

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 1H FY25, 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

Golden Arrow Stock 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

Allied Bank Limited
Habib Metropolitan Bank Limited

Auditors

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

Legal Advisor

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane -13,
Bukhari Commercial Area, Phase-VI, DHA,
Karachi.

Registrar(s)

ITMinds Limited
Central Depository Company of Pakistan Limited,
CDC House, 99B, Block B, S.M.C.H.S,
Main Shahrah-e-Faisal, Karachi.
JWAFFS Registrar Services (Pvt.) Limited
407-408, Al-Ameera Centre,
Shahrah-e-Iraq Saddar, Karachi
Tel: 021-35662023-24

Distributor

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

Rating-GASF

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 type:**

Open - end Equity Scheme

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

Disciplined and balanced fund management strategy focusing on fundamentally strong companies offering deep value, coupled with few cherry picked growth companies.

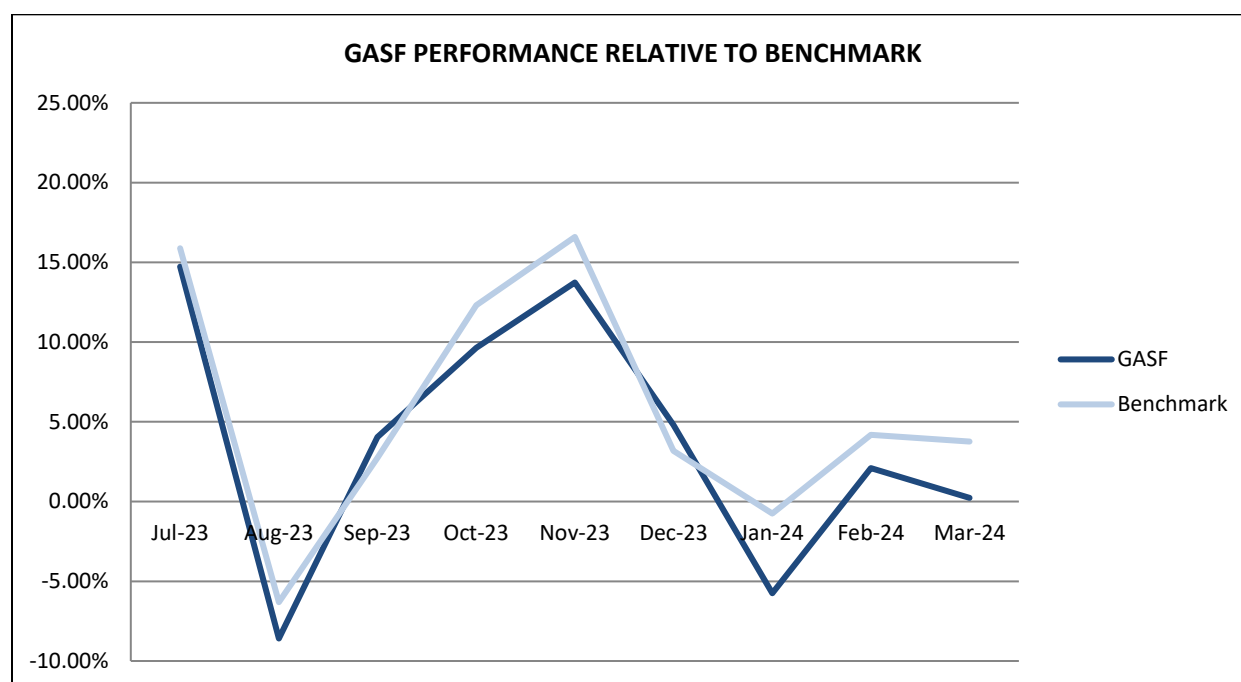
iii) **Explanation as to whether Collective Investment Scheme achieved its stated objective:**

For the 9MFY24, the return of Golden Arrow Stock Fund stood at 37.48% compared to the benchmark KSE-100 Index return of 61.64%.

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

KSE – 100 Index

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



Monthly Return	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
GASF	14.73%	-8.59%	4.04%	9.64%	13.73%	4.80%	-5.76%	2.09%	0.22%
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:**

Golden Arrow Stock Fund is an open – end Equity Scheme. The returns of the Fund are generated through investment in value stocks which have strong growth potential. GASF 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 at the date of report and particulars of significant change in asset allocation:**

Asset Allocation (% of Total Assets)	31-Mar-24	31-Dec-23
Equities	94.84%	94.73%
Cash	4.17%	3.31%
Other Assets including Receivables	0.99%	1.96%

viii) **Analysis of the Collective Investment scheme's Performance:**

9MFY24 Return	37.48%
Benchmark Return	61.64%

ix) **Changes in the total NAV and NAV per share since 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.
1,498,449	1,731,803	-13.47%	16.5386	17.1551

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

MACRO PERSPECTIVE

The third quarter of FY24 commenced on a positive note, driven by several key developments. The approval and disbursement of USD 700 million after the successful first review of the Stand-By Arrangement (SBA) by the executive board of IMF, along with the UAE and China each rolling over USD 2 billion debt for an additional year, notably strengthening the country's external account position. Moreover, the 12th General Elections took place as scheduled on February 8, 2024, leading to the formation of a coalition government, providing much needed clarity on the political front. Shortly after its formation, the new government reached a staff-level agreement with the IMF on the second and final review under the SBA, paving the way for the disbursement of USD 1.1 billion subject to the IMF's board approval. Furthermore, inflation continued to trend downwards, while interest rates remained at record-high levels, reflecting the cautious monetary stance adopted by the central bank throughout the year in light of potential risks stemming from rising international commodity prices and escalating tensions in the Middle East region.

In its last meeting held on March 18, 2024, the Monetary Policy Committee (MPC) maintained the policy rate at 22% for the sixth consecutive time, contrary to market expectations of a marginal reduction. Despite a notable decrease in inflation in February 2024, it remains at elevated levels, and further adjustments in

administered prices and fiscal measures which could exert upward pressure on prices in the near to medium term. Additionally, while international commodity prices have generally stabilized, recent increases in oil prices, attributed to escalating tensions in the Middle East, which pose further inflationary risks. Hence, the MPC deemed it necessary to sustain the current monetary policy stance in order to steer inflation towards the medium-term inflation target of 5-7% by the end of FY25.

In March 2024, the National Consumer Price Index (NCPI) dropped to 20.68% YoY (a 22-month low) as compared to 23.06% in February 2024 and 35.37% in March 2023, taking 9MFY24 average NCPI to 27.06%, slightly lower than the 27.26% recorded during the same period last year. Regionally, Urban and Rural CPI were recorded at 21.90% and 18.97%, respectively. However, there was a 1.71% MoM increase in NCPI, on the back of rising food prices and electricity charges within the housing index. March 2024 saw a positive real interest rate of 1.32%, the first time in nearly three years, compared to in January 2021 when it stood at 1.35%.

On the external front, the current account showed a surplus of USD 619 million in March 2024, compared to a surplus of USD 98 million (revised) in the previous month. This brings the 9MFY24 Current Account Deficit (CAD) to USD 508 million, a massive decline of 87% from USD 4.05 billion in the same period last year. This significant reduction in the CAD was driven by a decline in imports, an increase in exports, and other current transfers. Total imports for 9MFY24 amounted to USD 46.25 billion, down 4% compared to the same period last year, while total exports stood at USD 28.83 billion, marking an increase of 7%. Additionally, a stable exchange rate has contributed to a boost in workers' remittances, with remittances reaching USD 7.60 billion in the third quarter of FY24, up by 18% from the corresponding quarter last year. This improvement in the external sector indicates positive momentum in trade and remittances, potentially contributing to the country's balance of payments and overall economic stability.

According to the latest data released by the State Bank of Pakistan (SBP), the foreign exchange reserves held by the SBP stand at USD 7.98 billion, with the country's liquid foreign exchange reserves reaching USD 13.28 billion. This marks a remarkable 45% increase since the beginning of FY24. This surge can be primarily attributed to the disbursement of the first and second tranches under the IMF Stand-by Arrangement, injecting USD 1.9 billion into Pakistan's reserves. Additionally, this growth has been bolstered by an uptick in export earnings and workers' remittances. This increase in reserves not only enhances the country's ability to meet its external obligations but also strengthens investor confidence in Pakistan's economic prospects.

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

The Large Scale Manufacturing Index (LSMI) output experienced a modest increase of 0.06% YoY in February 2024, marking the fourth consecutive month of positive growth on YoY basis. Despite this, the 8MFY24 LSMI growth remains in negative territory at 0.51% when compared with the same period last year. Notably, key

sectors such as Textile (-1.75), Automobiles (-1.14), Tobacco (-0.80), and Electrical Equipment (-0.26) significantly contributed to this overall decline. However, there were positive developments in the agricultural sector, with yields on Kharif crops surpassing last year's performance and promising prospects for Rabi crops amid favorable input conditions. This shift in agricultural performance may serve as a buffer against the challenges faced by the industrial sector.

The Government's persistent efforts to attract foreign investment, coupled with the relative stability in exchange rates, have yielded promising outcomes, evident by the total foreign investments reaching USD 1,164 million. Of this total, investments from China & Hong Kong accounted for USD 526 million, representing 45% of the total. Other significant investments originated from the United Kingdom, amounting to USD 203 million (17%), and the United States, contributing USD 145 million (12%). These figures indicate a diversified investor base and highlight the attractiveness of Pakistan's investment environment to major global players.

EQUITY MARKET REVIEW

During the first nine months of FY24, the equity market exhibited remarkable performance, registering a gain of 25,552 points, representing a substantial return of 62%, with KSE-100 Index closing at 67,005 points. This performance was underpinned by several key factors. Investors celebrated improving macros, including an appreciating currency, amidst essential measures taken by the caretaker setup to ensure the country's sustainability. The bullish sentiment in 3QFY24 was fueled by Pakistan's successful first review of its Stand-By Arrangement with the IMF, unlocking funds from external partners. Reports of the government planning to inject PKR 1,250 billion to reduce energy sector's circular debt further boosted market sentiment. Political noise surrounding election results briefly marred momentum, but stability returned with the formation of the new government. The staff-level agreement with the IMF on the final review of the SBA also acted as a strong trigger for the local bourse, along with declining inflation, a stable currency, and an improved external account position, collectively contributing to the market's upward momentum.

Investor participation during the period witnessed a substantial increase, surging by 119% with an average daily volume of 443.98 million shares, compared to 202.48 million shares in the same period last year. Foreign Investors Portfolio Investment (FIPI) also witnessed a substantial rise, recording net buying of USD 74.88 million as compared to USD 7.21 million in the same period last year. Major foreign net buying was observed in key sectors such as Commercial Banks (USD 29.28 million), Power Generation & Distribution (USD 10.91 million), and Cement (USD 10.43 million). Meanwhile, domestically, only Insurance and Corporations remained net buyers, with USD 120.90 million and USD 30.54 million, respectively. This surge in investor participation reflects growing confidence in the market, driven by positive economic indicators.

Breaking down the sector-wise performance, top gainers during the period were led by Commercial Banks (76.62%), followed by Oil & Gas Exploration Companies (56.69%), and Fertilizer (44.63%). Conversely, sectors experiencing declines included Property (-5.74%), Modarabas (-3.92%), and Vanaspati & Allied Industries (-1.54%).

Over the past decade, the KSE-100 Index has yielded an annualized return of 9.4%. However, during the same period, the USD appreciated by ~11% annually against PKR, dissuading foreign investors from Pakistan's equity market. This trend shifted at the onset of FY24, with the PKR appreciating by 3% against the USD, closing at 277.95 by the end of March 2024. This relative stability in exchange rates has sparked renewed foreign interest, as evidenced by significant net foreign buying during this period, halting the continuous net

selling observed in recent years. Therefore, ensuring this exchange rate stability becomes a critical task for the new government, necessitating strategic administrative actions to maintain and enhance this positive trajectory.

Looking ahead, the equity market outlook remains positive, supported by the country's stable and improved macroeconomic conditions as stock valuations remain attractive. However, certain factors pose potential risks to market performance. These include the possibility of rising inflation, PKR depreciation, a negative current account balance, or delays in expected inflows from external partners. While the overall sentiment is optimistic, investors should stay cautious and responsive to these challenges.

FUTURE OUTLOOK:

Since the beginning of FY24, the equity market has shown robust performance, largely attributed to the Stand-by Arrangement with the IMF, which significantly strengthened the country's economic and financial position. Pakistan's economic growth prospects have continued to recover as the government implemented prudent policy measures, successfully passing through the first and second reviews of the IMF program, resulting in the resumption of inflows from multilateral and bilateral partners. However, growth is forecasted to remain moderate at 2-3% this year, as inflation persists above the target range and certain monetary and fiscal policy reforms are necessary to ensure financial stability amid elevated external and domestic financing needs.

Following the completion of the SBA with the IMF, authorities have expressed interest in a medium-term Extended Fund Facility (EFF) program, expected to be a key driver of the stock market's performance. Investors are keenly observing this for clarity on the economic front. The new Government is committed to ensuring economic and financial stability, continuing policy reforms initiated under the current SBA, including broadening the tax base and timely adjustments of power and gas tariffs to prevent circular debt accumulation in FY24. Additionally, the upcoming federal budget for FY25 will be a significant event, focusing on revenue expansion and growth while maintaining the primary balance agreed with the IMF.

The next Monetary Policy Committee meeting is scheduled for April 29, 2024, where the SBP is expected to keep the rate unchanged at 22%, despite earlier expectations of a rate cut reflected in secondary market yields. Although inflation has started to taper off and is projected to decline further, it remains susceptible to risks such as upward adjustments in fuel, power, and gas prices as part of targeted fiscal consolidation. Thus, the State Bank is required to maintain its current monetary stance to bring inflation down to the target range of 5-7% by the end of FY25. Moreover, central banks worldwide have maintained a cautious monetary policy stance in recent meetings amid volatility in global commodity prices due to rising tensions in the Red Sea.

In conclusion, the stock market holds significant potential for future gains, trading at a low forward PE of 3.4x compared to the long-term average of 8x. Furthermore, it offers an attractive dividend yield of 12.3%. The local equity market is expected to thrive with the onset of the interest rate reversal cycle expected from 1HFY25, along with decreasing inflation and timely realization of external inflows.

- xi) Description and explanation of any significant changes in the state of the affairs of the Collective Investment Scheme during the period and up till the date of the 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 on share split (if any), comprising:**

There was no unit splits during the period.

- xiii) Break down of unit holding size:**

Range (Units)	No of Investors
0.0001 to 9,999	3626
10000 to 49999	470
50,000 - 99,999	72
100,000 - 499,999	68
500,000 and above	18
Total	4254

- xiv) Disclosure of circumstances that materially affect any interest of shareholders:**

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 brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

GOLDEN ARROW STOCK FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 MARCH 2024

		(Unaudited) 31 March 2024	(Audited) 30 June 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	5	65,979	54,378
Investments	6	1,498,817	1,266,964
Dividend and profit receivable on bank deposit	7	11,829	964
Income tax refundable		-	852
Deposits and prepayments	8	3,806	2,700
Receivable against sale of securities		-	128,560
Receivable against conversion of units		-	1,044
Total assets		1,580,431	1,455,462
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	21,154	20,249
Payable to Central Depository Company of Pakistan Limited - Trustee	10	472	214
Payable to Securities and Exchange Commission of Pakistan	11	120	315
Accrued and other liabilities	12	10,158	2,130
Unclaimed dividend		50,078	50,109
Payable against purchase of securities		-	90,420
Payable against redemption/conversion of units		-	407
Total liabilities		81,982	163,844
Net assets		1,498,449	1,291,618
UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)		90,602,951	1,291,618
CONTINGENCIES AND COMMITMENTS			
	13	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		90,602,951	107,356,115
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		16.5386	12.0312

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

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

GOLDEN ARROW STOCK FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED 31 MARCH 2024

		Nine-Months Period Ended		Three-Months Period Ended	
		31 March		31 March	
		2024	2023	2024	2023
	Note	------(Rupees in '000)-----			
INCOME					
Capital gain on sale of investment classified as 'at fair value through profit or loss'		-	89,895	(107,590)	36,234
Dividend income		62,581	97,545	18,955	18,812
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	6.1.1	443,651	(265,855)	42,623	(78,227)
Profit on bank deposits		9,709	6,283	3,078	2,052
Total profit/(loss)		515,941	(72,132)	(42,934)	(21,129)
EXPENSES					
Remuneration of the AKD Investment Management Limited - Management Company		29,459	24,957	9,894	7,093
Sindh sales tax on remuneration of the Management Company		2,940	3,244	984	922
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,895	1,999	636	602
Sindh sales tax on remuneration of Trustee		253	260	85	76
Annual fee to Securities and Exchange Commission of Pakistan	11.1	1,074	250	359	71
Expenses allocated by the Management Company		-	7,036	-	2,128
Auditors' remuneration		336	336	111	111
Fees and subscription		667	604	332	148
Settlement charges		156	211	51	188
Security transaction cost		1,541	1,250	352	496
Legal and professional charges		162	216	53	108
Total expenses		(38,483)	(40,363)	(12,857)	(11,943)
Net Profit/(loss) for the period before taxation		477,459	(112,495)	(55,791)	(33,072)
Taxation	15	-	-	-	-
Net Profit/(loss) for the period after taxation		477,459	(112,495)	(55,791)	(33,072)
Allocation of net income for the period					
Net income for the period after taxation		477,459	-	357,043	-
Income already paid on units redeemed		-	-	-	-
		477,459	-	357,043	-
Accounting income available for distribution:					
Relating to capital gain		477,459	-	356,723	-
Excluding capital gains		-	-	320	-
		477,459	-	357,043	-

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

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

GOLDEN ARROW STOCK FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED 31 MARCH 2024

	Nine-Months Period Ended 31 March		Three-Months Period Ended 31 March	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Net profit/(loss) for the period after taxation	477,459	(112,495)	(55,791)	(33,072)
Other comprehensive income for the period	-	-	-	-
Total comprehensive profit/(loss) for the period	<u>477,459</u>	<u>(112,495)</u>	<u>(55,791)</u>	<u>(33,072)</u>

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

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

GOLDEN ARROW STOCK FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED 31 MARCH 2024

	Nine-Months Period Ended 31 March		Three-Months Period Ended 31 March	
	2024	2023	2024	2023
Note	------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit/(loss) for the period before tax	477,459	(112,495)	(55,791)	(33,072)
Adjustments for non cash and other items:				
Dividend income	(62,581)	(89,895)	(18,955)	(36,234)
Net unrealised appreciation/(diminution) on re-measurement of investment classified as 'at fair value through profit or loss'	(443,651)	265,855	(42,623)	78,227
	(28,773)	63,465	(117,369)	8,921
(Increase)/decrease in assets				
Dividend and profit receivable on bank deposit	(10,865)	(3,827)	(10,190)	(3,768)
Income tax refundable	852	(96)	852	-
Deposits and prepayments	(1,106)	(55)	(1,091)	(41)
Receivable against sale of securities	128,560	(1,682)	22,667	6,034
Receivable against conversion of units	1,044	-	8,150	10
Net decrease/(increase) during the period	118,485	(5,660)	20,388	2,235
Increase/(decrease) in liabilities				
Payable to AKD Investment Management Limited - Management Company	905	(564)	(408)	(743)
Payable to Central Depository Company of Pakistan Limited - Trustee	258	(30)	203	(25)
Payable to the Securities and Exchange Commission of Pakistan	(195)	(144)	(25)	71
Accrued and other liabilities	8,028	(396)	7,364	(748)
Unclaimed dividend	(31)	(141)	-	(129)
Payable against purchase of securities	(90,420)	-	(4,357)	-
Payable against redemption/conversion of units	(407)	110	(23,331)	(5,804)
Net (decrease)/increase during the period	(81,862)	(1,165)	(20,554)	(7,378)
Dividend received	62,581	-	18,955	-
Investments - net	211,172	276,077	280,818	98,749
Net cash generated from operating activities	281,603	332,717	182,238	102,527
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issuance of units	180,567	293,587	35,699	52,996
Payment against redemption of units	(450,569)	(628,365)	(212,636)	(155,822)
Net cash used in financing activities	(270,002)	(334,778)	(176,937)	(102,826)
Net increase / (decrease) in cash and cash equivalents	11,601	(2,061)	5,301	(299)
Cash and cash equivalents at the beginning of the period	54,378	55,791	60,678	54,029
Cash and cash equivalents at the end of the period	5	65,979	53,730	65,979

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

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

	Nine-Months Period Ended 31 March 2024			Nine-Months Period Ended 31 March 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- Rupees in '000 -----					
Net assets at beginning of the period	1,002,309	289,309	1,291,618	1,367,407	439,034	1,806,441
Issuance of 11,764,421.96 (2023:17,357,692) units						
- Capital value (at Ex-net asset value per unit at the beginning of period)	141,540	-	141,540	288,798	-	288,798
- Element of income	39,026	-	39,026	4,789	-	4,789
Total proceeds on issuance of units	180,567	-	180,566	293,587	-	293,587
Redemption of 28,517,585.11 (2022:33,913,531) units						
- Capital value (at Ex-net asset value per unit at the beginning of period)	(343,101)	-	(343,101)	(620,876)	-	(620,876)
- Element of income / (loss)	(107,468)	-	(107,468)	(7,489)	-	(7,489)
Total payments on redemption of units	(450,569)	-	(107,468)	(628,365)	-	(628,365)
Total comprehensive income / (loss) for the period	-	477,459	477,459	-	(112,495)	(112,495)
Net assets at end of the period	732,307	766,768	1,842,175	1,032,629	326,539	1,359,168
			1,498			
Undistributed income brought forward						
- Realised income					955,154	
- Unrealised loss					(516,120)	
					439,034	
Accounting income available for distribution						
Relating to capital gains	477,459				-	
Excluding capital gains	-				-	
Net income / (loss) for the period	477,459				(112,495)	
Undistributed income carried forward	477,459				326,539	
Undistributed income carried forward						
- Realised income		33,808			592,394	
- Unrealised income / (loss)		443,651			(265,855)	
		477,459			326,539	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			12.0312			13.4231
Net assets value per unit at end of the period			16.5386			12.3743

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

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

GOLDEN ARROW STOCK FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED 31 MARCH 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Golden Arrow Stock Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Golden Arrow Selected Stocks Fund Limited, a Closed End Fund (GASSF) into an Open End Scheme under a Trust Deed executed between AKD Investment Management Limited (AKDIML), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 26 June 2019 after being approved by the Securities and Exchange of Pakistan (SECP) on 03 April 2019 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

As per the scheme of arrangement for conversion of closed end fund into an open end scheme, a swap ratio of 1:1 i.e. for each fully paid-up share of the par value of Rs. 5 of GASSF, each share holder whose name was entered in the Register of Members of GASSF on the effective date was issued one unit of the Open End Scheme of the par value of Rs 5 with no Front-end Load and upon issuance of the Units of the Open End Scheme, the shares of GASSF were deemed to be cancelled and of no effect was approved by the shareholders of GASSF vide their Special Resolution dated 09 January 2018. Golden Arrow Selected Stocks Fund Limited had applied to SECP for extension in the conversion and the SECP vide its letter No. SCD/AMC/GASSFL/87/2019 dated 30 September 2019 had granted extension till 01 December 2019. Consequently, the Fund had converted from closed end to open end with effective from 25 November 2019 and all assets and liabilities were transferred from Golden Arrow Selected Stocks Fund Limited to Golden Arrow Stock Fund. The effective date of conversion is 25 November 2019.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

The Fund is an open-ended mutual fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited as on 17 March 2020.

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, cash in bank account, and term deposit receipts.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained Asset Manager Rating of 'AM3++' to the Management Company dated 27 June 2023. PACRA has also assigned in Short term / Long term performance ranking of "3-Star/4-Star" to the Fund on 16 February 2024.

The title to the assets of the Fund are held in the name of the CDC of Pakistan Limited as Trustee of the Fund.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017; 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 requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IAS 34, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulation and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended 30 June 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 31 December 2023.
- 2.1.4 This condensed interim financial information is being submitted to the unitholders as required under Regulation 38(2)(F) of the NBFC Regulations.

2.2 Basis of measurement

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

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

The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of audited financial statements of the Fund as at and for the year ended 30 June 2023.

The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited financial statements as at and for the year ended 30 June 2023.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

4. FINANCIAL RISK MANAGEMENT

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

	Note	(Unaudited) 31 March 2024 (Rupees in '000)	(Audited) 30 June 2023
5. BANK BALANCES			
Current accounts		80	144
Savings accounts	5.1	65,899	54,234
		<u>65,979</u>	<u>54,378</u>
5.1 Mark-up rates on these accounts is 20.50% (30 June 2023: 19.50%) per annum.			
6. INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	6.1.1	<u>1,498,817</u>	<u>1,266,964</u>

6.1 Listed equity securities

6.1.1	Name of the investee company	Number of shares				Balance as at 31 March 2024			Percentage in relation to			
		As at 01 July 2023	Purchased during the period	Right / bonus shares	Sold / disposed	As at 31 March 2024	Carrying cost before mark to market	Market value	Unrealised appreciation / (diminution)	Market value as percentage of total investments	Market value as percentage of net assets	Paid up value of shares as a percentage of total paid up capital of the investee company

		(Unaudited) 31 March 2024	(Audited) 30 June 2023
6.2	NET UNREALISED APPRECIATION/(DIMINUTION) ON RE-MEASUREMENT OF INVESTMENTS CLASSIFIED AT 'FAIR VALUE THROUGH PROFIT AND LOSS'	----- (Rupees in '000) -----	
	Market value of investments	1,498,817	1,266,964
	Carrying value of investments	(1,234,386)	(1,602,552)
		<u>264,430</u>	<u>(335,588)</u>

6.3 PREFERENCE SHARE OF SECURITY LEASING CORPORATION

As a result of conversion 1,001,489 preference shares of Security Leasing Corporation Limited has been transferred to the Fund. Since it is a default investment therefore is carried at zero value.

7. DIVIDEND AND PROFIT RECEIVABLE ON BANK DEPOSIT

Profit receivable on bank deposits	1,022	964
Dividend receivable	10,807	-
	<u>11,829</u>	<u>964</u>

8. DEPOSITS AND PREPAYMENTS

Security deposits:

- National Clearing Company of Pakistan Limited	2,500	2,500
- Central Depository Company of Pakistan Limited	200	200
Advance tax	1,098	
Prepaid listing fee	8	-
	<u>3,806</u>	<u>2,700</u>

9. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Management fee	9.1	3,727	2,135
Sindh sales tax on management fee	9.2	327	278
Expenses allocated by the Management Company	9.3	-	640
Federal Excise Duty on management fee	9.4	16,592	16,592
Others		509	604
		<u>21,154</u>	<u>20,249</u>

9.1 During the period the Management Company has charged its remuneration at the rate 2% (30 June 2023: 2%) per annum of the average net assets of the Fund. The remuneration is payable to Management Company monthly in arrears.

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

9.3 The Management Company has charged the expenses allocated by the Management Company at the rate 0.6% (30 June 2023: 0.5%-0.6%) of the average daily net assets.

9.4 Federal Excise Duty payable amounting to Rupees 16.592 million has been transferred from Golden Arrow Selected Stock Fund to Golden Arrow Stock Fund on the effective date of conversion (25 November 2019)

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 13 June 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 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 13 June 2013.

On 30 June 2016, the SHC 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 01 July 2011 is ultra vires to the Constitution of Pakistan. On 23 September 2016 the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgment, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rupees 16.592 million until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at 31 December 2023 would have been higher by Rupees 0.1644 (30 June 2023: Re. 0.1545) 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 01 July 2016 onwards.

		(Unaudited) 31 March 2024	(Audited) 30 June 2023
	Note	----- (Rupees in '000) -----	
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	10.1	417	189
Sindh sales tax on trustee fee	10.2	55	25
		<u>472</u>	<u>214</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.

The trustee remuneration consists of reimbursement of actual custodial expenses / charges plus the following tariffs;

Net assets	Tariff
Upto Rs. 1 billion	0.20% per annum of net assets
Over Rs. 1 billion	Rs. 2 million plus 10% per annum of net assets, on amount exceeding Rs. 1 billion

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

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable to SECP	11.1	<u>120</u>	<u>315</u>
----------------------------	------	------------	------------

- 11.1 As per S.R.O. 423(I)/2023 dated 31 March 2023, effective from 01 July 2023, all categories of Collective Investment Schemes are required to pay annual fee at an amount equal to 0.095% (30 June 2023: 0.02%) of the average annual net assets of the scheme. The fee is payable annually in arrears.

12. ACCRUED AND OTHER LIABILITIES

Brokerage payable		168	550
Auditor Remuni.		412	346
Accrued expenses		7,253	429
Withholding tax payable		2,124	450
Payable against conversion cost	12.1	-	250
Others Liabilities		<u>202</u>	<u>105</u>
		<u>10,158</u>	<u>2,130</u>

- 12.1 The conversion cost has been charged to the Fund immediately on the effective date in accordance with clause 15.3 (conversion cost and its treatment) of the trust deed of the Fund.

13. CONTINGENCIES AND COMMITMENTS

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

14. EXPENSE RATIO

The total expense ratio (annualised) of the Fund for the period ended 31 March 2024 is 3.40% (30 June 2023: 3.27%) which includes 0.4% (30 June 2023: 0.32%) representing government levies and SECP fee etc.

15. TAXATION

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

16. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / Connected persons include AKD Investment Management Limited, being the Management Company, Central Depository Company of Pakistan Limited, being the custodian, AKD Group Holding (Private) Limited, AKD Securities Limited, other collective schemes managed by the Management Company, directors, officers and other connected persons of the Management Company, and directors of the Company and their connected persons.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Company.

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

	(Unaudited) 31 March 2024	(Unaudited) 31 March 2023
	----- (Rupees in '000) -----	
16.1 Transactions during the period		
Management remuneration	29,459	24,957
Sindh sales tax on management remuneration	2,940	3,244
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	1,895	1,999
Sindh sales tax on trustee remuneration and CDS charges	253	281
CDS charges	49	164

	(Un-audited) 31 March 2024	(Audited) 30 June 2023
16.2 Balances outstanding at the period / year end	-----Rupees in '000-----	
AKD Investment Management Limited - Management Company		
Management remuneration payable	3,727	2,135
Sindh Sales tax payable on management remuneration	327	278
Federal excise duty payable on management remuneration	16,592	16,592
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	417	189
Sindh Sales Tax payable on trustee remuneration & CDS charges	55	25
CDS charges payable	56	3
Security Deposit	200	200
Anum Dhedhi - KEY MANAGEMENT PERSONNEL OF THE MANAGEMENT COMPANY		
Units held 1,000	17	-
Toqir Hussain - KEY MANAGEMENT PERSONNEL OF THE MANAGEMENT COMPANY		
Units held 893	15	-
MIR CHAKAR BUGTI		
Units held 24,758,425	409,471	-
AKD INVESTMENT MANAGMENT LIMITED		
Units held 15,630,684	258,510	-

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).

		(Unaudited)			
		As at 31 March 2024			
	Note	Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
Investment in securities - at fair value through profit or loss					
Listed equity securities	6.1	1,498,817	-	-	1,498,817
		(Audited)			
		As at 30 June 2023			
	Note	Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
Investment in securities - at fair value through profit or loss					
Listed equity securities	6.1	1,266,964	-	-	1,266,964

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

18. GENERAL

18.1 No reclassification to the corresponding figures have been made during the period.

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

19. DATE OF AUTHORISATION FOR ISSUE

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

For AKD Investment Management Limited
(Management Company)

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



AKD Investment
Management Ltd.

Head Office

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N: 92-21-111 AKDIML (111-253-465) | fAX: 92-21-35303125

Gulshan - e - Iqbal Branch

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

Lahore Branch

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

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