AKD Investment Management Ltd.
Asset manager Rating AM3++by PACRA

FUND MANAGER REPORT

for the month of

MARCH 2023

DISCLAIMER:
All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Documents to understand the investment policies and risk involved.

AKD Investment Management Ltd.

Partner with AKD
Profit from the Experience

Risk Profile of Collective Investment Schemes/Plans

Sr. No	Name of Collective Investment Scheme	Category	Risk Profile	Risk Of Principal Erosion
1	AKD Aggressive Income Fund (Formerly: AKD Income Fund)	Aggressive Fixed Income	Medium	Principal at Medium risk
2	AKD Cash Fund	Money Market	Low	Principal at Low risk
3	AKD Islamic Income Fund	Shariah Compliant Income	Medium	Principal at Medium risk
4	AKD Index Tracker Fund	Index Tracker	High	Principal at High risk
5	AKD Islamic Stock Fund	Shariah Compliant Equity	High	Principal at High risk
6	AKD Opportunity Fund	Equity	High	Principal at High risk
7	Golden Arrow Stock Fund (Formerly: Golden Arrow Selected Stocks Fund Limited)	Equity	High	Principal at High risk
8	AKD Islamic Daily Dividend Fund	Shariah Compliant Money Market	Low	Principal at Low risk

Message from CIO's Desk

The Equity market started the month of March 2023 positively touching a high of 42,292 points as investor confidence of the likelihood of reviving the stalled IMF program gained momentum as the government completed key pre-requisite conditions for a staff level agreement, including most importantly taking interest rates to almost record levels with a top up increase of 300bps to 20.00% amidst un-abating inflationary pressures. However, early gains were unfortunately short lived as political noise again took center stage coupled with a last minute condition from the IMF as it would seem to ensure commitments from friendly nations including China, Saudia Arabia and UAE prior to a staff level agreement, again threatening a prospective revival of the program. Understandably, the market closed at 40,000 points *(down 509.54points/-1.26% MoM)* and continues to trade at exceedingly attractive multiples with PE and PB of 3.30x and 0.62x with a healthy dividend yield of 11%.

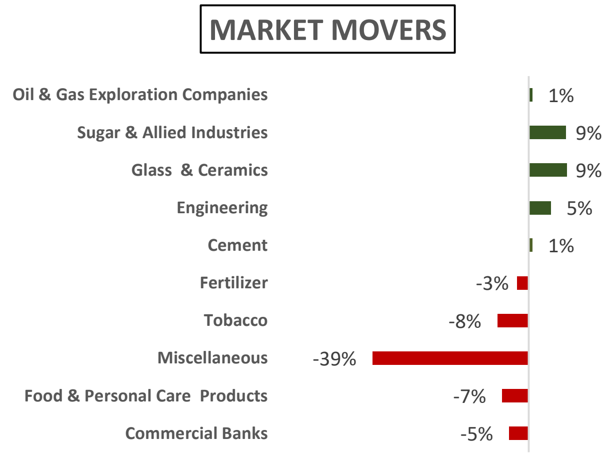
Market volumes remained dull during the month of March 2023 with volumes of 167 million shares *(down -4.71% MoM)* from 175 million shares. Foreigners also remained net sellers with outflows of USD 9.09 million with major Selling in Commercial Banks *(USD 5.86 million)* and Fertilizer *(USD 1.73 million)*. On the local front, Companies and Banks/DFIs remained net buyers with buying of USD 36.82 million and USD 2.92 million respectively. Whereas, Mutual Funds and Insurance Companies reported net selling of USD 10.36 million and USD 8.78 million, respectively.

Other significant developments that impacted the Equity market during the month included:

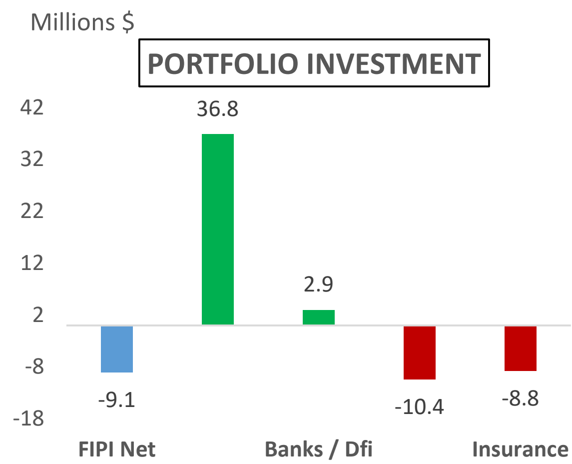
- Moody's Investors Service *(Moody's)* further downgraded the Government of Pakistan's local and foreign currency issuer and senior unsecured debt ratings to Caa3 from Caa1.
- Saudi Arabia approved the extension of a deferred oil payment facility worth USD 1.2 billion to Pakistan till February 2024.
- Pakistan received a loan tranche worth USD 500 million from the Chinese Industrial and Commercial Bank of China Ltd *(ICBC)* along with approval of rollover of USD 2 billion SAFE *(State Administration of Foreign Exchange)* deposits for one year to Pakistan by the Chinese Government.
- The Current Account Deficit *(CAD)* for the month of February 2023 clocked in at USD 74 million, down -68% MoM from USD 230 million in January 2022 taking the 8MFY23 CAD to USD 3.86 billion against USD 12.08 billion, down -68% YoY primarily due to decline in imports.
- The Large scale manufacturing Index *(LSMI)* output declined by -7.90% YoY in January 2023 compared to the same month a year ago as a result of unprecedented informal import restrictions, expensive raw material costs in the light of currency devaluation, high interest rates, and a global slow down.
- During March 2023, the Foreign exchange reserves held by SBP increased by USD 0.39 billion to USD 4.21 billion.
- For the month, the exchange rate continued to slide against the USD, closing the month at PKR 283.79/USD down by 7.85% MoM.

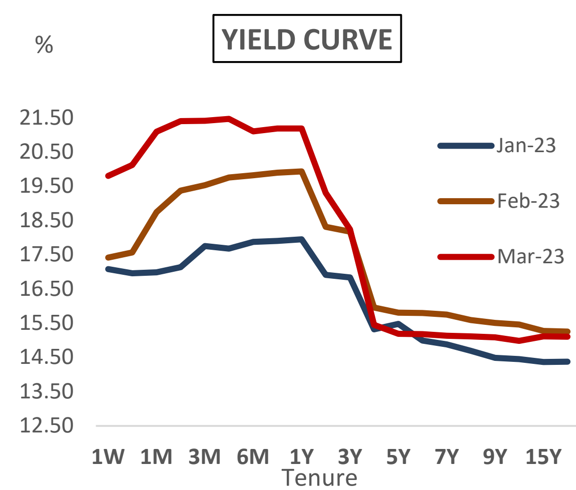
The NCPI during the month of March 2023 clocked in at 35.37% YoY as compared to 31.55% YoY in February 2023 above general market consensus. This took the 9MFY23 average NCPI to 27.26% compared to 10.77% during the SPLY. On a regional basis, the Urban CPI clocked in at 25.04% YoY, whereas, the Rural CPI clocked in at 30.56%. The main contributors to the rise in inflation are Housing, Water, Electricity, Gas, and Fuel (weight in CPI 23.63%) with an impact of 0.22% MoM / 17.49% YoY on the back of increasing utility prices and exchange devaluation. Furthermore, a heavy increase was observed in the Food and Non-alcoholic Beverages Index (weight in CPI 34.58%) with an impact of 1.47% MoM / 47.15% YoY due to increase in prices of staples, likely the Ramadan effect as inflation tends to spike ahead and during the Holy Month notably observed in the Country.

During the month of March 2023, the SBP conducted two MTB auctions with a realized amount of PKR 2.57 trillion. The Weighted average yields for 3 months, 6 months and 12 months MTB increased by 180bps, 239bps and 172bps to 21.0643%, 21.9566%, and 21.4865% respectively. The upward movement in yields came on the back of a further 100-200bps hike in policy rate by SBP to counter stubborn inflationary pressures. As per the auction target calendar for April – June 2023, the SBP targets to raise PKR 6.40 trillion against maturing amount of PKR 5.573 trillion by issuing 3-Month to 12-Month MTBs. The next MPC meeting is scheduled to be held on June 12, 2023.



*Change in market capitalization during month





DISPUTE RESOLUTION/ COMPLAINTS HANDLING:

Investors may lodge their complaints to our Investor Services Department through any of the following options where our dedicated staff is available 24/7 to provide assistance: Call at (+92-21) 111-AKD-IML (253465), Toll-free # 0800-25346, Email at info@akdinvestment.com, complaints@akdinvestment.com, Sales@akdinvestment.com. In case your complaint has not been properly redressed by us, you may lodge your complaint with SECP at the link https://sdms.secp.gov.pk/. However, please note that SECP will entertain only those complaints which were at first directly requested to be redressed by the Company and the Company has failed to redress the same. Further, the complaints that are not relevant to SECP's regulatory domain/competence shall not be entertained by the SECP.

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Golden Arrow Stock Fund

Fund Manager's Comments

During March-2023, the NAV of the Golden Arrow Stock Fund (GASF) decreased by 1.27% versus the KSE-100 which decreased by 1.26%. Fiscal year to date return for the fund clocked in at -7.81% as compared -3.71% return provided by Benchmark KSE-100 Index.

Fund Information

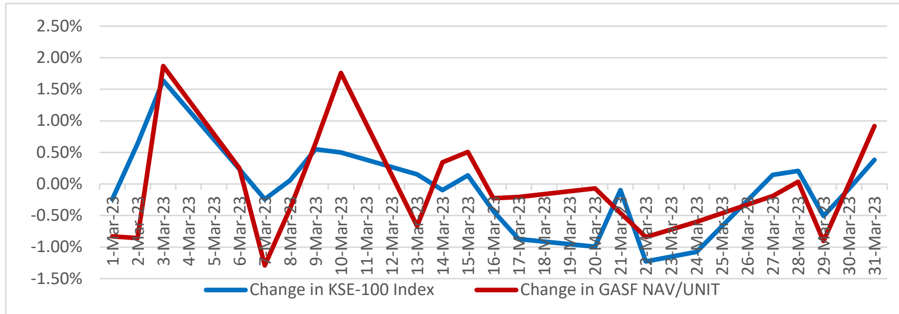
Investment Objective: : Disciplined and balanced fund management strategy focusing on fundamentally strong companies offering deep-value, coupled with few cherry-picked growth companies.

Fund Type	Open-End
Category	Equity
Net Assets (PKR)	1,359,168,108
NAV (PKR)	12.3743
Risk Profile	High
Risk of Principal Erosion	Principal at high risk
Benchmark	KSE-100 Index
Dealing Days	Monday to Friday
Cut-off Timings	9:00 am to 5:00 pm
Pricing Mechanism	Forward Pricing
Management Fee	2%
Sales Load (Front End)	3%
Sales Load (Back End)	Nil
Total Expense Ratio (Annualized)	MTD (3.22%), YTD (3.23%)
Government Levies (Annualized)	MTD (0.31%), YTD (0.31%)
Date of Fund Launch	May, 1983
Date of Management Takeover	September , 2004
Trustee	Central Depository Company (CDC)
Auditor	Riaz Ahmad & Company, Chartered Accountants
Asset Manager Rating	AM3++ by PACRA (30-Jun-2022)
Fund Rating	4 Star (1Year), 5 Star (3 Year), 5 Star (5 Year) PACRA (13-Feb-2023)
Leverage	Nil
Fund Manager	
Ms. Anum Dhedhi	
Investment Committee Members	
Mr. Imran Motiwala	Ms. Anum Dhedhi
Mr. Muhammad Yaqoob, CFA	Mr. Danish Aslam
Mr. Sheikh Usman Haroon	
Mr. Ali Abbas, CFA	

* Cumulative Returns ** Geometric Mean

***Converted into an Open End Fund since November 25,2019. The Fund's Returns are computed in NAV to NAV with Dividends reinvested"

Fund Performance: March-2023



	FYTD	MTD	365 Days	3 Years*	5 Years*	Since Inception**
KSE-100	(3.71%)	(1.26%)	(10.97%)	36.84%	(12.20%)	8.29%
GASF	(7.81%)	(1.27%)	(9.19%)	93.19%	12.70%	17.19%

	FY22	FY21	FY20	FY19	FY18
KSE-100	(12.28%)	37.58%	1.53%	(19.11%)	(9.99%)
GASF	(19.27%)	113.80%	(4.59%)	(18.06%)	(11.14%)

Asset Allocation (% of Total Assets)	31-Mar-23	28-Feb-23
Equities	95.57%	95.44%
T-Bills	0.00%	0.00%
Cash	3.75%	3.85%
Other Assets	0.68%	0.71%

Top Ten Equity Holdings (% of Total Assets)

Lalpir Power Ltd	9.35%	Tata Textile Mills Ltd	6.24%
Pakistan Stock Exchange Ltd	8.20%	Al Shaheer Corporation Ltd	5.05%
Hum Network Ltd	7.03%	Hub Power Company Ltd	4.95%
Ellcot Spinning Mills Ltd	6.86%	Cnergyico PK Ltd	4.80%
Pakistan Synthetics Ltd	6.40%	Pakistan State Oil Co. Ltd	2.47%

Sector Allocation (% of Total Assets)	31-Mar-23	28-Feb-23
Power Generation & Distribution	18.00%	18.89%
Textile Spinning	14.76%	14.96%
Investment Bank/Inv.Cos/	12.96%	11.41%
Technology & Communication	8.78%	9.20%
Synthetics And Rayon	6.42%	6.17%
Others	39.09%	39.37%

Name of non-compliant investment	Type of Investment	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage(%) of Net Assets	Percentage (%) of Gross Assets
-	-	-	-	-	-	-

Disclosure of Sindh Workers' Welfare Fund (SWWF)

During the month of August 2021, provisioning against Sindh Workers Welfare Fund by GASF amounting to PKR 50.815 million has been reversed on the basis of clarification received from Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021 addressed to Mutual Funds Association of Pakistan, received on August 13, 2021. This reversal of provision has contributed towards an unusual increase in NAV of the GASF (0.35/unit) 2.05%. This is one-off event and is not likely to be repeated in the future.

MUFAP's Recommended Format