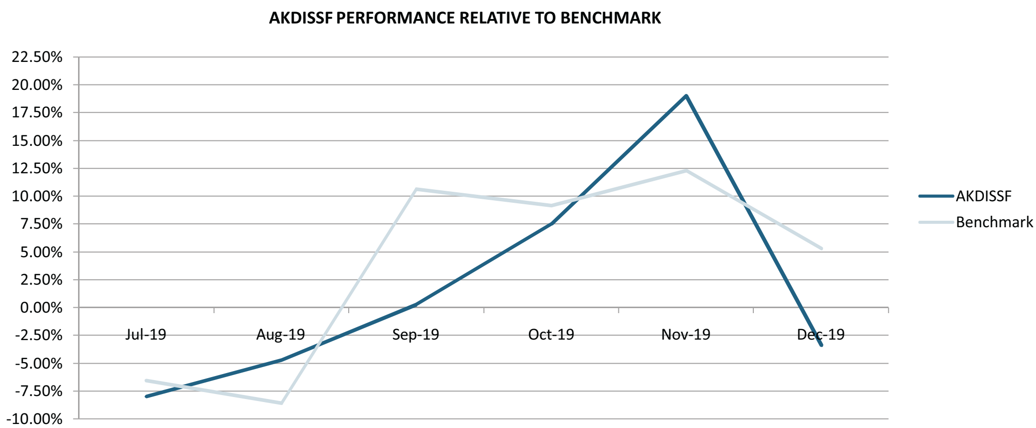
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 1HFY20, the return of AKD Islamic StockFund stood at 8.62% compared to the benchmark KMI-30 Index return of 22.01%.

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

KMI-30 index

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



Monthly yield	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
AKDISSF	-7.99%	-4.71%	0.24%	7.49%	19.02%	-3.39%
Benchmark	-6.56%	-8.59%	10.65%	9.17%	12.31%	5.29%

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

AKD Islamic Stock Fund is an open - end Islamic equity scheme; the returns of the Fund aregenerated through investment in Islamic stocks which have strong growth potential.

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

Asset Allocation (% of Total Assets)	31-Dec-19	30-Sep-19
Equities	95.70%	95.44%
Cash	1.91%	0.59%
Other Assets	2.39%	3.97%

viii) 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
		-----------------Rupees in '000----------------				
Javedan Corporation Limited	Equity	29,291	Nil	29,291	19.24%	18.95%

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

1HFY20 Return	8.62%
Benchmark Return	22.01%

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

Net Asset Value			NAV Per Unit	
31-Dec-19	30-Sep-19	Change in Net Assets	31-Dec-19	30-Sep-19
(Rupees In "000")			Rs.	Rs.
152,231	119,701	27.18%	37.80	30.58

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

MACRO PERSPECTIVE:

The Current Account Deficit (CAD) for 1HFY20 stood at $2.099 billion (1.5% of GDP) as compared to $8.614 billion(5.8% of GDP) in the same period last year (SPLY), exhibiting a significant decline of 75.6% YoY. The improved performance was on the back of a decline in import of goods by 21.0% YoY to $22.17 billion from $28.063 billion while exports illustrated a modest increase of 4.46% YoY to $12.391 billion in the 1HFY20. In addition, workers' remittances also provided support for the period at $11.395 billion as compared to $11.029 billion SPLY.

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FUTURE OUTLOOK:

Going into 2HFY20, the market is expected to remain volatile with FATF related news and stringent compliance requirements particularly on the fiscal side under the IMF program, including prospective hikes in electricity and gas tariffs in addition to structural reforms. With the Government running revenue shortfalls investors will remain cautious of an early economic revival which is expected to exert pressure on stock prices or keep significant upside in check. Sharp uptick in inflation has delayed the monetary easing cycle hence pace and timing of monetary adjustments holds the key for sustaining the thrust of the market.

With the upcoming result season, near term market performance will largely be guided by earning reads. We believe a significant reversal in equity market will be more dependent on liquidity rather than valuations for now. The KSE-100 index trades at a Price-to-earnings (P/E) and Dividend Yield (DY) of 6.74x and 7.46% respectively as compared to Regional Markets P/E and DY of 13.72x and 2.65% respectively. The investor confidence level and foreign participation will play a major role in this regard.

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The investors are closely monitoring the improving macro economic situation of Pakistan, and combined with the bearish outlook for the future interest rates, more investors would shift their preference to the equity market. This will provide substantial liquidity to the bourse, and will help the stock market continue its upward movement on the back of attractive valuations.

xii) 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 were no significant changes in the state of affairs during the period and up till the date of Fund Manager's report under review.

xiii) Disclosure of any split (if any), comprising:

There were no unit splits during the period.

xiv) Break down of unit holding size:

Range (Units)	No. of Investors
0.1 - 9,999	239
10,000 - 49,999	45
50,000 - 99,999	4
100,000 - 499,999	6
500,000 and above	1
	295

xv) Disclosure of circumstances that materially affect any interests of unit holders:

Investments are subject to credit and market risk.

xvi) 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.

TRUSTEE REPORT TO THE UNIT HOLDERS

AKD ISLAMIC STOCK FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

AKD Islamic Stock Fund, an open-end Scheme established under a Trust Deed dated August 30, 2017 executed between AKD Investment Management Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Fund commenced its operations on February 21, 2018.

1 AKD Investment Management Limited, the Management Company of AKD Islamic Stock Fund has, in all material respects, managed AKD Islamic Stock Fund during the period ended 31st December 2019 in accordance with the provisions of the following:

(i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;

(ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;

(iii) the creation and cancellation of units are carried out in accordance with the deed;

(iv) and any regulatory requirement

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: February 25, 2020

REVIEW REPORT TO THE UNITHOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of AKD ISLAMIC STOCK FUND (here-in-after referred to as the "Fund") as at December 31, 2019, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unitholders' fund, condensed interim statement of cash flows and notes to the condensed interim financial information for the half year ended December 31, 2019. The Management Company (AKD Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Engagement Partner: **Nadeem Yousuf Adil**
Karachi: February 28, 2020

Deloitte Yousuf Adil
Chartered Accountants

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2019

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
		------- (Rupees in '000) -------	
Assets			
Bank balances	4	**2,949**	2,712
Investments	5	**147,952**	133,875
Dividend and profit receivable on bank deposits	6	**426**	41
Deposits and prepayments	7	**2,633**	2,705
Preliminary expenses and floatation cost	8	**643**	746
Receivable against sale of securities		-	2,328
Total assets		**154,603**	142,407
Liabilities			
Payable to the Management Company	9	**1,121**	1,229
Payable to the Trustee	10	**18**	16
Payable to Securities and Exchange Commission of Pakistan	11	**13**	179
Accrued expenses and other liabilities	12	**1,220**	738
Payable against purchase of investments		**-**	4,643
Total liabilities		**2,372**	6,805
Net assets		**152,231**	135,602
Unit holders' fund (as per statement attached)		**152,231**	135,602
Contingencies and commitments	13		
		Number of units	
Number of units in issue		**4,027,075**	3,896,474
		------- Rupees-------	
Net assets value per unit		**37.8019**	34.8012

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2019

	Note	For the half year ended December 31, 2019	For the half year ended December 31, 2018	For the quarter ended December 31, 2019	For the quarter ended December 31, 2018
		------('Rupees in '000) ------			
Income					
Capital gain on sale of investments 'at fair value through profit or loss'		**4,222**	5,153	**5,566**	3,255
Net unrealised appreciation / (diminution) on remeasurement of investments 'at fair value through profit or loss'	5.2	**8,453**	(32,896)	**23,813**	(22,765)
Dividend income		**1,720**	5,511	**273**	3,354
Profit on bank deposits		**175**	602	**129**	187
Total income / (loss)		**14,570**	(21,630)	**29,781**	(15,969)
Expenses					
Remuneration of the Management Company	9.1	**1,321**	2,173	**704**	1,065
Sales tax on the remuneration of the Management Company	9.2	**172**	282	**92**	138
Expenses allocated by the Management Company	9.3	**66**	109	**35**	54
Remuneration of the Trustee	10.1	**79**	130	**42**	63
Sales tax on the remuneration of Trustee	10.2	**11**	17	**5**	8
Annual fee to the Securities and Exchange Commission of Pakista	11.1	**13**	103	**7**	50
Securities transaction costs		**132**	357	**93**	141
Auditors' remuneration		**90**	62	**46**	17
Settlement and bank charges		**9**	31	**3**	18
Amortisation of preliminary expenses and floatation costs		**103**	103	**52**	51
Fee and subscription		**265**	317	**126**	172
Printing and stationary		**75**	48	**37**	8
Legal and professional charges		**165**	94	**29**	28
Charity		**71**	381	**23**	166
Sindh Workers' Welfare Fund		**240**	-	**240**	-
Total expenses		**2,812**	4,207	**1,534**	1,979
Net income / (loss) for the year before taxation		**11,758**	(25,837)	**28,247**	(17,948)
Taxation	15	**-**	-	**-**	
Net income / (loss) for the period after taxation		**11,758**	(25,837)	**28,247**	(17,948)
Allocation of net income for the period					
Net Income for the period after taxation		**11,758**	-	**28,247**	-
Income already paid on units redeemed		**(106)**	-	**(106)**	-
		11,652	-	**28,141**	-
Accounting income available for distribution:					
Relating to capital gain		**8,453**	-	**23,813**	-
Excluding capital gains		**3,199**	-	**4,328**	-
		11,652	-	**28,141**	-

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2019

	For the half year ended December 31,		For the quarter ended December 31,	
	2019	2018	**2019**	2018
	('Rupees in '000)			
Net income / (loss) for the period after taxation	**11,758**	(25,837)	**28,247**	(17,948)
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income for the period	**11,758**	(25,837)	**28,247**	(17,948)

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

	For the half year ended December 31, 2019			For the half year ended December 31, 2018		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	Rupees in '000			Rupees in '000		
Net assets at beginning of the period	**202,501**	**(66,899)**	**135,602**	232,689	(16,998)	215,691
Issuance of 297,597 (2018: 593,817) units						
- Capital value (at net asset value per unit at the beginning of period)	**10,357**	**-**	**10,357**	27,908	-	27,908
- Element of income	**(68)**	**-**	**(68)**	(1,007)	-	(1,007)
Total proceeds on issuance of units	**10,289**	**-**	**10,289**	26,901	-	26,901
Redemption of 166,996 (2018: 392,521) units						
- Capital value (at net asset value per unit at the beginning of period)	**5,812**	**-**	**5,812**	18,448	-	18,448
- Amount paid out of element of income relating to net income for the year after taxation	**-**	**(106)**	**(106)**	-	-	-
- Element of income	**(288)**	**-**	**(288)**	(622)	-	(622)
Total payments on redemption of units	**5,524**	**(106)**	**5,418**	17,826	-	17,826
Total comprehensive income / (loss) for the period	**-**	**11,758**	**11,758**	-	(25,837)	(25,837)
Net assets at end of the period	**207,266**	**(55,247)**	**152,231**	241,764	(42,835)	198,929
Accumulated loss brought forward						
- Realised	**-**	**(12,337)**	**(12,337)**	-	(1,315)	(1,315)
- Unrealised	**-**	**(54,562)**	**(54,562)**	-	(15,683)	(15,683)
	-	**(66,899)**	**(66,899)**	-	(16,998)	(16,998)
Accounting income available for distribution						
- Relating to capital gains	-	**8,453**	**8,453**	-	-	-
- Excluding capital gains	-	**3,199**	**3,199**	-	-	-
	-	**11,652**	**11,652**	**-**	**-**	**-**
Accounting loss for the period	**-**	**-**	**-**	-	(25,837)	(25,837)
Accumulated loss carried forward	**-**	**(55,247)**	**(55,247)**	**-**	(42,835)	(42,835)
Accumulated loss carried forward						
- Realised loss	**-**	**(63,700)**	**(63,700)**	-	(9,939)	(9,939)
- Unrealised income	**-**	**8,453**	**8,453**	-	(32,896)	(32,896)
	-	**(55,247)**	**(55,247)**	-	(42,835)	(42,835)
Net assets value per unit at beginning of the period			**34.8012**			46.9975
Net assets value per unit at end of the period			**37.8019**			41.5239

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2019

	Note	For the half year ended December 31, 2019	For the half year ended December 31, 2018	For the quarter ended December 31, 2019	For the quarter ended December 31, 2018
		('Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss) for the period before taxation		**11,758**	(25,837)	**28,247**	(17,948)
Adjustments					
Amortisation of preliminary expenses and floatation costs		**103**	103	**52**	51
Capital gain on sale of investments		**(4,222)**	(5,153)	**(5,566)**	(3,255)
Net unrealised (appreciation) / diminution on remeasurement of investments 'at fair value through profit and loss'		**(8,453)**	32,896	**(23,813)**	22,765
		(814)	2,009	**(1,080)**	1,613
(Increase) / decrease in assets					
Dividend and profit receivable on bank deposits		**(385)**	(317)	**1,029**	1,001
Deposits and prepayments		**72**	13	**47**	76
Receivable against sale of investment		**2,328**	-	**-**	-
		2,015	(304)	**1,076**	1,077
(Decrease) / increase in liabilities					
Payable to the Management Company		**(108)**	(297)	**132**	(161)
Payable to Securities and Exchange Commission of Pakistan		**(166)**	30	**(164)**	50
Payable to the Trustee		**2**	(1)	**175**	(1)
Payable against redemption of units		**-**	-	**-**	(4)
Payable against purchase of investment		**(4,643)**	113	**(100)**	(810)
Accrued expenses and other liabilities		**482**	213	**324**	(114)
		(4,433)	58	**367**	(1,040)
Investments - net		**(1,402)**	(12,563)	**(2,417)**	(32,871)
Net cash used in operating activities		**(4,634)**	(10,800)	**(2,054)**	(31,221)
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		**10,289**	26,901	**6,395**	11,261
Payment against redemption of units		**(5,418)**	(17,826)	**(8,724)**	(8,564)
Net cash generated from / (used in) financing activities		**4,871**	9,075	**(2,329)**	2,697
Net increase / (decrease) in cash and cash equivalents		**237**	(1,725)	**(4,383)**	(28,524)
Cash and cash equivalents at beginning of the period		**2,712**	3,822	**7,332**	30,621
Cash and cash equivalents at end of the period	4	**2,949**	2,097	**2,949**	2,097

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

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Islamic Stock Fund (the Fund) was established under a Trust Deed, dated August 30, 2017, executed between AKD Investment Management Limited (AKDIML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on May 30, 2017. The initial Public Offering (IPO) of the Fund was made during the period from February 19, 2018 to February 20, 2018 and the Fund commenced operations from February 21, 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. February 19, 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 mutual fund 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 end Shariah Complaint (Islamic) Equity Scheme in accordance with Circular 7 of 2009, issued by the Securities and Exchange Commission of Pakistan (SECP). Al-Hilal Shariah Advisors (Pvt.) Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

The principle activities of the Fund is to invest in the Shariah Compliant (Islamic) equity securities.

The Pakistan Credit Rating Company Limited (PACRA) has assigned asset manager rating of 'AM3++' to the Management Company dated August 9, 2019. PACRA has also assigned 2 star performance ranking in 1 year to the Fund dated October 03, 2019.

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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;and

- Provisions of and directives issued under the Companies Act, 2017 along with 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 , the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulation and 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 IAS-34. 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 published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 In compliance with Schedule V of the NBFC Regulations, 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 December 31, 2019.

2.2 Basis of measurement

This condensed financial information have been prepared under the historical cost convention, except that investments are measured at fair value.

2.3 Functional and presentation currency

This condensed financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

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

3.1 The accounting policies adopted in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.2 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.3 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

	Note	**(Unaudited) December 31, 2019**	(Audited) June 30, 2019
		-------- (Rupees in '000) --------	
4. BANK BALANCES			
In savings accounts	4.1	**2,949**	2,712

4.1 Mark-up rates on these accounts range between 11.00% to 11.25% (June 30, 2019: 6.5% to 11%) per annum.

	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
		-------- (Rupees in '000) --------	
5. INVESTMENTS			
At fair value through profit or loss			
- Listed equity securities	5.1	**147,952**	133,875

5.1 Listed equity securities - at fair value through profit or loss

Name of the Investee Company	Face value per share	Number of shares: As at Jul 1, 2019	Purchases during the period	Bonus / right issue received during the period	Sold/ Disposed	As at December 31, 2019	Balance as at December 31, 2019: Carrying cost	Market value	Un-realised gain/ (loss) on revaluation	Percentage in relation to: Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
	(Rupees)						Rupees in '000			%		
Shares of listed companies												
Automobile Assembler												
Ghandhara Nissan Limited	10	37,999	-	-	-	37,999	**1,992**	**2,894**	**902**	1.96	1.90	0.07
Automobile Parts & Accessories												
The General Tyre and Rubber Company of Pakistan Limited	10	68,000	-	-	68,000	-	-	-	-	-	-	-
Thal Limited *	5	25,000	-	-	-	25,000	9,102	8,456	(646)	5.72	5.55	0.03
							9,102	**8,456**	**(646)**			
Cable & Electrical Goods												
Pakistan Cables Limited	10	67,775	9,700	-	-	77,475	**10,651**	**10,072**	**(579)**	6.81	6.62	0.22
Cement												
Javedan Corporation Limited**	10	895,400	-	88,290	17,000	966,690	**28,131**	**29,291**	**1,160**	19.80	19.24	0.34
Chemical												
Biafo Industries Limited	10	11,160	-	2,232	11,160	2,232	**299**	**390**	**91**	0.26	0.26	0.01
Commercial Banks												
BankIslami Pakistan Limited	10	1,965,500	-	165,300	362,500	1,768,300	**20,078**	**19,610**	**(468)**	13.25	12.88	0.18
Engineering												
Aisha Steel Mills Limited	10	250,000	-	-	250,000	-	-	-	-	-	-	-
Amreli Steels Limited	10	101,500	-	-	-	101,500	2,503	3,666	1,163	2.48	2.41	0.03
Crescent Steel and Allied Products Limite	10	20,000	-	-	-	20,000	755	1,108	353	0.75	0.73	0.03
International Industries Limited	10	40,000	-	4,000	-	44,000	3,083	4,877	1,794	3.30	3.20	0.04
International Steels Limited	10	-	277,000	-	277,000	-	-	-	-	-	-	-
							6,341	**9,651**	**3,310**			

Name of the Investee Company	Face value per share	Number of shares: As at Jul 1, 2019	Purchases during the period	Bonus / right issue received during the period	Sold/ Disposed	As at December 31, 2019	Balance as at December 31, 2019: Carrying cost	Market value	Un-realised gain/ (loss) on revaluation	Percentage in relation to: Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
	(Rupees)						Rupees in '000			%		
Food & Personal Care Products												
Al Shaheer Corporation Limited	10	1,323,000	-	-	4,000	1,319,000	16,619	18,637	2,018	12.60	12.24	0.93
Fauji Foods Limited	10	5,500	-	-	5,500	-	-	-	-	-	-	-
							16,619	**18,637**	**2,018**			
Fertilizer												
Engro Corporation Limited	10	110	-	-	110	-	-	-	-	-	-	-
Oil & Gas Exploration Companies												
Pakistan Oilfields Limited	10	30,000	-	-	30,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	10	20,045	-	4,009	-	24,054	2,895	3,299	404	2.23	2.17	0.00
							2,895	**3,299**	**404**			
Paper and Board												
Pakistan Paper Products Limited	10	666	-	-	-	666	**75**	**59**	**(16)**	0.04	0.04	0.01
Power Generation & Distribution												
K-Electric Limited	3.5	750,000	100,000	-	107,000	743,000	3,148	3,247	99	2.19	2.13	0.00
Nishat Power Limited	10	72,500	-	-	-	72,500	1,997	1,976	(21)	1.34	1.30	0.02
							5,145	**5,223**	**78**			
Refinery												
Attock Refinery Limited	10	-	58,000	-	-	58,000	6,308	6,478	170	4.38	4.26	0.05
National Refinery Limited	10	-	117,000	-	-	117,000	16,094	16,506	412	11.16	10.84	0.15
							22,402	**22,984**	**582**			
Technology and Communication												
Pakistan Telecommunication Company Limited	10	1,100,000	-	-	-	1,100,000	**9,097**	**10,298**	**1,201**	6.96	6.76	0.03

Name of the Investee Company	Face value per share	Number of shares					Balance as at December 31, 2019			Percentage in relation to		
		As at Jul 1, 2019	Purchases during the period	Bonus / right issue received during the period	Sold/ Disposed	As at December 31, 2019	Carrying cost	Market value	Un-realised gain/ (loss) on revaluation	Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company
	(Rupees)						Rupees in '000			%		
Textile Composite												
Nishat Mills Limited	10	10,000	50,000	-	-	60,000	**5,833**	**6,368**	**535**	4.30	4.18	0.02
Vanaspati & Allied Industries												
Punjab Oil Mills Limited	10	4,200	-	-	-	4,200	**839**	**720**	**(119)**	0.49	0.47	0.08
Total listed equity securities as at December 31, 2019							**139,499**	**147,952**	**8,453**			
Total listed equity securities as at June 30, 2019							188,437	133,875	(54,562)			

* This includes 25,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

** The exposure limit of investment in a single company as percentage of net assets exceeded by 4.24% against the prescribed limit of 15% of the total net assets as required under NBFC Regulations.

	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
		-------- (Rupees in '000) --------	
5.2 Net unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss'			
Market value of investments	5.1	**147,952**	133,875
Carrying amount of investments	5.1	**(139,499)**	(188,437)
		8,453	(54,562)
6. DIVIDEND AND PROFIT RECEIVABLE ON BANK DEPOSITS			
Profit on bank balance		**34**	40
Dividend receivable		**392**	1
		426	41
7. DEPOSITS AND PREPAYMENTS			
Security deposit with			
- National Clearing Company of Pakistan Limited		**2,500**	2,500
- Central Depository Company of Pakistan Limited		**100**	100
Prepayments			
- PSX annual listing fee		**11**	-
- Shariah advisory fee		**22**	105
		2,633	2,705
8. PRELIMINARY EXPENSES AND FLOATATION COST			
Preliminary expenses and floatation cost		**746**	951
Less: amortised during the period	8.1	**(103)**	(205)
		643	746

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 Regulation, 2008.

9. PAYABLE TO MANAGEMENT COMPANY	Note	(Unaudited) December 31, 2019	(Audited) June 30, 2019
		-------- (Rupees in '000) --------	
Remuneration	9.1	**269**	226
Sales tax on management fees	9.2	**35**	29
Expenses allocated by the Management Company	9.3	**55**	11
Formation cost		**746**	951
Others		**16**	12
		1,121	1,229

9.1 The Management Company charged remuneration at the rate of 2 percent per annum of the average daily net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

9.2 Sindh sales tax at the rate of 13% (June 30, 2019: 13%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

9.3 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the period, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for the periods i.e. from July 1, 2019 to December 31, 2019 , being lower than actual expenses.

	Note	**(Unaudited) December 31, 2019**	(Audited) June 30, 2019
		-------- (Rupees in '000)	**--------**
10. PAYABLE TO THE TRUSTEE			
Trustee fee	10.1	**16**	14
Sindh Sales Tax	10.2	**2**	2
		18	16

10.1 The Trustee is entitled to a monthly remuneration to be paid monthly in arrears 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 tariff structure applicable to the fund is as follows:

Amount of Funds Under Management [Average Net Assets Value (NAV)]	**Tariff per annum**
Upto Rs 1,000 million	0.12% of Net Assets
Exceeding Rs 1,000 million and up to Rs.5,000 million	Rs. 1.2 million plus 0.065% per anum of the amount exceeding Rs. 1,000 million
Exceeding Rs. 5,000 million and up to Rs. 10,000 million	Rs. 3.8 million plus 0.06% per anum of the amount exceeding Rs. 5,000 million

10.2 Sindh sales tax at the rate of 13% (June 30, 2019: 13%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

	Note	**(Unaudited) December 31, 2019**	(Audited) June 30, 2019
11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)		**-------- (Rupees in '000)**	**--------**
Annual fee payable to SECP	11.1	**13**	179

11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a Collective Investment Scheme categorised as a equity scheme was required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.095 percent of the average annual net assets of the scheme. However, as per S.R.O. 685(i) / 2019 dated June 28, 2019, effective from July 01, 2019, all categories of Collective Investment Schemes are now required to pay annual fee at an amount equal to 0.02 percent of the average annual net assets of the scheme The fee is payable annually in arrears.

		(Unaudited) December 31, 2019	(Audited) June 30, 2019
12. ACCRUED AND OTHER LIABLITIES	**Note**	**-------- (Rupees in '000)**	**--------**
Brokerage payable		**93**	23
Auditors remuneration		**89**	118
Printing charges payable		**175**	100
Charity payable		**535**	463
Provision for SWWF	12.1	**240**	-
Others		**88**	34
		1,220	738

12.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the provision not been made, net assets value per unit would have been higher by Re. 0.0596.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2019 and June 30, 2019.

14. TOTAL EXPENSE RATIO

The total expense ratio of the Fund is 2.14% (December 31, 2018: 0.35%) and this includes 0.35% (December 31, 2018: 0.22%) representing Government levy and SECP fee. This ratio is within the maximum limit of 4.5% (December 31, 2018: 4%) prescribed under the NBFC Regulations for a Collective Investment Scheme categorized as a Shariah Compliant Equity Scheme.

15. TAXATION

The income of the fund is exempt from income tax under Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 (Clause 99), subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause II A of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Since the management intends to distribute the income earned by the Fund during the year to the unit holders in cash in the manner as explained above, accordingly, no provision for taxation has been made in these condensed interim financial information for the period ended December 31, 2019.

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund includes the Management Company, other Collective Investment Schemes managed by the Management Company, the Trustee, AKD Securities Limited, directors, officers, key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

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

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.

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:

	(Un-audited) December 2019	(Audited) December 2018
	For the half year ended	
	-------- (Rupees in '000)	---------
Transactions during the period		
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**1321**	2173
Expenses allocated by the Management Company	**66**	109
Sindh Sales Tax on management remuneration	**172**	282
AKD Investment Management Limited - Staff Provident Fund		
Issue of 9,632 units (2018: Nil)	**375**	-
MCB Financial Services Limited - Trustee		
Trustee remuneration	**79**	130
Sindh Sales Tax on trustee remuneration	**11**	17
AKD Opportunity Fund (AKDOF) - Common Management		
Shares sold by AKDOF	**-**	3135
AKD Securities Limited		
Brokerage Expense	**-**	7
Hina Aqeel - Close family member of the chairman of the group		
Issue of Nil units (2018: 42,632)	**-**	1939
Redemption of Nil units (2018: 40,000)	**-**	1917
Afsheen Aqeel Dhedhi- Close family member of the chairman of the group		
Issue of Nil units (2018: 21,316)	**-**	970
Redemption of Nil units (2018: 20,000)	**-**	959
Saim Mustafa Zuberi - Director of the Management Company		
Redemption of 10,078 units (2018: Nil)	**308**	0

	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	-------- (Rupees in '000)	---------
Balances outstanding at the period / year end		
AKD Investment Management Limited - Management Company		
Remuneration payable	**269**	226
Sales Tax Provincial on Management Remuneration	**35**	29
Expenses allocated by the Management Company	**55**	11
Payable against formation cost	**746**	951
Sales Load payable	**16**	12
MCB Financial Services Limited - Trustee		
Remuneration payable	**16**	14
Sales tax on trustee remuneration payable	**2**	2
AKD Investment Management Limited - Staff Provident Fund		
Outstanding 130,869 units (June 2019: 121,237 units)	**4,947**	4,219

	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
	-------- (Rupees in '000) ---------	
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Outstanding 200,000 units (June 2019: 200,000 units)	**7,560**	6960
Saim Mustafa Zuberi - Director of the Management Company		
Outstanding Nil units (June 2019: 10,078 units)	**-**	351
Muhammad Farid Alam - Key Management Personnel of Associated Company		
Outstanding 30,000 units (June 2019: 30,000 units)	**1,134**	1044
Hina Aqeel - Close family member of the chairman of the group		
Outstanding 42,632 units (June 2019: 42,632 units)	**1,612**	1484
Afsheen Aqeel Dhedhi- Close family member of the chairman of the group		
Outstanding 21,316 units (June 2019: 21,316 units)	**806**	742
Anum Dhedhi - Chief Investment Officer & Director of the Management Company		
Outstanding 89,657 units (June 2019: 89,657 units)	**3,389**	3120
Yasmeen Dhedhi - Close family member of the chairman of the group		
Outstanding 20,000 units (June 2019: 20,000 units)	**756**	696
Toqir Hussain - Key Management Personnel of the Management Company		
Outstanding 600 units (June 2019: 600 units)	**23**	21
Hamdard Laboratories (Waqf) Pakistan - Connected person due to more than 10% holding		
Outstanding 1,451,998 units (June 2019: 1,451,998)	**54,888**	50,531
Muhammad Omar Bawany* - Connected person due to more than 10% holding		
Outstanding Nil units (June 2019: 389,835 units)	**-**	13,567

*** Prior period Connected Party current figures not shown.**

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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.Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level-1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level-2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level-3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		December 31, 2019 (Un-audited)						
		Carrying amount			Fair Value			
		Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note	(Rupees in '000)						
Financial assets measured at fair value								
Investments								
- Listed equity securities		147,952	-	147,952	147,952	-	-	147,952
Financial assets not measured at fair value	17.1							
Bank balances		-	2,949	2,949				
Dividend and Profit receivable on bank deposits		-	426	426				
Deposits		-	2,600	2,600				
		-	5,975	5,975				
Financial liabilities not measured at fair value	17.1							
Payable to the Management Company		-	1,086	1,086				
Payable to the Trustee		-	18	18				
Accrued expenses and other liabilities		-	980	980				
			2,084	2,084				

	June 30, 2019 (Audited)						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
Financial assets measured at fair value							
Investments - Listed equity securities	133,875	-	133,875	133,875	-	-	133,875
Financial assets not measured at fair value							
Bank balances	-	2,712	2,712				
Dividend and Profit receivable on bank deposits	-	41	41				
Deposits	-	2,600	2,600				
Receivable against sale of investments	-	2,328	2,328				
	-	7,681	7,681				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	1,200	1,200				
Payable to Trustee	-	14	14				
Accrued expenses and other liabilities	-	738	738				
Payable against purchase of investments	-	4,643	4,643				
	-	6,595	6,595				

17.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 21, 2020.

19. GENERAL

19.1 Figures have been rounded off to the nearest thousand rupees.

19.2 This condensed interim financial information is unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed.

19.3 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala	**Muhammad Munir Abdullah**	**Anum Dhedhi**
Chief Executive Officer	Chief Financial Officer	Director

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