Quarterly Report

March 31, 2024

(un-audited)

AKD

Islamic Stock Fund

Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit form the Experience

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 Stock Fund

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

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

Bankers
Bankislami Pakistan Limited

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

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

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

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

Rating-AKDISSF
By PACRA
Performance Ranking
LT Rating: 1-Star
ST Rating: 1-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.

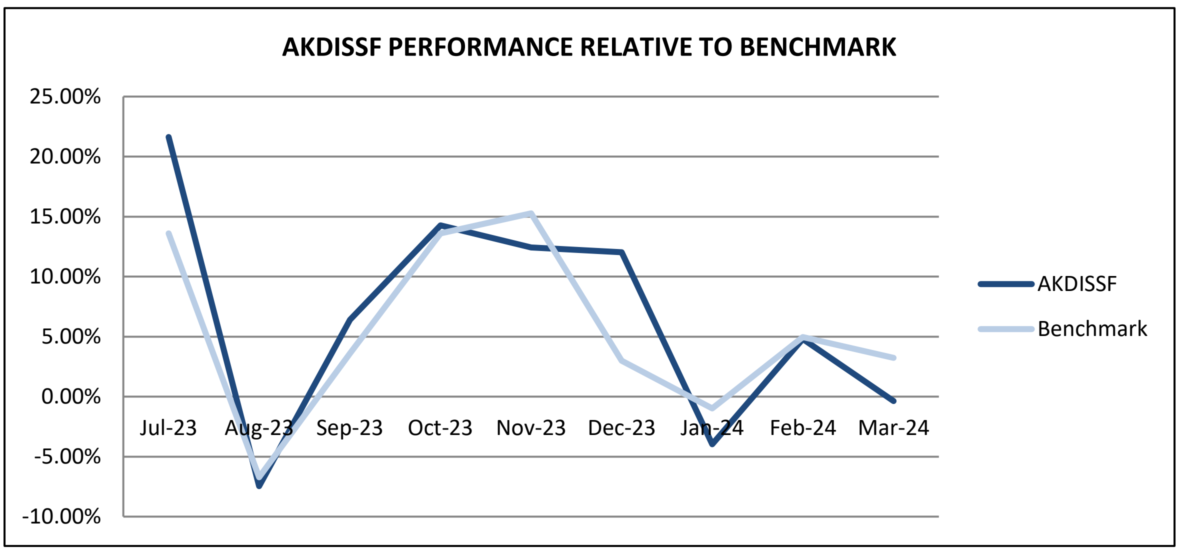
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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 Return	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
AKDISSF	21.63%	-7.46%	6.41%	14.26%	12.42%	12.02%	-3.97%	4.79%	-0.38%
Benchmark	13.60%	-6.72%	3.60%	13.59%	15.27%	2.98%	-0.97%	4.96%	3.23%

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 are generated through investment in Islamic stocks which have strong growth potential. AKDISSF 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
Equities	85.82%	86.59%
Cash	5.15%	4.52%
Other Assets including Receivables	9.02%	8.89%

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

9MFY24 Return	72.75%
Benchmark Return	58.82%

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

Net Asset Value			NAV Per Unit	
31-Mar-24	31-Dec-23	Change in Net Assets	31-Mar-24	31-Dec-23
(Rupees In "000")			Rs.	Rs.
192,862	191,283	0.83%	57.3844	57.2504

x) 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 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.

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

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

There were no unit splits during the period.

xiii) Break down of unit holding size:

Range (Units)	No. of Investors
0.0001 to 9,999	390
10000 to 49999	36
50,000 - 99,999	3
100,000 - 499,999	6
500,000 and above	1
Total	**436**

xiv) Disclosure of circumstances that materially affect any interests 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 STOCK 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	5	10,502	989
Investments	6	174,885	102,820
Profit receivable on bank deposits		568	9
Deposits and prepayments	7	2,805	2,747
Receivable against sale of securities		-	8,035
Receivable against sale / conversion of units		15,012	141
Total assets		203,773	114,741
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	636	424
Payable to Digital Custodian Company Limited - Trustee	10	39	14
Payable to the Securities and Exchange Commission of Pakistan	11	14	38
Accrued expenses and other liabilities	12	5,616	923
Payable against purchase of securities		-	8,477
Payable against redemption / conversion of units		4,606	1
Total liabilities		10,911	9,877
NET ASSETS		192,862	104,864
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		192,862	104,864
CONTINGENCIES AND COMMITMENTS	13		
		----- (Number of units) ------	
NUMBER OF UNITS IN ISSUE		3,360,869	3,156,421
		---------- (Rupees) -----------	
NET ASSET VALUE PER UNIT		57.3844	33.2222

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 STOCK FUND
CONDENSED INTERIM INCOME STATEMENT (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
INCOME	Note	------------------ (Rupees in '000)			-----------------
Capital gain / (loss) on sale of investments classified as 'at fair value through profit or loss'		39,333	(8,298)	12,265	(4,800)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	6.2	34,700	(35,685)	(11,580)	(7,988)
Dividend income		11,413	13,704	2,801	3,089
Profit on bank deposits		1,835	356	736	59
Total income / (loss)		87,280	(29,923)	4,221	(9,640)
EXPENSES					
Remuneration of AKD Investment Management Limited - Management Company	9.1	2,411	3,143	458	794
Sindh sales tax on remuneration of the Management Company	9.2	304	409	109	104
Expenses allocated by the Management Company	9.3	-	882	-	238
Remuneration of Digital Custodian Company Limited - Trustee	10.1	140	189	50	48
Sindh sales tax on remuneration of Trustee	10.2	21	25	9	7
Annual fee to Securities and Exchange Commission of Pakistan	11.1	111	32	40	9
Securities transaction costs		544	453	85	145
Auditor's remuneration		188	188	62	62
Settlement and bank charges		38	30	21	11
Amortisation of preliminary expenses and floatation costs		-	131	-	28
Fee and subscription		1,255	604	873	192
Legal and professional charges		162	216	53	108
Charity		273	256	51	27
Total expenses		5,448	6,558	1,812	1,773
Net income / (loss) for the period before taxation		81,832	(36,481)	2,410	(11,413)
Taxation	15	-	-	-	-
Net income / (loss) for the period after taxation		81,832	(36,481)	2,410	(11,413)
Allocation of net income for the period					
Net income for the period after taxation		81,832	-	2,410	-
Income already paid on units redeemed		(28,790)	-	(8,316)	-
		53,042	-	- 5,906	-
Accounting income available for distribution:					
Relating to capital gains		53,042	-	- 5,906	-
Excluding capital gains		-	-	(3,372)	-
		53,042	-	- 5,906	-

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 STOCK 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 / (loss) for the period after taxation	81,832	(36,481)	2,410	(11,413)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	81,832	(36,481)	2,410	(11,413)

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 STOCK FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

	Nine-Months Period Ended 31 March 2024			Nine-Months Period Ended 31 March 2023		
	Capital value	Accumulated profit/(loss)	Total	Capital value	Accumulated loss	Total
	---------------------------- (Rupees in '000) ----------------------					
Net assets at the beginning of the period	251,306	(146,442)	104,864	360,948	(107,620)	253,328
Issuance of 6,038,769 (2023: 4,634,277) units						
- Capital value (at Ex-net asset value per unit at the beginning of period)	289,021		289,021	187,563	-	187,563
- Element of income / (loss)	140,086		140,086	(5,981)	-	(5,981)
Total proceeds on issuance of units	429,107	-	429,107	181,582	-	181,582
Redemption of 5,854,027 (2023: 6,694,394) units						
- Capital value (at Ex-net asset value per unit at the beginning of period)	(282,674)		(282,674)	(270,944)	-	(270,944)
- Element of (loss) / income	(111,478)	(28,790)	(140,267)	13,328	-	13,328
	(394,152)	(28,790)	(422,941)	(257,616)	-	(257,616)
Total comprehensive income for the period	-	81,832	81,832	-	(36,481)	(36,481)
Net assets at the end of the period	286,261	(93,400)	192,862	284,914	(144,101)	140,813
Accumulated loss brought forward						
- Realised loss		(128,100)			(20,943)	
- Unrealised loss		34,700			(86,677)	
		(93,400)			(107,620)	
Accounting income available for distribution						
- Relating to capital gains		53,042			-	
- Excluding capital gains		-			-	
Net income / (loss) for the period after taxation		53,042			(36,481)	
Accumulated loss carried forward		(40,358)			(144,101)	
Accumulated loss carried forward						
- Realised loss		(128,100)			(108,416)	
- Unrealised income / (loss)		34,700			(35,685)	
		(93,400)			(144,101)	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period			33.2222			40.4732
Net assets value per unit at the end of the period			57.3844			33.5346

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 STOCK FUND
CONDENSED INTERIM CASH FLOW 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)		--------------------	
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss) for the period before taxation		81,832	(36,481)	2,410	(11,413)
Adjustments for non cash and other items:					
Dividend income		(11,413)	-	(2,801)	-
Amortisation of preliminary expenses and floatation costs		-	131	-	28
Capital (gain) / loss on sale of investments			8,298	12,265	4,800
Net unrealised diminution on remeasurement of investments 'at fair value through profit or loss'		(34,700)	35,685	11,580	7,988
		35,719	7,633	23,453	1,403
(Increase) / decrease in assets					
Profit receivable on bank deposits		(559)	(1,295)	(233)	(1,325)
Receivable against sale securities		8,035	-	-	-
Receivable against sale of investment			1,058		1,058
Deposits and prepayments		(58)	(28)	(86)	(119)
Net decrease / (increase) in assets		7,418	(265)	(319)	(386)
Increase / (decrease) in liabilities					
Payable to AKD Investment Management Limited - Management Company		212	(400)	(61)	(139)
Payable to Securities and Exchange Commission of			(33)		9
Payable to Digital Custodian Company Limited - Trustee		25	(10)	14	(7)
Accrued expenses and other liabilities		(24)	-	5	-
Payable against purchase of securities / investments		(8,477)	- 53	-	- 53
Payable against redemption / conversion of units			267		267
Accrued expenses and other liabilities		4,693	259	4,714	188
Net (decrease) / increase in liabilities		(3,571)	30	4,672	265
Dividend received		11,413	-	2,801	-
Investments - net		(47,632)	68,809	(72,805)	39,258
Net cash (used in) / generated from operating activities		3,347	76,207	(42,198)	40,540
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issue of units		429,107	181,582	166,870	23,217
Payment against redemption of units		(422,941)	(257,616)	(123,962)	(63,858)
Net cash generated from / (used in) financing activities		6,166	(76,034)	42,908	(40,641)
Net increase in cash and cash equivalents		9,513	173	710	(101)
Cash and cash equivalents at the beginning of the period		989	994	9,792	1,268
Cash and cash equivalents at the end of the period	5	10,502	1,167	10,502	1,167

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

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Islamic Stock 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 (DCCL) 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 (PSX).

The Fund is categorised as an open end Shariah Compliant (Islamic) Equity 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 Company Limited (PACRA) has assigned asset manager rating of 'AM3++' to the Management Company dated 27 June 2023. PACRA has also assigned Short term / Long term performance ranking of the Fund "4-star / 1-star" as on 16 February 2024.

The Fund is 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 Standard (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 VIII A 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 IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, 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 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 and true and fair view of the state of the Fund's affairs as at 31 March 2024.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak 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 AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT 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 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 standards and interpretations on approved 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 are therefore not disclosed in this condensed interim financial information.

4. FINANCIAL RISK MANAGEMENT

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.

		(Unaudited) 31 March 2024	(Audited) 30 June 2023
5. BANK BALANCES	Note	-------- (Rupees in '000) --------	
Savings accounts	5.1	10,502	989

5.1 Mark-up rates on these accounts range between 19% to 20.5% (31st March 2024: 13% to 19.00%) per annum.

6. INVESTMENTS

Fair value through profit or loss

Listed equity securities	6.1	174,885	102,820

6.1 Listed equity securities

Name of the investee company	(Number of shares)					Balance as at 31 March 2024			Percentage in relation to		
Name of the investee company	As at 01 July 2023	Purchased during the period	Bonus / right share	Sold / Disposed	As at 31 March 2024	Carrying cost	Market value	Appreciation / (diminution)	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
Fully paid ordinary shares (unless otherwise stated)						------------ (Rupees in '000)	--------		---------------------	(%)	-------------------
Automobile Assembler											
GHANDHARA AUTOMOBILES LIMITED	999	-		-	999	36	92	55	0.05%	0.05%	0.00%
MILLAT TRACTORS LIMITED	34	1,713		-	1,747	880	1,022	142	0.58%	0.53%	0.00%
Automobile Parts & Accessories											
THAL LIMITED	54,000	3,100		-	57,100	9,414	20,155	10,741	11.52%	10.45%	0.07%
Banks											
FAYSAL BANK LIMITED	-	500,000		-	500,000	15,088	17,025	1,937	9.73%	8.83%	0.03%
Cables & Electrical Goods											
PAKISTAN CABLES LIMITED	39,105	-		-	39,105	3,243	4,940	1,698	2.82%	2.56%	0.08%
Foods & Personal Care Products											
FRIESLANDCAMPINA ENGRO PAKISTAN LIM	24,001	-		-	24,001	1,417	1,619	202	0.93%	0.84%	0.00%
Miscellaneous											
PAKISTAN ALUMINIUM BEVERAGE CANS LIM	-				65,000	3,186	4,625	1,439	2.64%	2.40%	0.02%
Oil & Gas Exploration Companies											
OIL & GAS DEVELOPMENT COMPANY LIMITE	50,000	80,000		-	130,000	15,697	15,815	118	9.04%	8.20%	0.00%
PAKISTAN PETROLEUM LIMITED	50,000	75,000		-	125,000	12,471	13,269	798	7.59%	6.88%	0.00%
Oil & Gas Marketing Companies											
ATTOCK PETROLEUM LIMITED	-				10,000	3,817	3,791	(27)	2.17%	1.97%	0.01%
PAKISTAN STATE OIL COMPANY LIMITED	50,000	85,000		-	135,000	16,717	23,293	6,576	13.32%	12.08%	0.03%
SUI NORTHERN GAS PIPELINES LIMITED	-				100,000	6,735	6,252	(483)	3.57%	3.24%	0.02%
Paper & Board											
PAKISTAN PAPER PRODUCTS LIMITED	666	-		-	666	25	45	19	0.03%	0.02%	0.01%
Power Generation & Distribution											
LALPIR POWER LIMITED	372,000	-		322,436	49,564	741	983	242	0.56%	0.51%	0.01%
THE HUB POWER COMPANY LIMITED	210,000	-		20,000	190,000	13,220	23,041	9,821	13.18%	11.95%	0.01%
Synthetic & Rayon											
PAKISTAN SYNTHETICS LIMITED	57,250	8,000		-	65,250	1,869	1,524	(345)	0.87%	0.79%	0.05%
Textile Composite											
INTERLOOP LIMITED	-	191,696		-	191,696	12,841	14,368	1,526	8.22%	7.45%	0.01%
Textile Spinning											
TATA TEXTILE MILLS LIMITED	294,500	-		45,000	249,500	16,582	16,966	384	9.70%	8.80%	0.45%
Vanaspati & Allied Industries											
PUNJAB OIL MILLS LIMITED	8,928	45,000		-	53,928	6,206	6,063	(144)	3.47%	3.14%	0.69%
Total as at 31 March 2024	1,211,483	989,509	-	387,436	1,988,556	140,185	174,885	34,700	1.00	0.91	0.01
Total as at 30 June 2023						133,640	102,820	(30,820)			

		Note	(Unaudited) 31 March 2024	(Audited) 30 June 2023
6.2	NET UNREALISED DIMINUTION ON RE-MEASUREMENT OF INVESTMENT CLASSIFIED AT 'FAIR VALUE THROUGH PROFIT OR LOSS		-------- (Rupees in '000) --------	
	Market value of investments	6.1	174,885	102,820
	Carrying amount of investments	6.1	(140,185)	(133,640)
			34,700	(30,820)

7.	DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES			
	Security deposit with			
	- National Clearing Company of Pakistan Limited		2,500	2,500
	- Central Depository Company of Pakistan Limited		100	100
	Prepayments		17	-
	Prepaid shariah advisory fee		-	147
	Dividend receivable from shares		187	
			2,805	2,747

8.	PRELIMINARY EXPENSES AND FLOATATION COST			
	Preliminary expenses and floatation cost		1,024	1,024

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			
	Management fee	9.1	513	203
	Sindh sales tax on management fee	9.2	39	26
	Allocated expenses payable	9.3	-	61
	Formation cost		-	131
	Sales load payable		83	3
			636	424

9.1 The Management Company charged remuneration at the rate of 2% (30 June 2023: 2%) per annum of the 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 0.6% (30 June 2023: 0.6%) per annum of the daily average annual net assets of the Fund.

10.	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE			
	Trustee fee	10.1	33	12
	Sindh sales tax on Trustee fee	10.2	6	2
			39	14

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 the amount exceeding Rs. 1 billion.
Net assets exceeding Rs. 5 billion	Rs. 3.8 million plus 0.06% per annum of the daily average net assets of the Fund exceeding Rs. 5 billion.

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

	Note	(Unaudited) 31 March 2024	(Audited) 30 June 2023
11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		-------- (Rupees in '000) --------	
Annual fee payable to SECP	11.1	14	38

11.1 All Collective Investment Schemes are required to pay annual fee at an amount equal to 0.095% (30 June 2022: 0.02%) of the daily average annual net assets of the scheme. The fee is payable annually in arrears.

12. ACCRUED AND OTHER LIABLITIES

Brokerage payable	4,565	168
Auditor's remuneration	187	163
Printing charges payable	-	150
Charity payable	540	267
Credit rating fee payable	132	132
Withholding tax payable	134	2
Others	59	41
	5,616	923

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2024 and 30 June 2023.

14. TOTAL EXPENSE RATIO

The annualised total expense ratio of the Fund is 3.49% (31 December 2022: 3.74%) excluding 0.46% (31 December 2022: 0.34%) representing Government levy and SECP fee. This ratio is within the maximum limit of 4.5% (31 December 2022: 4.5%) prescribed under the NBFC Regulations for a collective investment scheme categorised as an Equity Scheme.

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. Further, 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, 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 on 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:

	(Unaudited)	
	31 March 2024	31 March 2023
Transactions during the period	------ (Rupees in '000) -------	
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	2,411	3,143
Sindh sales tax on management remuneration	304	409
Digital Custodian Company Limited - Trustee		
Trustee fee	140	189
Sindh sales tax on trustee fee	21	25

	(Unaudited)	(Audited)
	31 March 2024	30 June 2023
Balances outstanding at the period / year end	------ (Rupees in '000) -------	
AKD Investment Management Limited - Management Company		
Remuneration payable	513	203
Sindh sales tax on management remuneration	39	26
Sales load payable	83	3
Digital Custodian company Limited - Trustee		
Remuneration payable	33	12
Sales tax on trustee remuneration payable	6	2
Hina Aqeel -		
Close Family member of the Chairman of the Group		
Outstanding 70,386 Units (30 June 2023: 70,386 Units)	4,039	2,338
Connected person due to more than 10% holding		
TPL Insurance Limited		
Outstanding 839,883 (30 June 2023: 839,883) units	48,196	27,903
MUHAMMAD IBRAHIM		
Outstanding 364,325	20,907	-

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 IFRS. 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 recognised 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).

	Note	(Unaudited) As at 31 March 2024			
		Level 1	Level 2	Level 3	Total
		------------------ (Rupees in '000) -----------------			
Investments in securities- at fair value through profit or loss					
Listed equity securities		174,885	-	-	174,885

	(Audited) As at 30 June 2023			
	Level 1	Level 2	Level 3	Total
	------------------ (Rupees in '000) -----------------			
Investments in securities- at fair value through profit or loss				
Listed equity securities	102,820	-	-	102,820

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

18. GENERAL

18.1 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)

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

AKD Investment Management Ltd.

Head Office

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000

U.A.N: 92-21-111 AKDIML (111-253-465) I fAX: 92-21-35303125

Gulshan - e - Iqbal Branch

Bungalow No. FL-3/12,
Ground Floor, Block No. 5, KDA,
Scheme No. 24, Gulshan-e-Iqbal, Karachi.
Contact # 92-21-34823003-7

Lahore Branch

Plaza # 250, 2nd Floor, Phase IV,
Block-FF, D.H.A.,Lahore Cantt.
Contact # 0333-0342762-4

E-mail: info@akdinvestment.com
Website: www.akdinvestment.com