

Quarterly Report

March 31, 2024

(un-audited)



Funds Managed by:
AKD Investment Management Ltd

Partner with AKD
Profit from the Experience

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
Chief Executive Officer

Khalid Mehmood
Chairman

Karachi: _____

FUND INFORMATION

AKD Opportunity Fund



Management Company

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

Trustee

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

Bankers

Askari Bank Limited
Bank Al Falah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
United Bank Limited

Auditors

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

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

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

Rating-AKDOF

BY PACRA
Performance Ranking
LT Rating: 5-Star
ST Rating: 3-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.

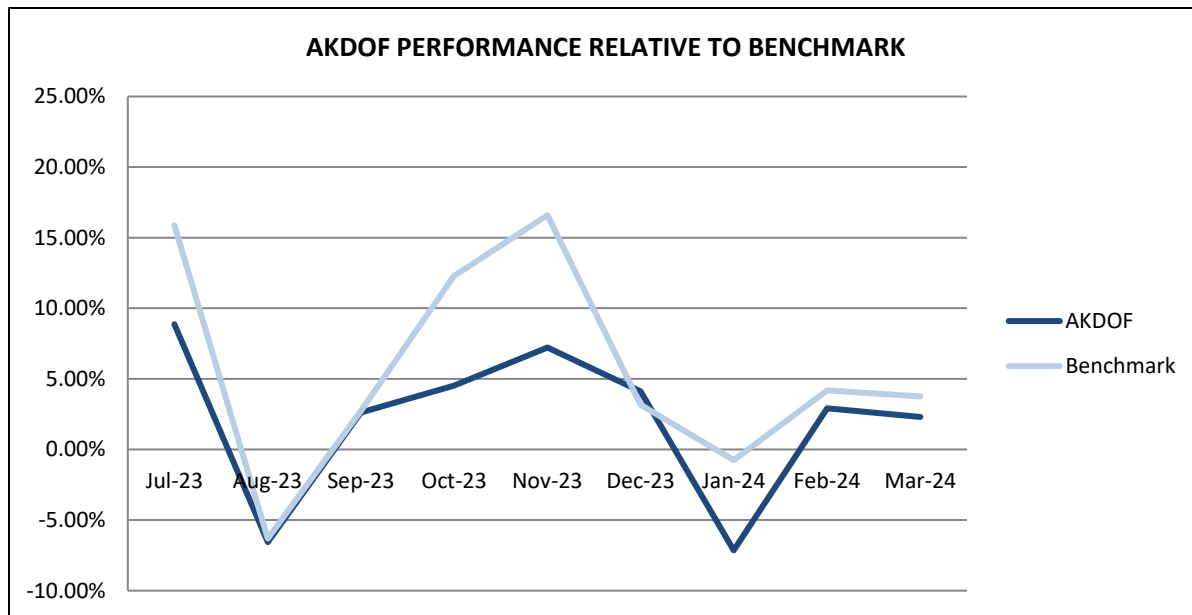
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
AKDOF	8.87%	-6.56%	2.61%	4.53%	7.22%	4.12%	-7.14%	2.92%	2.30%
Benchmark	15.88%	-6.31%	2.73%	12.30%	16.59%	3.17%	-0.76%	4.19%	3.76%

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. AKDOF 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	96.49%	97.73%
Cash	1.07%	1.50%
Other Assets including Receivables	2.44%	0.77%

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

9MFY24 Return	19.08%
Benchmark Return	61.64%

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.
575,968	633,454	-9.08%	105.7812	108.2043

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.

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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.

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

maintaining a primary balance surplus, a crucial precondition of the IMF loan program, demonstrating fiscal discipline and stability essential for continued support from international financial institutions.

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 was no significant change in the state of affair during the period and up till the date of the 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	933
10000 to 49999	48
50,000 - 99,999	8
100,000 - 499,999	8
500,000 and above	2
Total	999

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 MARCH 31, 2024**

	Note	(Un-Audited) MARCH 31, 2024 ----- (Rupees in '000) -----	(Audited) June 30, 2023
ASSETS			
Bank balances	6	6,387	5,551
Investments	7	578	583,367
Deposits, prepayments and other receivables	8	4,034	2,941
Dividend and profit receivable on bank deposits		5,977	86
Receivable against sale of investment		4,587	8,035
Total assets		21,563	599,980
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	12,427	11,657
Payable to Central Depository Company of Pakistan Limited - Trustee	10	345	135
Payable to Securities and Exchange Commission of Pakistan	11	135	216
Accrued expenses and other liabilities	12	6,362	3,055
Dividend payable		3,370	3,370
Total liabilities		22,640	18,433
NET ASSETS		(1,076)	581,547
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		575,968	581,547
CONTINGENCIES AND COMMITMENTS			
	13	-----Number of units -----	
NUMBER OF UNITS IN ISSUE		5,444,894	6,546,355
		----- Rupees -----	
NET ASSETS VALUE PER UNIT		(0.1976)	88.8352

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

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

Chief Executive Officer

Chief Financial Officer

Director

**AKD OPPORTUNITY FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024**

	Note	Nine month period ended March 31,		Three months period ended March 31,	
		2024	2023	2024	2023
----- (Rupees in '000) -----					
INCOME					
Capital gain on sale of investments classified as 'at fair value through profit or loss'		46,956	73,137	29,798	13,299
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'at fair value through profit or loss'	7.2	46,564	(156,013)	(45,247)	(5,598)
Dividend income		26,854	77,424	5,575	12,749
Profit on bank deposits		1,370	1,135	619	348
Total income / (loss)		121,744	(4,317)	(9,256)	20,798
EXPENSES					
Remuneration of AKD Investment Management Limited	9.1	9,076	17,916	2,928	4,895
Sindh sales tax on remuneration of Management Company	9.2	1,170	2,329	371	636
Expenses allocated by Management Company	0	-	5,039	(1,844)	1,468
Remuneration of Central Depository Company of Pakistan Limited-Trustee	10.1	902	1,637	286	482
Sindh sales tax on remuneration of Trustee	10.2	120	213	38	60
Fee to the Securities and Exchange Commission of Pakistan	11.1	428	179	136	49
Securities transaction costs		588	1,741	207	610
Auditor's remuneration		261	261	86	86
Settlement and bank charges		92	67	9	45
Fee and subscription		3,155	469	2,856	150
Legal and professional		162	216	53	108
Total expenses		15,952	30,067	5,124	8,589
Net income / (loss) for the period before taxation		105,792	(34,384)	(14,380)	12,209
Taxation	15	-	-	-	-
Net income / (loss) for the period		105,792	(34,384)	(14,380)	12,209
Allocation of net income for the period					
Net income for the period after taxation		105,792	-	(14,380)	-
Income already paid on units redeemed		(13,861)	-	(3,407)	-
		91,930	-	(17,787)	-
Accounting income available for distribution					
Relating to capital gain		93,520	-	(15,450)	-
Excluding capital gain		(1,589)	-	(2,337)	-
		91,930	-	(17,787)	-

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

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

Chief Executive Officer

Chief Financial Officer

Director

**AKD OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024**

	Nine months period ended March 31,		Three months period ended March 31,	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net income / (loss) for the period	105,792	(34,384)	(14,380)	12,209
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	105,792	(34,384)	(14,380)	12,209

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

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

Chief Executive Officer

Chief Financial Officer

Director

**AKD OPPORTUNITY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024**

	Nine months period ended March 31,	
	2024	2023
	Note ----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period before taxation	105,792	(34,384)
Adjustments for non cash items and other items :		
Net unrealized (appreciation) / diminution on remeasurement of investments classified as 'at fair value through profit or loss'	(46,564)	156,013
Dividend income	(26,854)	-
Profit on bank deposits	(1,370)	-
	(74,788)	156,013
(Increase) / decrease in assets		
Deposits, prepayments and other receivables	(1,093)	(69)
Profit receivable on bank deposits	(1,605)	(4,446)
Receivable against sale of investment	(4,587)	(5,945)
	(7,285)	(10,460)
(Decrease) / increase in liabilities		
Payable to AKD Investment Management Limited - Management Company	770	(782)
Payable to Central Depository Company of Pakistan Limited - Trustee	210	(33)
Payable to Securities and Exchange Commission of Pakistan	(81)	(271)
Dividend Payable	-	-
Payable on redemption of units	3,935	6,127
Accrued expenses and other liabilities	(628)	123
	4,207	2,584
	4,207	2,584
Investments - net	55,757	379,014
Dividend received	26,854	-
Profit received on bank deposit	(4,522)	-
Net cash generated from operating activities	112,206	492,767
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Amount received on issue of units	107,170	212,136
Payment against redemption of units	(218,540)	(709,603)
Net cash used in financing activities	(111,371)	(497,467)
Net increase / (decrease) in cash and cash equivalents	836	(4,700)
Cash and cash equivalents at beginning of the period	5,551	13,135
Cash and cash equivalents at end of the period	6,387	8,435

AKD OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended March 31, 2024			Nine months period ended March 31, 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period	(54,210)	635,757	581,547	623,079	735,113	1,358,192
Issue of 1,065,244.95 units (2023: 1,811,689 units)						
- Capital value	95,441		95,441	207,054	-	207,054
- Element of income	11,728		11,728	5,082	-	5,082
	107,169.69	-	107,170	212,136	-	212,136
Redemption of 2,166,706.46 units (2023: 4,184,665 units)						
- Capital value	(192,480)		(192,480)	(705,527)	-	(705,527)
- Element of loss	(12,199)	(13,861)	(26,061)	(4,076)	-	(4,076)
	(204,679)	(13,861)	(218,540)	(709,603)	-	(709,603)
Total comprehensive income for the period	-	105,792	105,792	-	(34,384)	(34,384)
Net assets at end of the period	(151,720)	727,687	575,968	125,612	700,729	826,341
Undistributed income brought forward						
- Realised income					1,378,318	
- Unrealised loss					(643,205)	
					735,113	
Accounting income available for distribution:						
Relating to capital gain		93,520			-	
Excluding capital gain		(1,589)			-	
		91,930			-	
Net loss for the period		-			(34,384)	
Undistributed income carried forward		91,930			700,729	
Undistributed income carried forward						
- Realised income		681,123			856,742	
- Unrealised income / (loss)		46,564			(156,013)	
		727,687			700,729	
Net assets value per unit at beginning of the period			Rupees 88.8352			Rupees 100.9845
Net assets value per unit at end of the period			(0.1976)			97.0639

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

For AKD Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

AKD OPPORTUNITY FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

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 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 transferrable and can also be redeemed by surrendering to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.

The Fund is categorised 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 deposits with banks.

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 Management Company has been assigned a quality rating of "AM3++" by the Pakistan Credit Rating Agency Limited (PACRA) on June 27, 2023. The Fund has been given performance rating of '3 star' / '4 star' in short term / long term by PACRA on August 15, 2023.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard (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 published financial statements of the Fund for the year ended June 30, 2023.

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

2.1.4 The SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 'Financial Instruments' for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, unless otherwise stated.

2.3 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023 except for amendment to International Accounting Standard 'Presentation of Financial Statements' - (IAS 1) which is applicable for period beginning from on or after January 01, 2023. In this amendment significant accounting policies have been updated with material accounting policy.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 The preparation of this condensed interim financial information in conformity with accounting and reporting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

4.2 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual financial statements as at and for the year ended June 30, 2023.

4.3 There are certain amendments to accounting and reporting standards which have been published and are mandatory for the fund's accounting period beginning on or after July 01, 2023. These amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial information except as mentioned in note 3.

5. FINANCIAL RISK MANAGEMENT

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

6. BANK BALANCES	Note	(Un-Audited)	(Audited)
		March 31, 2024	June 30, 2023
		----- (Rupees in '000) -----	
Saving accounts	6.1	6,165	5,219
Current accounts		222	332
		6,387	5,551

6.1 Mark-up rate on these accounts is 20.5% (June 30, 2023: 19.5%) per annum.

7. INVESTMENTS	Note	(Un-Audited)	(Audited)
		March 31, 2024	June 30, 2023
		----- (Rupees in '000) -----	
At fair value through profit or loss			
Listed equity securities	7.1	578	583,367

7.1 Listed equity securities

Name of the Investee Company	Face value per share					Balance as at March 31, 2024			Market value as percentage of total investments	Market value as a percentage of net assets	Percentage of paid up capital of the investee company held
		As at July 1, 2023	Purchases during the period	Bonus / Right Issue	Sales during the period	As at March 31, 2024	Carrying cost	Market value			
	(Rupees)	Number of shares				(Rupees in 000)			(%)		
Thal Limited	5	2,900	47,100	-	-	50,000	11,688	17,649	5,961	3.06%	
Pakistan Cables Limited	10	2,651	-	-	-	2,651	220	335	115	0.06%	
Askari Bank Limited	10	-	390,000	-	-	390,000	9,189	8,054	(1,135)	1.40%	
Samba Bank Limited	10	200,000	-	-	-	200,000	1,564	2,200	636	0.38%	
FAYSAL BANK LIMITED	10	-	400,000	-	-	400,000	13,297	13,620	323	2.36%	
Quice Food Industries Limited	10	1,230,500	-	-	380,500	850,000	2,975	3,409	434	0.59%	
Askari General Insurance Company Limited	10	777,533	-	-	-	777,533	11,274	16,328	5,054	2.83%	
EFU General Insurance Limited	10	300,000	-	-	-	300,000	25,800	26,400	600	4.58%	
Pakistan Reinsurance Company Limited	10	717,000	-	-	-	717,000	4,531	10,633	6,102	1.85%	
TPL Insurance Limited	10	3,593,560	-	-	250,000	3,343,560	69,245	48,415	(20,830)	8.41%	
JAHANGIR SIDDIQUI & COMPANY LTD-	10	978,200	-	-	-	978,200	6,358	7,483	1,125	1.30%	
JAHANGIR SIDDIQUI & COMPANY LIMITED	10	3,945,500	-	-	245,500	3,700,000	35,150	54,834	19,684	9.52%	
Imperial Limited	10	486,500	-	-	-	486,500	5,551	6,081	530	1.06%	
Pakistan Stock Exchange Limited	10	7,844,121	-	-	1,994,121	5,850,000	43,290	51,773	8,483	8.99%	
JS Investments Limited	10	3,220,000	-	-	-	3,220,000	44,114	52,261	8,147	9.07%	
OIL & GAS DEVELOPMENT COMPANY LIMITED	10	-	20,000	-	-	20,000	2,150	2,433	283	0.42%	
Pakistan Paper Products Limited	10	114,000	-	-	-	114,000	4,332	7,667	3,335	1.33%	
CNERGYICO PK LIMITED	10	8,500,000	-	-	500,000	8,000,000	22,720	35,360	12,640	6.14%	
JAPAN POWER GENERATION LIMITED - FREE	10	4,261,500	-	-	-	4,261,500	-	-	-	0.00%	
KOT ADDU POWER COMPANY LIMITED	10	-	355,000	-	-	355,000	10,384	9,652	(731)	1.68%	
Chashma Sugar Mills Limited	10	7,000	-	-	-	7,000	389	441	53	0.08%	
Tariq Corporation Limited	10	14,437	-	-	-	14,437	175	214	39	0.04%	
THE PREMIER SUGAR MILLS & DISTILLERY CO	10	6,200	-	-	-	6,200	3,689	2,852	(837)	0.50%	
Tariq Corporation Limited - Preference Shares	10	3,937	-	-	-	3,937	37	23	(15)	0.00%	
Pakistan Synthetics Limited	10	1,155,600	-	-	27,000	1,128,600	32,210	26,353	(5,857)	4.58%	
Hum Network Limited	1	559,800	1,500,000	-	-	2,059,800	11,639	13,533	1,894	2.35%	
TPL Trakker Limited	10	1,667,000	-	-	-	1,667,000	14,736	10,469	(4,268)	1.82%	
Fazal Cloth Mills Limited	10	600	-	-	-	600	100	86	(13)	0.01%	
Masood Textile Mills Limited	10	1,000	-	-	-	1,000	46	44	(1)	0.01%	
Ellcot Spinning Mills Limited	10	673,038	-	-	95,000	578,038	53,919	55,203	1,283	9.58%	
TATA TEXTILE MILLS LIMITED	10	1,090,538	-	-	250,000	840,538	55,862	57,157	1,295	9.92%	
Colony Textile Mills Limited	10	400,000	-	-	-	400,000	760	1,056	296	0.18%	
CRESCENT FIBRES LIMITED	10	35,500	-	-	-	35,500	1,468	2,450	982	0.43%	
Premium Textile Mills Limited	10	10,000	-	-	-	10,000	4,855	3,400	(1,455)	0.59%	
Saif Textile Mills Limited	10	141,000	-	-	-	141,000	1,304	1,407	103	0.24%	
Punjab Oil Mills Limited	10	288,000	-	-	45,000	243,000	24,776	27,318	2,542	4.74%	
S. S. OIL MILLS LIMITED	10	13,400	-	-	-	13,400	1,183	938	(245)	0.16%	
Pakistan Services Limited	10	100	-	-	-	100	78	94	17	0.02%	
Total as at March 31, 2024		42,241,115	2,712,100	-	3,787,121	41,166,094	531,058	577,625	46,569		
Total as at June 30, 2023							749,248	583,367	(165,881)		

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
7.2	Net unrealised appreciation / (diminution) on re-measurement of investments at 'fair value through profit or loss'		
Market value of investments	7.1	578	583,367
Carrying value of investments	7.1	(531)	(749,248)
		<u>47</u>	<u>(165,881)</u>

8. DEPOSITS, PREPAYMENTS AND OTHER RECIEVABLES

Security deposits

- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		100	100
Prepaid annual listing fee of Pakistan Stock Exchange		10	-
Advance tax withhold on dividend and bank profit	8.1	360	341
Other receivable		1,065	
		<u>4,034</u>	<u>2,941</u>

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

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
9. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee	9.1	2,098	1,092
Sindh sales tax on management fee	9.2	236	142
Federal Excise Duty on management fee	9.3	10,092	10,092
Expenses allocated by the Management Company	0	-	328
Sales load payable		-	3
		<u>12,427</u>	<u>11,657</u>

- 9.1** As per the offering document, the Management Company charged remuneration at the rate of 2% (June 30, 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 has been charged at the rate of 13% (June 30, 2023: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.

	Note	(Un-Audited) March 31, 2024	(Audited) June 30, 2023
----- (Rupees in '000) -----			
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	10.1	301	109
CDS charges payable		5	10
Sindh Sales Tax on trustee fee and CDC charges	10.2	38	16
		<u>345</u>	<u>135</u>

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.

Net assets upto Rs. 1 billion

0.2% per annum of the net assets of the Fund.

Net assets exceeding Rs. 1 billion

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

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

	Note	(Un-Audited) March 31, 2024	(Audited) June 30, 2023
----- (Rupees in '000) -----			
11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Fee payable to SECP	11.1	<u>135</u>	<u>216</u>

11.1 Effective from July 1, 2023 as amended through SRO 592 dated May 17, 2023, a Collective Investment Scheme (CIS) is required to pay fee to the Securities and Exchange Commission of Pakistan (SECP) on monthly basis at the rate of 0.095% of average Net Assets of Collective Investment Scheme calculated on daily basis.

Till June 30, 2023, an annual fee at the rate of 0.02% of average Net Assets of Collective Investment Scheme was payable by the fund.

		(Un-Audited) March 31, 2024	(Audited) June 30, 2023
----- (Rupees in '000) -----			
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Accrued expenses		1,044	469
Withholding tax payable		204	72
Payable against redemption / conversion of units		3,935	1,061
Brokerage payable		859	1,442
Others		320	10
		<u>6,362</u>	<u>3,055</u>

13. CONTINGENCIES AND COMMITMENTS

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

14. TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2023 to March 31, 2024 is 3.30% annualised (June 30, 2023: 3.45%) which includes 0.33% (June 30, 2023: 0.33%) representing government levies on the Fund such as sales taxes, fees to SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a Collective 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 at least 90% of the accounting income for the year as reduced by accumulated losses and capital gains whether realised or unrealised is distributed to the unit holders in cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute at least 90% of the net accounting income other than unrealised capital gain to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) and section 113 C (Alternate Corporate tax) under clause 11A of Part IV of the second Schedule to the income Tax Ordinance, 2001. 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.

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.

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 document of the Fund.

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

		(Un-Audited)	
		For the quarter ended	
		March 31,	
		2024	2023
		----- (Rupees in '000) -----	
16.1	Details of transactions with connected persons / related parties		
	AKD Investment Management Limited - Management Company		
	Remuneration to Management Company	9,076	13,021
	Expenses allocated by the Management Company	-	3,571
	Sindh Sales Tax on remuneration of Management Company	1,170	1,693
	Sales load	-	23
	Units redeemed : Nil (2023: 58,893)	-	6,478
	Central Depository Company of Pakistan Limited - Trustee of the Fund		
	Trustee remuneration	902	1,155
	Sindh Sales Tax on trustee remuneration	120	153
	CDS charges for the period	20	19

	(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
16.2 Balances outstanding at the period / year end		
AKD Investment Management Limited - Management Company		
Remuneration payable	2,098	1,092
Sindh sales tax on Management Remuneration	236	142
Federal excise duty payable on Management	10,092	10,092
Central Depository Company of Pakistan Limited - Trustee of the Fund		
Remuneration payable	301	109
Sindh sales tax on trustee remuneration payable	38	16
CDS charges payable	5	10
Security deposit	100	100

	(Un-Audited) March 31, 2024	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Mr. Toqir Hussain		
Head of Information Technology		
Units outstanding: 65 (2023: 65)	-0	6
HUM NETWORK LIMITED		
Units outstanding: 542,247 (2023: 542,247)	-107	48,171
TPL Insurance Limited (holding more than 10% units of the Fund)		
Units outstanding: 819,092 (2023: 819,092)	-162	72,764

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The following table shows financial instruments 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).

(Un-Audited)			
As at March 31, 2024			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Listed equity securities	578	-	-
			578
(Audited)			
As at June 30, 2023			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
ASSETS			
Listed equity securities	583,367	-	-
			583,367

18. GENERAL

18.1 This condensed interim financial information is unaudited and have been reviewed by the auditors. Furthermore, the figures for the three months period ended March 31, 2024 and March 31, 2023 in this condensed interim financial information, has not been subject to limited scope review by the auditors.

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

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

Chief Financial Officer

Director



AKD Investment
Management Ltd.

Head Office

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