

Funds Managed by:
AKD Investment Management Ltd.

Quarterly Report
September 30, 2021
(Un-Audited)



quarterly report



Partner with AKD
Profit from the Experience



MANAGEMENT COMPANY

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

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

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Muhammad Munir Abdullah

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali

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 Limited
AM3++ (AM Three Plus Plus) issued by PACRA

CORPORATE INFORMATION

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 Funds 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), Golden Arrow Stock Fund (GASF) and AKD Islamic Stock Fund (AKDISSF) presents its first quarter report along with the Funds' un-audited Financial Statements for the Quarter ended September 30, 2021.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 1QFY22, the return of AKD Opportunity Fund stood at -7.86% compared to the benchmark KSE-100 Index return of -5.19%.

Golden Arrow Stock Fund (GASF)

For the 1QFY22, the return of Golden Arrow Stock Fund stood at -5.04% compared to the benchmark KSE-100 Index return of -5.19%.

AKD Index Tracker Fund (AKDITF)

For the 1QFY22, the return of AKD Index Tracker Fund stood at -4.50% compared to the benchmark KSE-100 Index return of -5.19%.

AKD Cash Fund (AKDCF)

For the 1QFY22, the annualized return of AKD Cash Fund stood at 8.12% compared to the benchmark return of 6.77%.

AKD Aggressive Income Fund (AKDAIF)

For the 1QFY22, the annualized return of AKD Aggressive Income Fund stood at 11.23% compared to the benchmark return of 7.93%.

AKD Islamic Income Fund (AKDISIF)

For the 1QFY22, the annualized return of AKD Islamic Income Fund stood at 8.53% compared to the benchmark return of 3.13%.

AKD Islamic Stock Fund (AKDISSF)

For the 1QFY22, the return of AKD Islamic Stock Fund stood at -7.18% compared to the benchmark KMI-30 Index return of -5.62%.

MACRO PERSPECTIVE

Pakistan's economy continued to witness robust recovery where pace of the economy has exceeded the expectations of the State Bank of Pakistan (SBP). However, rising domestic demand coupled with surging international commodity prices have led to a Current Account Deficit (CAD) of 4.1% of GDP, imported inflation and depreciation of the local currency. The SBP while remaining cognizant of inflationary pressures of the CAD, opted to lean towards a growth accommodating monetary stance; hence, nominally increasing the discount rate by 25bps to 7.25% in its September 2021 monetary policy meeting. Receipts of ~\$2.77bn provided by the IMF under its program to facilitate developing countries during the pandemic helped forex reserves to reach \$25.98bn.

The external account for 1QFY22 reported a CAD of \$3.4bn (4.1% of GDP) as compared to surplus of \$0.87 bn (1.2% of GDP) reported during same period last year (SPLY) owing to an increase in the Balance of Trade, as the imports remained under pressure due to higher commodity prices – crude oil in particular, coupled with the import of vaccines and disbursements against TERF related capital expenditure (SBP disbursement reportedly \$1.63bn during FY22). However, Remittances posted phenomenal growth of 12.49%YoY to \$8.04bn during 1QFY22. The Government's efforts to attract Non-Resident Pakistani money paid off, attracting \$2.41bn through Roshan Digital Accounts (RDA) with more than 245,000 accounts.

According to press reports, the Federal Board of Revenue (FBR) has made net revenue collection of PKR 1,395bn during 1QFY22, up by 38.3%YoY as compared to ~PKR 1,004bn recorded during SPLY. FBR has exceeded its given target of PKR 1,211bn by a margin of PKR 186 billion. In addition, FBR has also witnessed an impressive 45% growth in the filing of tax returns and 64% growth in tax collection as of closing date for filing income tax returns, despite FBR's avoidance this year of extending filing dates as observed in the past.

As per Pakistan Bureau of Statistics (PBS), the average National Consumer Price Index (NCPI) in 1QFY22 was recorded at 8.58%YoY as compared to 8.84%YoY. Core Inflation, calculated by excluding food and energy prices, clocked in at 6.53%YoY and 6.43% YoY for Urban and Rural areas respectively, as compared to 5.47%YoY and 7.73%YoY, SPLY.

The Large Scale Manufacturing (LSM) sector witnessed an increase of 7.26% for July-August FY22 as compared 3.66% reported during same period last year. During the period under review, major contribution towards the growth came from Automobiles, Food, Beverages & Tobacco, Iron & Steel Products, and Pharmaceuticals to name a few. However, overall growth during the period was kept in check by sectors that posted negative growth including Rubber Products and Fertilizers.

EQUITY MARKET REVIEW

During 1QFY22, KSE-100 Index declined by 2,456pts, down by 5.19% to close at 44,899.60pts. The Equity market remained under pressure owing to 1) setbacks on the foreign policy front following US withdrawal from Afghanistan, 2) weakness in macro indicators on the back of the CAD and 3) tightening monetary stance by the Central Bank, were a few key factors that kept investors cautious.

Average daily turnover also decreased by 38.4%QoQ and 18%YoY to 412.3 million shares as compared to 669.42mn shares and 500.23mn shares recorded during 4QFY21 and 1QFY21 respectively. Moreover, investor interest diverted to second and third tier stocks as depicted by a decrease in ratio of KSE-100 volumes over total turnover and value traded. Overwhelming response was witnessed for fresh equity issues where two new companies got listed during 1QFY22 in which a liking towards the technology sector was also affirmed by record participation.

Some of the negative news flows that kept investor sentiments abay included: 1) SBP increased interest rates by 25 bps to 7.25% after 15 months to contain the soaring CAD and higher inflation expectations. 2) US senators move draft bill seeking imposition of sanctions on Pakistan. 3) CAD rose to USD 1.5 billion in August 2021 and Rupee hits all-time low of PKR 172 against the USD. 4) MSCI downgrades Pakistan to a “Frontier” market from Emerging effective December and 5) FATF plenary meeting scheduled in October 2021. On the other hand, some of the positive news reports failed to revive investor interest included: 1) FBR collection up by 45%YoY to PKR 434bn during August 2021 exceeding the target by PKR 85bn 2) IMF 6th review to start in mid of October for release of \$1bn tranche 3) Fitch predicts Pakistan’s GDP to grow by 4.2% and 4) The receipt of \$~2.8bn from the IMF took forex reserves with the SBP to ~20 billion

Foreign investors continued to remain net sellers for the eighth consecutive quarters with net outflows of \$83.40mn taking cumulative outflows to \$778.95mn. Individuals, Other Organizations and Banks/DFI were the major net buyers with net buying of \$32.53mn, \$26.85mn and \$21.30mn respectively. Whereas Brokers and Mutual Funds were net sellers with net selling of \$14.95mn and \$7.42mn respectively.

The sectors that dragged the KSE-100 down included Cement, Tobacco, Oil & Gas Exploration, Refinery and Automobile Assembler with decrease in market capitalization by 17.5%, 19.1%, 8.6%, 33.5%, and 13.2% respectively. However, some of the losses were compensated by Technology & Communication, Miscellaneous, Commercial Banks, Modarabas and Real Estate Investment Trust with increase in market capitalization by 13.8%, 43.0%, 2.6%, 74.5% and 6.4% respectively.

In terms of valuation, the KSE-100 Index closed at a forward Price to Earnings multiple of 5.25x, which is a 63.18% discount as compared to MSCI Frontier Markets P/E of 14.27 and offering a healthy dividend yield of 6.91%.

MONEY MARKET REVIEW

During 1QFY22, six (6) MTB auctions were carried out by the SBP, where the government managed to raise PKR 3.50trn cumulatively. Weighted average yield of 3, 6 and 12 months MTB were 7.27%, 7.53%, and 7.65% respectively, up by 0.36%, 0.58%, and 0.60% as compared to 6.91%, 6.95%, and 7.05% same period last year.

SBP also conducted three (3) auctions of Fixed Rate Pakistan Investment Bonds (PIBs) and was successful in raising PKR 409.26bn during 1QFY22. Weighted average yield for 3, 5 and 10 years PIBs increased by 0.97%, 0.83%, and 0.93% to 8.78%, 9.18%, and 9.84% as compared to 7.81%, 8.35%, and 8.91% for same period last year.

The Monetary Policy Committee announced two (2) Monetary Policy Statements during the year where the Committee increased the policy rate by 25 bps to 7.25% in September 2021. The SBP conducted 25 Open Market Operations (OMO) of different maturities and injected average amount of PKR1.19trn at an average cut off yield of 7.13% and mopped-up PKR0.20trn at a cut off yield of 7.22%.

As per the auction target calendar for October – December 2021, the SBP targets to raise PKR5.05trn by issuing MTB against maturing amount of PKR 5.10trn. In addition, SBP targets to raise another PKR 300 bn through 3 – 30 years Fixed Rate PIBs during the period against maturing amount of PKR 55bn.

FUTURE OUTLOOK

Going forward, we remain optimistic about the economic outlook for FY22, where the SBP expects growth in upper end of 4 to 5 percent. Recent depreciation of local currency has helped to contain the external account as CAD for September has decreased by 24%MoM to \$1.11bn as compared to \$1.47bn. Reportedly, CAD is expected to go up to \$14bn (~4% of GDP). SBP's stance to raise interest rates in monetary policy of September will help contain inflationary pressures. As per the staff level agreement, reportedly Pakistan has agreed to further increase interest rates by 100 bps to 8.25%. The Real Effective Exchange Rate (REER) of 95.86 by end of September 2021 implies a very low likelihood of further Rupee depreciation.

We believe the reclassification of Pakistan to MSCI Frontier market will reduce foreign selling which has been recorded since FY16 as the local bourse would have a more significant weight of a much smaller fund allocated to frontier markets, unlike the case in the emerging markets.

On the Fixed Income front, expected increase in interest rates as agreed with International Monetary Fund in staff level agreement, will bode well for yields of fixed income instruments.

We expect the stock market to remain positive due to expansionary fiscal policy by the Government where the country has posted a provisional GDP growth of ~4.40% in FY21. We reiterate our positive market outlook for FY22 based on (i) expected growth in GDP owing to robust corporate earnings and agriculture growth (ii) compelling Price to Earnings multiple of 5.25x, (iii) Healthy dividend yield of 6.91% (iv) negative real interest rates, (v) reduction in capital gains tax rate from 15.00% to 12.50% for capital market transactions.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim Memon
Chairman

Karachi: October 29, 2021

AKD Opportunity Fund



MANAGEMENT COMPANY

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

TRUSTEE

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

BANKERS

Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Soneri Bank Limited
Summit Bank Limited
United Bank Limited

AUDITORS

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

LEGAL ADVISER

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

REGISTRAR

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

DISTRIBUTORS

AKD Investment Mangement Limited
Financial Investments Mart (Pvt) Ltd.
Investomate (Private) Limited.
ITMinds Limited.
Investlink Advisor (Private) Limited.
YPay Financial Services (Pvt.) Ltd.

RATING - AKDOF

BY PACRA

Performance Ranking

Long Term / Short Term :MFR-5 Star

FUND MANAGER'S REPORT

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

Open – end Equity Scheme

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

The investment objective of AKD Opportunity Fund (AKDOF) is to invest in the capital markets, searching for the optimal combination of investment strategies, mainly in equities, followed by fixed income and money market as contingent defensive strategy.

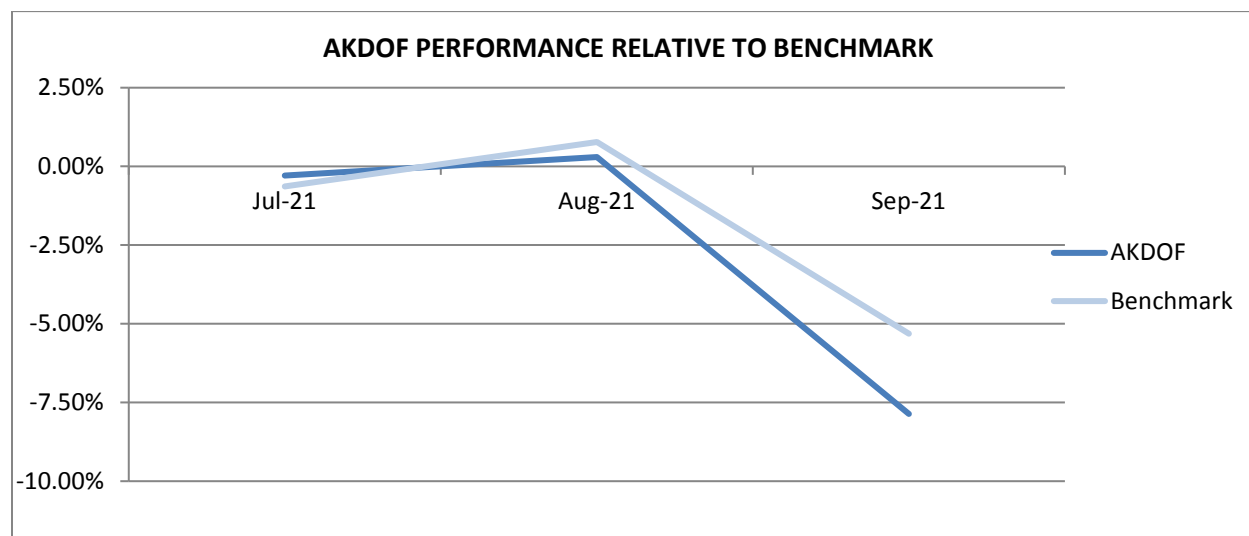
iii) **Explanation as to whether Collective Investment Scheme achieved its stated objective:**

For the 1QFY22, the return of AKD Opportunity Fund stood at -7.86% compared to the benchmark KSE-100 Index return of -5.19%.

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

KSE-100 Index

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



Monthly return	Jul-21	Aug-21	Sep-21
AKDOF	-0.29%	0.30%	-7.86%
Benchmark	-0.64%	0.77%	-5.31%

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

AKD Opportunity Fund is an Open – end Equity Scheme. The returns of the Fund are generated through investment in value 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:**

Asset Allocation (% of Total Assets)	30-Sep-21	30-Jun-21
Equities	97.27%	98.86%
Cash	2.17%	0.93%
Other Assets including Receivables	0.56%	0.21%

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

1QFY22 Return	-7.86%
Benchmark Return	-5.19%.

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

Net Asset Value			NAV Per Unit	
30-Sep-21	30-Jun-21	Change in Net Assets	30-Sep-21	30-Jun-21
(Rupees In "000")			Rs.	Rs.
2,911,539	3,527,232	-17.46%	125.9768	136.7162

(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

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- 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
0.1 - 9,999	426
10,000 - 49,999	221
50,000 - 99,999	138
100,000 - 499,999	315
500,000 and above	330
Total	1430

- 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.

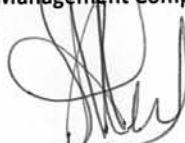
AKD Opportunity Fund
Condensed Interim Statement of Assets and Liabilities
As at September 30, 2021

As at September 30, 2021		(Un-Audited) 30 September 2021	(Audited) 30 June 2021
		(Rupees in '000)	
Note			
Assets			
	5	64,856	33,639
	6	2,910,217	3,586,416
		1,467	3,864
	7	3,372	2,813
		11,935	984
		2,991,847	3,627,716
Total Assets			
Liabilities			
	8	17,216	17,943
	9	415	443
	10	174	522
		228	11,550
		45,515	-
	11	16,505	69,771
		255	255
		80,308	100,484
Total Liabilities			
Contingencies and Commitments			
	13		
Net Assets		2,911,539	3,527,232
Unit holders' fund (as per statement attached)		2,911,539	3,527,232
		(Number of Units)	
Number of units in issue		23,111,716	25,799,661
		(Rupees)	
Net assets value per unit		125.9768	136.7162

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Director


Chief Financial Officer

AKD Opportunity Fund
Condensed Interim Income Statement (Un-Audited)
For the Quarter ended September 30, 2021

	Note	2021 (Rupees in '000)	2020
Income			
Gain / (loss) on sale of investments - net		29,287	175,771
Dividend income		18,566	579
Profit/markup on:			
- bank balances		439	640
		48,292	176,990
Reversal of Provision against Sindh Workers' Welfare Fund		61,066	-
Unrealized (appreciation) / diminution in the fair value of investments 'at fair value through profit or loss - net		(334,180)	565,409
		(224,822)	742,399
Expenses			
Remuneration of AKD Investment Management Limited - Management Company		17,416	10,560
Sindh Sales tax on remuneration of Management Company		2,264	1,373
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,123	780
Sindh Sales tax on remuneration of Trustee		146	101
Annual fee to the Securities and Exchange Commission of Pakistan		174	106
Expenses allocated by Management Company		3,919	1,848
Securities transaction cost		3,066	2,689
Auditors' remuneration		81	73
Settlement and bank charges		95	69
Fee and subscription		203	183
Printing and stationary		38	38
Legal and professional charges		279	108
Provision against Sindh Workers' Welfare Fund		-	14,489
		28,804	32,417
Net Gain / (loss) from operating activities		(253,626)	709,982
Taxation	14	-	-
Net Gain / (loss) for the period after taxation		(253,626)	709,982
Allocation of net income for the period:			
Net income for the period after taxation		-	709,982
Income already paid on units redeemed		-	(59,101)
		-	650,881
Accounting income available for distribution			
-Relating to Capital gains		-	650,881
-Excluding Capital gains		-	-
		-	650,881

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive Officer

**For AKD Investment Management Limited
(Management Company)**


Director


Chief Financial Officer

AKD Opportunity Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Quarter ended September 30, 2021

	2021	2020
	(Rupees in '000)	
Net Gain / (loss) for the period after taxation	(253,626)	709,982
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	<u>(253,626)</u>	<u>709,982</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Director


Chief Financial Officer

AKD Opportunity Fund
Condensed Interim Statement of Movement In Unit Holders' Fund (Un-Audited)
For the Quarter ended September 30, 2021

	2021			2020		
	------(Rupees in '000)-----					
	Capital value	Undistributed income	Net assets	Capital value	Undistributed income	Net assets
Net assets at beginning of the period	2,099,709	1,427,523	3,527,232	1,531,615	94,014	1,625,629
Issue of 3,451,055 units (2020: 4,111,349 units)						
- Capital value (at net asset value per unit at the beginning of the year)	471,815	-	471,815	275,861	-	275,861
- Element of income	(3,318)	-	(3,318)	93,888	-	93,888
Total proceeds on issuance of units	468,497	-	468,497	369,749	-	369,749
Redemption of 6,139,000 units (2020: 4,276,556 units)						
- Capital value (at net asset value per unit at the beginning of the year)	839,301	-	839,301	286,946	-	286,946
- Element of income	(8,737)	-	(8,737)	31,323	59,101	90,424
Total payments on redemption of units	830,564	-	830,564	318,269	59,101	377,370
Total comprehensive income / (loss) for the period	-	(253,626)	(253,626)	-	709,982	709,982
Distribution during the period	-	-	-	-	-	-
Refund of Capital	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	(253,626)	(253,626)	-	709,982	709,982
Net assets at end of the period	1,737,642	1,173,897	2,911,539	1,583,095	744,895	2,327,990
Undistributed income brought forward						
- Realised income		477,485			223,541	
- Unrealised income		950,038			(129,527)	
		1,427,523			94,014	
Accounting income available for distribution						
- Relating to capital gains		-			650,881	
- Excluding capital gains		-			-	
		-			650,881	
Net loss for the period after taxation		(253,626)			-	
Distribution during the period		-			-	
Undistributed gain carried forward		1,173,897			744,895	
Undistributed gain carried forward						
- Realised income		1,508,077			179,486	
- Unrealised income / (loss)		(334,180)			565,409	
		1,173,897			744,895	
Net assets value per unit at beginning of the period			(Rupees) 136.72			(Rupees) 67.10
Net assets value per unit at end of the period			125.98			96.75

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited

(Management Company)


Chief Executive Officer


Director


Chief Financial Officer

AKD Opportunity Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the Quarter ended September 30, 2021

	2021	2020
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net gain / (loss) for the period after taxation	(253,626)	709,982
Adjustments for non cash items:		
Unrealized (appreciation) / diminution in the fair value of investments 'at fair value through profit or loss - net	334,180	(565,409)
	80,554	144,573
Decrease / (increase) in assets		
Investments	342,019	(148,628)
Receivable against sale of securities	2,397	-
Deposits and Prepayments other receivables	(559)	(62,847)
Dividend and profit receivable on bank deposits	(10,951)	(614)
	332,906	(212,089)
(Decrease) / increase in liabilities		
Payable to AKD Investment Management Limited - Management Company	(727)	3,406
Payable to Central Depository Company of Pakistan Limited - Trustee	(28)	70
Payable to Securities and Exchange Commission of Pakistan	(348)	(208)
Payable against purchase of securities	(11,322)	1,478
Amount payable on redemption of units	45,515	68,464
Accrued expenses and other liabilities	(53,266)	17,418
	(20,176)	90,628
Net cash flow generated from operating activities	393,284	23,112
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received on issue of units	468,497	369,749
Cash paid on redemption of units	(830,564)	(377,370)
Net cash flow used in financing activities	(362,067)	(7,621)
Net increase / (decrease) in cash and cash equivalents during the period	31,217	15,491
Cash and cash equivalents at beginning of the period	33,639	8,150
Cash and cash equivalents at end of the period	64,856	23,641

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Director

Chief Financial Officer

AKD Opportunity Fund

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the Quarter ended September 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

AKD Opportunity Fund (the Fund) was established under Trust deed, dated December 19, 2005 executed between AKD Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 7, 2005 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open-ended mutual fund. The Fund commenced its operations from April 01, 2006.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules and has obtained a requisite license from 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 transferrable and can also be redeemed by surrendering to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.

The Fund is categorized as Equity Scheme as per circular 7 of 2009 by SECP. The principal activity of the Fund is to make investments in listed securities and cash in bank account.

The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan 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 February 08, 2021. The Fund has been given performance ranking of '5-Star' (Long Term / Short Term) by PACRA on August 6, 2021.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements 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 Financial Reporting Standards (IFRSs) 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 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements 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 the requirements of the Trust Deed differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 This condensed interim financial information does not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2020.

2.3 This condensed interim financial information is being submitted to the unitholders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

3. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies and methods of computation followed for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2020.

In preparing this condensed interim financial information, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2021.

4 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 June 2021.

		(Un-audited) September 30 2021	(Audited) June 30 2021
5	BANK BALANCES	(Rupees in '000)	
	Savings accounts	5.1 64,701	33,484
	Current accounts	155	155
		<u>64,856</u>	<u>33,639</u>

5.1 These represents saving accounts maintained with various banks carrying profit at the rate ranging from 5.00% to 5.50% (30 June 2021: 5.00% to 5.50%) per annum.

6 INVESTMENTS

Investments in securities at fair value through profit or loss

	Listed equity securities	6.1 <u>2,910,217</u>	<u>3,586,416</u>
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Name of the investee company	Face value per share (Rupees)	Number of shares					Balance as at Sept. 30, 2021			Market value as percentage of investments of net assets	Market value as percentage of the investee company held
		As at July 01, 2021	Purchases during the period	Bonus / Right issue	Sales during the period	As at Sept. 30, 2021	Carrying cost	Market value	Appreciation/ (diminution)		
----- Rupees in '000 ----- % -----											
Fully paid ordinary shares											
Automobile Assembler											
Ghandara Nissan Limited	10	120,665	-	-	-	120,665	13,180	10,514	(2,666)	0.36	0.36
							<u>13,180</u>	<u>10,514</u>	<u>(2,666)</u>		
Automobile Parts & Accessories											
The General Tyre and Rubber Company of Pakistan	10	348	-	-	-	348	31	21	(10)	-	-
Thal Limited	5	254,200	-	-	-	254,200	107,470	98,718	(8,752)	3.39	3.39
							<u>107,501</u>	<u>98,739</u>	<u>(8,762)</u>		
Cable and Electrical Goods											
Pakistan Cables Limited	10	315,725	-	-	140,725	175,000	26,162	27,583	1,421	0.95	0.49
Cement											
D. G Khan Cement Company Limited	10	-	35,400	-	11,316	24,084	2,679	2,129	(550)	0.07	0.01
Javedan Corporation Limited	10	5,100,322	-	-	5,100,322	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	10	-	6,890	-	-	6,890	229	243	14	0.01	-
Power Cement Limited	10	-	1,068,000	-	-	1,068,000	9,824	7,497	(2,327)	0.26	0.10
							<u>12,732</u>	<u>9,869</u>	<u>(2,863)</u>		
Chemical											
Buxly Paints Limited	10	31,500	-	-	31,500	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	10	4,250,000	-	-	1,250,000	3,000,000	46,320	41,970	(4,350)	1.44	0.20
							<u>46,320</u>	<u>41,970</u>	<u>(4,350)</u>		
Commercial Banks											
Bank Alfalah Limited	10	-	500,000	-	500,000	-	-	-	-	-	-
BankIslami Pakistan Limited	10	3,050,000	-	-	-	3,050,000	34,282	38,430	4,148	1.32	0.28
Faysal Bank Limited	10	3,500,000	-	-	3,500,000	-	-	-	-	-	-
Habib Bank Limited	10	843,399	-	-	263,399	580,000	70,975	63,423	(7,552)	2.18	0.04
National Bank of Pakistan	10	3,033,500	-	-	33,500	3,000,000	109,710	100,320	(9,390)	3.45	0.14
Samba Bank Limited	10	275,000	-	-	-	275,000	1,837	2,835	998	0.10	0.03
The Bank of Punjab	10	5,000,000	-	-	-	5,000,000	42,000	40,800	(1,200)	1.40	0.19
United Bank Limited	10	275,000	-	-	77,500	197,500	24,135	23,416	(719)	0.80	0.02
							<u>282,939</u>	<u>269,224</u>	<u>(13,715)</u>		
Engineering											
Amerali Steels Limited	10	1,000,000	-	-	8,500	991,500	43,071	38,817	(4,254)	1.33	0.33
Dost Steels Limited	10	46,500	-	-	-	46,500	232	181	(51)	0.01	0.01
International Industries Limited	10	246,000	-	-	246,000	-	-	-	-	-	-
International Steels Limited	10	209,487	-	-	209,487	-	-	-	-	-	-
Pakistan Engineering Company Limited	10	6,900	-	-	100	6,800	2,400	1,904	(496)	0.07	0.12
							<u>45,703</u>	<u>40,902</u>	<u>(4,801)</u>		
Fertilizer											
Engro Corporation Limited	10	35,000	-	-	35,000	-	-	-	-	-	-

Name of the investee company	Face value per share (Rupees)	Number of shares					Balance as at Sept. 30, 2021			Market value as percentage of investments of net assets	Market value as percentage of the investee company held	
		As at July 01, 2021	Purchases during the period	Bonus / Right issue	Sales during the period	As at Sept. 30, 2021	Carrying cost	Market value	Appreciation/ (diminution)			
----- Rupees in '000 ----- % -----												
Food and Personal Care Products												
Al Shaheer Corporation Limited	10	14,748,623	-	-	728,000	14,020,623	279,431	199,093	(80,338)	6.84	4.67	
Al-Tahir Limited	10	300,000	-	-	-	300,000	6,990	8,208	1,218	0.28	0.17	
Fauji Foods Limited	10	2,118,500	-	-	2,118,500	-	-	-	-	-	-	
Matco Foods Limited	10	806,000	-	-	706,000	100,000	4,105	3,063	(1,042)	0.11	0.08	
Quice Food Industries Limited	10	5,378,000	-	-	378,000	5,000,000	30,400	23,350	(7,050)	0.80	5.08	
							<u>320,926</u>	<u>233,714</u>	<u>(87,212)</u>			
Glass & Ceramics												
Balochistan Glass Limited	10	1,300,000	-	-	1,260,000	40,000	635	455	(180)	0.02	0.02	
Insurance												
Askari General Insurance Company Limited	10	779,533	-	-	-	779,533	15,926	15,887	(39)	0.55	1.08	
EFU General Insurance Limited	10	300,000	-	-	-	300,000	34,797	32,655	(2,142)	1.12	0.15	
Pakistan Reinsurance Company Limited	10	239,000	-	-	-	239,000	5,815	5,423	(392)	0.19	0.08	
TPL Insurance Limited	10	3,019,397	-	-	357,500	2,661,897	104,187	106,290	2,103	3.65	2.27	
							<u>160,725</u>	<u>160,255</u>	<u>(470)</u>			
Investment Banks												
Imperial Limited	10	191,500	500,000	-	205,000	486,500	13,160	11,730	(1,430)	0.40	0.49	
Jahangir Siddiqui & Co. Limited- Class A Pref. Sh.	10	978,200	-	-	-	978,200	9,782	8,794	(988)	0.30	0.53	
Jahangir Siddiqui & Co. Limited	10	4,891,000	-	-	-	4,891,000	110,341	89,652	(20,689)	3.08	0.53	
JS Investments Limited	10	3,349,000	-	-	-	3,349,000	62,660	57,737	(4,923)	1.98	5.42	
Pakistan Stock Exchange Limited	10	15,914,621	-	-	-	15,914,621	355,055	290,601	(64,454)	9.98	1.99	
							<u>550,998</u>	<u>458,514</u>	<u>(92,484)</u>			
Oil & Gas Expolarion Companies												
Oil & Gas Development Company Limited	10	115,000	-	-	-	115,000	10,928	9,637	(1,291)	0.33	-	
Paper & Board												
Pakistan Paper Products Limited	10	114,000	-	-	-	114,000	10,226	9,166	(1,060)	0.31	1.43	
							<u>10,226</u>	<u>9,166</u>	<u>(1,060)</u>			
Pharmaceuticals												
Abbot Laboratories Pakistan Limited	10	-	285,000	-	80,500	204,500	157,465	158,050	585	5.43	0.21	
Searle Pakistan Limited	10	45,080	-	-	45,080	-	-	-	-	-	-	
							<u>157,465</u>	<u>158,050</u>	<u>585</u>			

Name of the investee company	Face value per share (Rupees)	Number of shares					Balance as at Sept. 30, 2021			Market value as percentage of investments of net assets	Market value as percentage of net assets	Percentage of paid up capital of the investee company held	
		As at July 01, 2021	Purchases during the period	Bonus / Right issue	Sales during the period	As at Sept. 30, 2021	Carrying cost	Market value	Appreciation/ (diminution)				
----- Rupees in '000 ----- % -----													
Power Generation & Distribution													
Engro Powergen Qadirpur Limited	10	155,500	-	-	-	155,500	3,328	2,679	(649)	0.09	0.09	0.05	
Hub Power Company Limited	10	1,950,000	-	-	-	1,950,000	155,357	143,384	(11,973)	4.93	4.92	0.15	
Japan Power Generation Limited (6.1.2)	10	4,261,500	-	-	-	4,261,500	-	-	-	-	-	2.73	
K-Electric Limited	3.50	22,475,000	-	-	-	22,475,000	93,946	89,900	(4,046)	3.09	3.09	0.08	
Lalpur Power Limited	10	9,555,500	-	-	-	9,555,500	170,661	149,926	(20,735)	5.15	5.15	2.52	
Nishat Chunian Power Limited	10	992,000	-	-	-	992,000	14,900	12,360	(2,540)	0.42	0.42	0.27	
Nishat Power Limited	10	3,031,000	-	-	-	3,031,000	59,559	60,378	819	2.07	2.07	0.86	
							<u>497,751</u>	<u>458,627</u>	<u>(39,124)</u>				
Refinery													
Byco Petroleum Limited	10	5,108,000	27,500,000	-	6,108,000	26,500,000	260,220	216,770	(43,450)	7.45	7.45	0.50	
Pakistan Refinery Limited	10	150,000	-	-	30,000	120,000	2,953	2,014	(939)	0.07	0.07	0.02	
							<u>263,173</u>	<u>218,784</u>	<u>(44,389)</u>				
Sugar and Allied Industries													
Chasma Sugar Mills Limited	10	7,000	-	-	-	7,000	497	507	10	0.02	0.02	0.02	
Husein Sugar Mills Limited	10	10,500	-	3,937	-	14,437	279	256	(23)	0.01	0.01	0.04	
The Premier Sugar Mills Limited	10	6,200	-	-	-	6,200	2,399	2,418	19	0.08	0.08	0.17	
							<u>3,175</u>	<u>3,181</u>	<u>6</u>				
Synthetic and Rayon													
Pakistan Synthetics Limited	10	762,000	-	-	57,000	705,000	26,755	35,250	8,495	1.21	1.21	0.84	
Technology and Communication													
Hum Network Limited	1	11,549,000	2,500,000	-	30,000	14,019,000	107,784	83,834	(23,950)	2.88	2.88	1.48	
Pakistan Telecommunication Company Limited	10	250,000	-	-	-	250,000	2,960	2,340	(620)	0.08	0.08	0.01	
TPL Corporation Limited	10	385,500	-	-	385,500	-	-	-	-	-	-	-	
TPL Trakker Limited	10	1,667,000	-	-	-	1,667,000	29,189	28,439	(750)	0.98	0.98	0.89	
TRG Pakistan Limited [note 6.1.1]	10	1,814,447	-	-	454,447	1,360,000	226,209	219,871	(6,338)	7.56	7.55	0.25	
							<u>366,142</u>	<u>334,484</u>	<u>(31,658)</u>				
Textile Composite													
Fazal Cloth Mills Limited	10	600	-	-	-	600	176	163	(13)	0.01	0.01	-	
Gul Ahmed Textile Mills Limited	10	740,000	-	-	739,500	500	25	27	2	-	-	-	
Masood Textile Mills Limited	10	1,000	-	-	-	1,000	56	57	1	-	-	-	
Nishat (Chunian) Limited	10	415,000	-	-	15,000	400,000	20,116	19,808	(308)	0.68	0.68	0.17	
Nishat Mills Limited	10	1,057,000	-	-	366,900	690,100	64,386	62,702	(1,684)	2.15	2.15	0.20	
							<u>84,759</u>	<u>82,757</u>	<u>(2,002)</u>				

Name of the investee company	Face value per share (Rupees)	Number of shares					Balance as at Sept. 30, 2021			Market value as percentage of investments of net assets	Market value as percentage of the investee company held
		As at July 01, 2021	Purchases during the period	Bonus / Right issue	Sales during the period	As at Sept. 30, 2021	Carrying cost	Market value	Appreciation/ (diminution)		
----- Rupees in '000 ----- % -----											
Textile Spinning											
Colony Textile Mills Limited	10	400,000	-	-	-	400,000	2,952	2,100	(852)	0.07	0.08
Crescent Fibres Limited	10	37,000	-	-	-	37,000	2,294	1,817	(477)	0.06	0.30
Ellicot Spinning Mills Limited	10	669,138	-	-	3,300	665,838	81,905	107,517	25,612	3.69	6.08
Island Textile Mills Limited (Note 6.1.3)	10	35,530	-	-	35,530	-	-	-	-	-	-
Premium Textile Mills Ltd	10	10,000	-	-	-	10,000	3,800	4,000	200	0.14	0.16
Saifi Textile Mills Limited	10	141,000	-	-	-	141,000	3,222	2,926	(296)	0.10	0.53
Saifi Textile Mills Limited (Note 6.1.3)	10	25,604	-	-	25,604	-	-	-	-	-	-
Tata Textile Mills Limited (Note 6.1.3)	10	30,392	1,206,146	-	-	1,236,538	97,488	75,961	(21,527)	2.61	7.14
							191,661	194,321	2,660		
Textile Weaving											
Samin Textiles Limited	10	53,500	-	-	-	53,500	532	658	126	0.02	0.20
Vanaspati & Allied Industries											
Punjab Oil Mills Limited	10	200,000	-	-	-	200,000	50,004	37,062	(12,942)	1.27	3.71
S.S Oil Mills Limited	10	156,500	-	-	50,000	106,500	14,005	16,501	2,496	0.57	1.88
							64,009	53,563	(10,446)		
Total as at September 30, 2021							3,244,397	2,910,217	(334,180)		
Total as at June 30, 2021							2,636,378	3,586,416	950,038		

6.1.1 This includes 1,360,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

6.1.2 PSX vide their notice PSX/N-1086 dated October 02, 2020 informed that the trading in the share of M/s Japan power Generation Limited shall remain suspended until such time the cause of suspension has been rectified or for another period of 60 days effective from October 03, 2020.

6.1.3 Tata Textile Mills Limited has announced merger with Saifi Textile Mills Limited and Island Textile Mills Limited on March 19, 2021. The Honorable High Court of Sindh has passed ammendum to the order JCM No.13 of 2020 dated March 17, 2021 that effective date of Merger is July 01, 2021

7	DEPOSITS PREPAYMENTS AND OTHER RECEIVABLES	Note	(Un-audited) September 30 2021	(Audited) June 30 2021
			(Rupees in '000)	
	Security deposits with			
	- National Clearing Company of Pakistan Limited		2,500	2,500
	- Central Depository Company of Pakistan Limited		100	100
	Advance tax - Dividend		141	141
	Advance tax - Bank profit		157	72
	Prepaid PSX Listing fee		21	-
	Receivable against conversion of units - AKD Funds		453	-
			<u>3,372</u>	<u>2,813</u>

8 PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee	8.1	5,169	5,646
Sindh Sales Tax on management fee	8.2	672	734
Federal Excise Duty on management fee	8.3	10,092	10,092
Expenses allocated by the management company	8.4	1,164	989
Others		119	482
		<u>17,216</u>	<u>17,943</u>

8.1 The Management Company charged remuneration at the rate of 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.

8.2 Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.

8.3 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company was applied with effect from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter was collectively taken up by the Management Company jointly with other Asset Management Companies and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED since June 13, 2013.

On June 30, 2016, the Honorable Sindh High Court of Pakistan had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 10.092 million until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at September 30, 2021 would have been higher by Rs. 0.4367 per unit (June 30, 2021: Rs. 0.3912 per unit).

Through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn.

Therefore, provision for FED has not been recorded in these financial statements from July 01, 2016 onwards.

- 8.4 The Management Company has charged expenses at the rate of 0.45% (June 30, 2021: 0.35%) per annum of the average annual net assets of the Fund.

**9 PAYABLE TO CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED - TRUSTEE**

Trustee fee	9.1	339	363
CDS Charges payable		28	29
Sindh Sales Tax	9.2	48	51
		<u>415</u>	<u>443</u>

- 9.1 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 upto 1 billion

Rs.0.20% per annum of the average net assets of the Fund.

Net assets exceeding 1 billion

Rs. 2 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs. 1 billion

- 9.2 Sindh sales tax at the rate of 13% (June 30, 2021: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

**10 ANNUAL FEE TO THE SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN (SECP)**

Annual Fee SECP	10.1	174	522
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- 10.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 all Collective Investment Schemes are required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.02 percent of the average annual net assets of the scheme.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Brokerage payable		2,201	3,753
Auditors remuneration		311	262
Printing charges payable		188	150
Provision for Sindh Workers' Welfare Fund	11.1	-	61,066
Withholding tax payable		13,509	4,275
Others		296	265
		<u>16,505</u>	<u>69,771</u>

11.1 Provision for Sindh Workers' Welfare Fund (SWWF)

During the year Sindh Revenue Board (SRB) through its letter dated August 12, 2021 to Mutual Funds Association of Pakistan (MUFAP) has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the SWWF Act, 2014 and are therefore, subject to SWWF charge whereas the Mutual Funds managed by those AMCs do not qualify as "Financial Institutions" as per SWWF Act, 2014 and are therefore, not liable to pay SWWF contributions. The development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies. In consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 0.83% (Sept 30, 2020: 1.55%) which includes 0.09% (Sept. 30, 2020: 0.78%) representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2021 and June 30, 2021.

14 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 to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Management Company has intends to distribute cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

15 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.

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:

15.1	Details of balances with connected persons / related parties as at period / year end	(un-Audited) September 30 2021	(Audited) June 30 2021
		(Rupees in '000)	
	AKD Investment Management Limited - Management Company		
	Remuneration payable	5,169	5,646
	Sindh Sales Tax on Management remuneration	672	734
	Federal Excise Duty payable on Management	10,092	10,092
	Allocated expenses by the Management Company	1,164	989
	Sales load payable	119	482
	Units outstanding : 104,205 (June 30, 2021: Nil)	13,127	-
	Central Depository Company of Pakistan Limited - Trustee of the Fund		
	Remuneration payable	339	363
	Sales tax on trustee remuneration payable & CDS	48	51
	Security deposit	100	100
	CDS charges payable	28	29
	Receivable / Payable against Conversion of units - AKD Funds		
	Receivable against Conversion of units - AKD Aggressive Income Fund	300	-
	Receivable against Conversion of units - AKD Islamic Income Fund	153	-
	Payable against Conversion of units - AKD Aggressive Income Fund	6,320	-
	Payable against Conversion of units - AKD Cash Fund	1,914	-
	Payable against Conversion of units - AKD Islamic Income Fund	22,240	-
	Payable against Conversion of units - Golden Arrow Stock Fund	117	-
	Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
	Units outstanding : 90,428 (June 30, 2021: 90,428)	11,392	12,363
	Arabian Sea Enterprises Limited (having invested more than 10% in the units of the Fund)		
	Units outstanding : 3,573,194 (June 30, 2021: 3,573,194)	450,139	488,513
	KAPCO Employees Pension Fund Trust** (having invested more than 10% in the units of the Fund)		
	Units outstanding : 2,478,380 (June 30, 2021: Nil)	312,218	-
	** current period connected party prior figures not shown		
	Mr. Ameer Arif Dagha		
	Spouse of Mrs. Annum Dhedi (Director)		
	Units outstanding : 137,627 (June 30, 2021: 137,627)	17,338	18,816

	(un-Audited) September 30 2021	(Audited) June 30 2021
	(Rupees in '000)	
Ms. Afsheen Aqeel Dhedhi Close relative of Mr. Aqeel Karim Dhedhi Units outstanding : 61 (June 30, 2021: 61)	8	8
Ms. Ayesha Aqeel Dhedhi Close relative of Mr. Aqeel Karim Dhedhi Units outstanding : 5,448 (June 30, 2021: 5,448)	686	745
Mr. Imran Motiwala The Chief Executive Officer of the Management Company Units outstanding : 83,815 (June 30, 2021: 83,815)	10,559	11,459
Mr. Muhammad Yaqoob (with hir spouse and minor children) The Chief Operating Officer and Company Secretary Units outstanding : 94,050 (June 30, 2021: 94,050)	11,848	12,858
Mr. Hasan Ahmed Director of the Management Company Units outstanding : 21,385 (June 30, 2021: 21,385)	2,694	2,924
Mr. Muhammad Farid Alam Chief Executive of AKD Securities Limited Units outstanding : 5,787 (June 30, 2021: 5,787)	729	791
Mr. Carrow Michael Key Management Personal Units outstanding : 102 (June 30, 2021: 102)	13	14
Mr. Toqir Hussain Key Management Personal Units outstanding : 65 (June 30, 2021: 65)	8	9
Mr. Ubaid ur Rehman Key Management Personal Units outstanding : 72 (June 30, 2021: Nil)	9	-
Mr. Murtaza Wahab Siddiqui Spouse of the Director of the Management Company Units outstanding : 36,068 (June 30, 2021: 36,068)	4,544	4,931
Mr. Ali Wahab Siddiqui Director of the Management Company Units outstanding : 1,829 (June 30, 2021: 1,829)	230	250
AKD Securities Limited - Brokerage House Brokerage payable on purchase and sale of marketable securities Units outstanding : 733,059 (June 30, 2021:)	591 92,348	1,725 -
Ellcot Spinning Mills Limited - Common Directorship Shares held 665,838 (June 30 2021: 669,138)	107,517	82,311

15.2 Details of transactions with connected persons / related parties during the period

(Unaudited)
Period ended September 30,

	2021	2020
	(Rupees in '000)	
AKD Investment Management Limited		
- Management Company of the Fund		
Remuneration for the period	17,416	10,560
Sindh Sales tax on Management Company's remuneration	2,264	1,373
Allocated expense by the Management Company	3,919	1,848
Sales load	235	467
Units issued : 104,205 (2020: Nil)	14,041	-
Central Depository Company of Pakistan Limited -		
Trustee of the Fund		
Remuneration for the period	1,123	780
CDS charges for the period	73	48
Sales tax on Trustee remuneration and CDS Charges	155	108
Spouse - Chief Executive Officer of		
the Management Company		
Units issued : Nil (2020: 5,671)	-	549
Mr. Imran Motiwala		
The Chief Executive Officer of the Management Company		
Units Issued : Nil (2020: 16,120)	-	1,305
Units redeemed : Nil (2020: 5,630)	-	473
Mr. Muhammad Yaqoob (with his spouse and minor children)		
The Chief Operating Officer and Company Secretary		
Units Issued : Nil (2020: 30,686)	-	2,166
Mr. Ubaid ur Rehman		
Key Management Personal		
Units Issued : 72 (2020: Nil)	10	-
AKD Securities Limited - Brokerage House		
Units Issued : 733,059 (2020: Nil)	100,000	-
Commission on purchase and sale of marketable securities	1,170	267
Shares Sold by AKD Opportunity Fund to AKD Securities Limited	209,113	64,600
Golden Arrow Stock Fund - Common Management		
Shares Sold by AKD Opportunity Fund to Golden Arrow Stock Fund	13,404	-
AKD Islamic Stock Fund - Common Management		
Shares Sold by AKD Opportunity Fund to AKD Islamic Stock Fund	27,468	-
Ellicot Spinning Mills Limited - Common Directorship		
Shares Sold Qty: 3,300 (2020: Qty: Nil)	500	-

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table show the carrying amount and fair values of financial assets including the levels in the fair value hierarchy.

	September 30, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
ASSETS				
Investments in listed equity securities - at fair value through profit and loss	2,910,217	-	-	2,910,217
	June 30, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
ASSETS				
Investments in listed equity securities - at fair value through profit and loss	3,586,416	-	-	3,586,416

During the period ended September 30, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

17 DATE OF AUTHORISATION FOR ISSUE

29 OCT 2021

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

18 GENERAL

18.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

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

For AKD Investment Management Limited
(Management Company)


Chief Executive Officer


Director


Chief Financial Officer



**AKD Investment
Management Ltd.**

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