

Funds Managed by:  
**AKD Investment Management Ltd.**

**Half Yearly Report**  
**December 31, 2018**  
**(Un-audited)**



# half yearly report



**Partner with AKD**  
**Profit from the**  
**Experience**



**AKD Investment  
Management Ltd.**

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## **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. Abdul Karim

### **Director & Chief Executive Officer**

Mr. Imran Motiwala

### **Directors**

Ms. Anum Dhedhi

Mr. Ali Wahab Siddiqui

Mr. Hasan Ahmed

Mr. Saim Mustafa Zuberi

Ms. Aysha Ahmed

## **CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY**

Mr. Muhammad Munir Abdullah

## **CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY**

Mr. Muhammad Yaqoob Sultan, CFA

## **HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY**

Mr. Rashid Ahmed

## **AUDIT COMMITTEE**

Mr. Ali Wahab Siddiqui (Chairman)

Mr. Hasan Ahmed (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

## **HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE**

Ms. Aysha Ahmed (Chairman)

Mr. Abdul Karim (Member)

Mr. Imran Motiwala (Member)

Ms. Anum Dhedhi (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

## **RATING**

AKD Investment Management Ltd. (AMC)  
AM3++ (AM Three Plus Plus) issued by PACRA

**CORPORATE  
INFORMATION**

# *Vision*

*To serve investors in Pakistan's capital markets with diligence, integrity and professionalism, thereby delivering consistent superior returns and unparalleled customer service.*

# *Mission Statement*

*AKD Fund shall continuously strive to:*

- *Keep primary focus on investing clients' interest*
- *Achieve highest standards of regulatory compliance and good governance*
- *Prioritize risk management while endeavoring to provide inflation adjusted returns on original investment*
- *Enable the investing public and clients to make AKDIML Funds a preferred part of their overall savings and investment management strategy*
- *Distinguish themselves and compete on the basis of unparalleled service quality while setting industry standards for professionalism, transparency and consistent superior performance*
- *Foster and encourage technical, professional, ethical development of human capital to provide our people the best opportunities and environment for their personal growth*

# REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), AKD Index Tracker Fund (AKDITF), AKD Cash Fund (AKDCF), AKD Aggressive Income Fund (AKDAIF), AKD Islamic Income Fund (AKDISIF) and AKD Islamic Stock Fund (AKDISSF) is pleased to present its Half Yearly report along with the Funds' reviewed financial statements for first half ended December 31, 2018.

## FUNDS' FINANCIAL PERFORMANCE

### AKD Opportunity Fund (AKDOF)

For the 1HFY19, the return of AKD Opportunity Fund stood at -10.22% compared to the benchmark KSE-100 Index return of -11.56%.

### AKD Index Tracker Fund (AKDITF)

For the 1HFY19, the return of AKD Index Tracker Fund stood at -12.17% compared to the benchmark KSE-100 Index return of -11.56%.

### AKD Cash Fund (AKDCF)

For the 1HFY19, the annualized return of AKD Cash Fund stood at 6.35% compared to benchmark return of 7.51%.

### AKD Aggressive Income Fund (AKDAIF)

For the 1HFY19, the annualized return of AKD aggressive income fund stood at -2.39% compared to benchmark return of 9.52%.

### AKD Islamic Income Fund (AKDISIF)

For the 1HFY19, the annualized return of AKD Islamic income fund stood at 7.10% compared to benchmark return of 2.84%.

### AKD Islamic Stock Fund (AKDISSF)

For the 1HFY19, the return of AKD Islamic Stock Fund stood at -11.65% compared to the benchmark KMI-30 Index return of -13.91%.

## MACRO PERSPECTIVE

The newly elected Government continued to face severe challenges in 1HFY19 (July-December), as the country remained under the shadow of political uncertainty, degradation from global money-laundering watchdog (FATF) over regulatory concerns, and large twin deficits (fiscal and current).

The Current Account Deficit (CAD) for 1HFY19 stood at \$7.983 billion (5.4% of GDP) as compared to \$8.353 billion in the same period last year (SPLY), exhibiting a decline of 4.43% YoY. This improved performance was on the back of an increase in exports of goods by 0.08% YoY to

\$11.840 billion from \$11.831 billion, along with an increase in remittances, which increased by 10% YoY to \$10.718 billion from \$9.744 billion. However, imports of goods increased by 5.87%, from \$12.993 billion to \$13.756 billion, which combined with swelling debt servicing, eroded the foreign exchange reserves by 31.8% YoY to \$13.57 billion.

On the fiscal front, the Federal Bureau of Revenue (FBR) managed to collect PKR1.788 trillion during the 1HFY19 which was around 4% higher as compared to the tax collection of PKR1.720 trillion, same period last year. Despite this increase, FBR failed to meet the 1HFY19 target by PKR172 billion, making it difficult for the Government to achieve its desired target of PKR4.40 trillion for FY19.

As per the Pakistan Bureau of Statistics (PBS), during the 1HFY19, average Consumer Price Index (CPI) was recorded at 6.05% compared to 3.75% same period last year. Average Core Inflation, calculated by non-food and non-energy CPI, clocked in at an alarming 8.03%, compared to 5.47% same period last year. Moreover, the State Bank of Pakistan (SBP) had upward revised its target of CPI between 6.5-7.5% for FY19, in its Monetary Policy Statement (MPS) on 30th November 2018, on the basis of higher international oil prices, further PKR/USD devaluation and increase in gas tariffs. Due to this higher expected inflation, and burgeoning twin deficits, SBP further increased the policy rate by 150 bps, to 10%, effective from 3rd December 2018.

The Agriculture sector is expected to underperform, and remain below its target in FY19, due to the increasing water crisis, which is likely to hamper agricultural output production. The slowdown in the services sector, along with manufacturing sector has caused the SBP to expect a real GDP growth of approximately 4% for FY19.

The Large Scale Manufacturing (LSM) sector, which constitutes 80% of the total manufacturing and 11% of the overall GDP, witnessed a decrease of 0.90% for 5MFY19 (July-November). Major growth was witnessed in sectors such as engineering products (19.93%), paper & board (8.76%), fertilizers (5.87%), and rubber products (4.2%). On the other hand, LSM sectors that exhibited major negative growth were wood products (47.09%), electronics (9.46%), pharmaceuticals (7.62%), and iron & steel products (6.13%).

During the 1HFY19, Pakistan was able to attract \$1.32 billion in Foreign Direct Investment (FDI) which is 19.2% lower as compared to the corresponding period last year. This massive plunge is mainly due to decrease in Chinese inflows by 31% YoY as major investments in power generation projects from the Chinese IPPs has been already undertaken whereas, the inflows from other countries remained insignificant.

In our view, PKR-USD depreciation of 14.84% in 1HFY19 and funds received through bailout package from friendly countries like UAE (\$1 billion), and Saudi Arabia (\$3 billion) will provide some relief to the CAD. A prospective bailout package by IMF is looking very plausible and issuance of Diaspora bonds for overseas Pakistanis and increasing remittances would provide a much needed cushion to the external account.

Lastly, CPEC investments will continue to play a vital role in attracting investment in Pakistan and provide support to the deteriorating external account. Overall, clarity about the economic policies and reforms of the current government will remain a key determinant of macro performance.

## EQUITY MARKET REVIEW

During 1HFY19, KSE-100 index exhibited a decline of 11.56%, ending the period at 37,067 points. The equity market remained under pressure on the back of faltering investor confidence stemming from weak economic conditions (balance of payment crisis, currency fluctuation and widening fiscal deficit) and continued foreign investor selling during the period (FIPI recorded net selling of \$403.67 million as compared to \$155.17 million in SPLY). Moreover, growing inflationary pressures led to the State Bank of Pakistan increasing the policy rate by 250 bps to 10% in the 1HFY19, prompting investors to realign their portfolios from equity market to fixed income instruments (T-bills, National Savings Schemes, PIBs, bank deposits) in pursuit of attractive returns.

Going forward, we believe that the second supplementary budget of the incumbent Government is expected to lift the market dynamics. Measures including abolishment of 0.02% on brokers for shares transactions and allowance to carry forward of capital losses over the period of three years would help improve trading activity in the market. Furthermore, sector specific measures are mainly positive for export-oriented sectors in the form of reduced duties and input costs and also settlement of refunds through promissory notes, Autos (non-filers allowed to purchase locally assembled vehicles up to 1300cc engine capacity), and Cements (allocation of loans for housing scheme). On the other hand, continuation of super tax (flat 4%) on banks (sector weight age: 25.23%) would keep the index in check.

However, improved liquidity emerging from the renewed investor confidence would still be a major driver of market performance. Improvement in macro-performance (fiscal and external deficits) and entry into an IMF program along would bring more clarity to the direction of market and possibly recover the market confidence in the remaining FY19. Upcoming monetary policies by SBP in 2HFY19 would also be crucial in determining the market performance. Currently, the KSE -100 Index is trading at an attractive multiple of 7.9x at a discount of 46% from emerging markets, offering potential upside for investors.

## MONEY MARKET REVIEW

During 1HFY19, six T-Bill auctions were carried out by the SBP, where government successfully managed to raise PKR9.92 trillion. Weighted average yield on the 3-month and 6-month period were 8.38% and 9.01% respectively, as compared to 5.99%, and 6.01%, same period last year. There were no 12-month T-bill auctioned during the period.

To further address the need of liquidity, SBP conducted six auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR59.87 billion during 1HFY19. The yields maintained an upward trend as weighted average maturity yield on 3-year, 5-year, and 10-year maturity rose to 8.25%, 9.70%, and 9.44%, as compared to 6.4%, 6.89%, and 7.95%, same period last year.

The government announced two Monetary Policy Statements (MPS) in 1HFY19, one on 29th September 2018, and the other on 30th November 2018. The policy rate was increased by 100bps to 8.5% in the first MPS, and further by 150bps subsequently, taking the policy rate to 10%. State Bank of Pakistan conducted 23 Open Market Operations (OMO) in 1HFY19 of different maturities, and injected average amount of PKR802.26 billion per OMO at an average cut-off yield of 8.49%.

As per the auction calendar of the SBP, it will raise PKR100 billion by issuing 3 to 20-year tenor Pakistan Investment Bonds (PIBs) and PKR3.3 trillion by issuing 3 to 12-month tenor T-Bills to pay back the maturing debt of PKR3.43 trillion. In addition, SBP will raise another PKR150 billion through the auction of a 10-Year Floating PIB.

## **FUTURE OUTLOOK**

Keeping in view the current economic situation, it is expected that Pakistan would continue to face severe challenges in FY19. On the external front, while recent aid (Saudi, Chinese, and UAE) should provide funding support over FY19, but an IMF program remains of paramount importance as the financial assistance would not be able to solve liquidity concerns as forex reserves SBP stand at \$7.2 billion for the 1HFY19.

Despite a gradual improvement in Current Account Deficit during 1HFY19, it still remains a major concern of the incumbent Government and needs urgent remedial measures to decelerate imports and further improve foreign inflows. However, shifting towards less costly alternative for power production, currency devaluation (14.84% in 1HFY19), and incentives provided to export oriented industries (reduced duties & Rebates) would likely further improve the external account. Oil credit facility from Saudi Arabia and U.A.E. of \$6 billion and \$6.2 billion respectively will further support the CAD situation. Moreover, remittances are also expected to increase further and support the ailing economy as factors such as the weakening currency and stringent measures being taken by the government to curb money laundering, thus forcing this money to flow through official channels.

We believe a significant reversal in equity market will be more dependent on liquidity rather than valuations (The KSE-100 index trading at a Price-to-earnings (P/E) and Dividend Yield (DY) of 7.9x and 7.09% respectively as compared to Emerging Market P/E and DY of 11.52x and 2.70% respectively). The investor confidence level and foreign participation will play a major role in this regard.

On the Fixed Income side, the rapid surge in interest rates has made the situation severe and has led to an economic slowdown. Yields on 6 Month T-Bills have surged from under 6% in 2018 to around 10.5% currently and are likely increase further by the end of 2019. Therefore, equity markets will have to offer more to entice investors as competing asset classes (Pakistan Investment Bonds, Income Funds, National Savings Certificates and Bank Deposits) are beginning to offer attractive yields.

Furthermore, the recent visit of the Saudi Crown Prince Mohammad Bin Salman accompanied by a high powered Saudi business delegation (as per media reports) concluded a series of multi-billion dollar agreements (~\$20 billion in next 5 years) that would help Pakistan in regaining its FDI momentum.

**For and on behalf of the Board**

**Imran Motiwala**  
Chief Executive Officer

**Abdul Karim**  
Chairman

Karachi: February 22, 2019.

# **AKD Aggressive Income Fund**

## **Financial Information - First Half FY19**

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# AKD Aggressive Income Fund



## MANAGEMENT COMPANY

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

## TRUSTEE

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

## BANKERS

Apna Microfinance Bank Limited  
Askari Bank Limited  
Bank Al Habib Limited  
Bank Alfalah Limited  
BankIslami Pakistan Limited  
Dubai Islamic Bank Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
Moblink Microfinance Bank Limited  
MCB Bank Limited  
NRSP Microfinance Bank Limited  
Summit Bank Limited  
Telenor Microfinance Bank Limited  
U Microfinance Bank Limited

## AUDITORS

A.F. Ferguson & Co.  
Chartered Accountants  
State Life Building No. 1-C  
I.I. Chundrigar Road, P.O. Box 4716  
Karachi-74000

## LEGAL ADVISER

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

## REGISTRAR

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

## DISTRIBUTORS

AKD Investment Management Limited  
AKD Securities Limited  
BIPL Securities Limited  
BMA Capital Management Limited  
Finox (Pvt.) Limited  
First Street Capital (Pvt.) Limited  
IGI Investment Bank Limited  
Investomate (Pvt.) Limited  
Savings Lounge (Pvt.) Limited  
4 Sight Investments

## RATING

AKD Aggressive Income Fund  
PACRA: A-(f) [A minus(f)]

## FUND MANAGER'S REPORT

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

Open - end Aggressive Fixed Income Scheme

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

AKDAIF is a dedicated fund that focuses primarily on fixed income securities and instruments. The objective of AKDAIF is to offer investors a convenient vehicle to invest in a diversified portfolio of fixed income securities / instruments that provide consistent returns with concern for preservation of capital over the longer term.

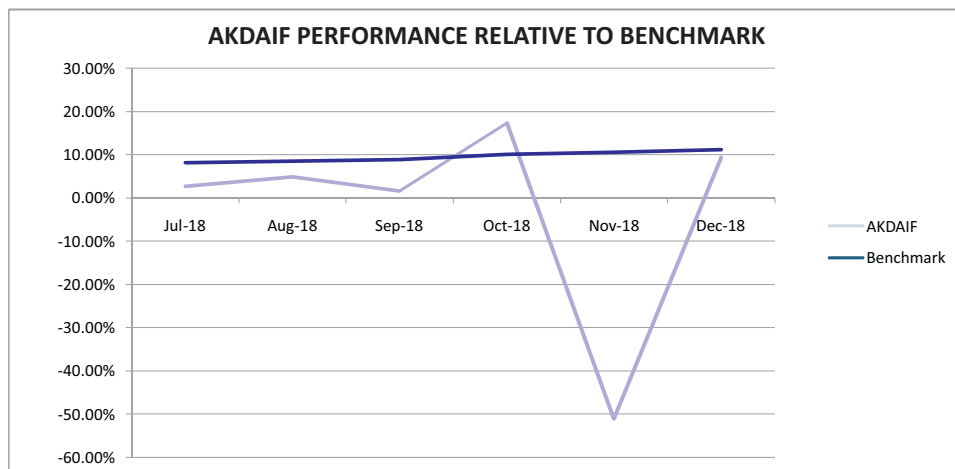
**iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:**

For the 1HFY19, the annualized return of AKD Aggressive Income Fund stood at -2.39% as compared to the benchmark return of 9.52%.

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

1 Year KIBOR

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



Monthly yield (annualized)	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
<b>AKDAIF</b>	2.62%	4.87%	1.59%	17.30%	-51.15%	9.27%
<b>Benchmark</b>	8.05%	8.45%	8.77%	10.01%	10.51%	11.18%

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

AKD Aggressive Income Fund is an open end aggressive fixed income schemes, the return of the funds are generated through investment in T-bills, Margin Trading System, Spread transaction and corporate debt instruments. AKDAIF 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 the report and particulars of significant changes in asset allocation since the last report (if applicable):

Asset Allocation (% of Total Asset)	31-Dec-18	30-Sep-18
Cash and cash equivalent	43.17%	36.48%
Placement with Banks and NBFCs	9.69%	-
TFCs / SUKUK	38.34%	32.35%
Spread Transaction (Cost)	-	12.80%
Other assets including receivables	8.80%	18.37%

- viii) Non-Compliant Investment

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
-----Rupees in '000-----						
Silk Bank Limited	TFC	91,626	Nil	91,626	16.58%	16.14%
The Bank of Punjab	TFC	74,056	Nil	74,056	13.40%	13.04%

- ix) Analysis of the Collective Investment Scheme's performance:

1HFY19 Return (annualized)	-2.39%
Benchmark (annualized)	9.52%

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

Net Asset Value			NAV per Unit	
31-Dec-18	30-Sep-18	Change	31-Dec-18	30-Sep-18
(Rupees in '000)			(Rs.)	
552,686	746,076	25.92%	50.7245	51.7431

- xi) Disclosure on the markets that the Collective Investment Scheme has invested in including reviews of the market (s) invested in and return during the period:

### MACRO PERSPECTIVE

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### **MONEY MARKET REVIEW**

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As per the auction calendar of the SBP, it will raise PKR100 billion by issuing 3 to 20-year tenor Pakistan Investment Bonds (PIBs) and PKR3.3 trillion by issuing 3 to 12-month tenor T-Bills to pay back the maturing debt of PKR3.43 trillion. In addition, SBP will raise another PKR150 billion through the auction of a 10-Year Floating PIB.

### FUTURE OUTLOOK

Keeping in view the current economic situation, it is expected that Pakistan would continue to face severe challenges in FY19. On the external front, while recent aid (Saudi, Chinese, and UAE) should provide funding support over FY19, but an IMF program remains of paramount importance as the financial assistance would not be able to solve liquidity concerns as forex reserves SBP stand at \$7.2 billion for the 1HFY19.

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We believe a significant reversal in equity market will be more dependent on liquidity rather than valuations (The KSE-100 index trading at a Price-to-earnings (P/E) and Dividend Yield (DY) of 7.9x and 7.09% respectively as compared to Emerging Market P/E and DY of 11.52x and 2.70% respectively). The investor confidence level and foreign participation will play a major role in this regard.

On the Fixed Income side, the rapid surge in interest rates has made the situation severe and has led to an economic slowdown. Yields on 6 Month T-Bills have surged from under 6% in 2018 to around 10.5% currently and are likely increase further by the end of 2019. Therefore, equity markets will have to offer more to entice investors as competing asset classes (Pakistan Investment Bonds, Income Funds, National Savings Certificates and Bank Deposits) are beginning to offer attractive yields.

Furthermore, the recent visit of the Saudi Crown Prince Mohammad Bin Salman accompanied by a high powered Saudi business delegation (as per media reports) concluded a series of multi-billion dollar agreements (~\$20 billion in next 5 years) that would help Pakistan in regaining its FDI momentum.

- xii) 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 were no significant changes in the state of affairs during the period under review.

- xiii) Disclosure on unit split (if any), comprising:**

There were no unit splits during the period.

- xiv) Breakup of unit holding by size:**

<b>Range (Units)</b>	<b>No. of Investors</b>
0.1 - 9,999	78
10,000 - 49,999	23
50,000 - 99,999	2
100,000 - 499,999	3
500,000 and above	2
<b>Total</b>	<b>108</b>

- xv) Disclosure of circumstances that materially affect any interest of unit holders:**

Investments are subject to credit and market risk.

- xvi) 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 commissions have been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

## TRUSTEE REPORT TO THE UNIT HOLDERS

### AKD AGGRESSIVE INCOME FUND

#### **Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of AKD Aggressive Income Fund (the Fund) are of the opinion that AKD Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2018 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

We would like to draw unit holder's attention towards the fact that the exposure of the Fund in Silk Bank Limited - TFC as on December 31, 2018 reached 16.58% of the net assets of the Fund; thus the Fund is in non-compliance of Regulation 55(5) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC & NE Regulations) which states that the exposure of a Collective Investment Scheme to any single entity shall not exceed an amount equal to ten per cent of its total net assets. Upon inquiry, we have been informed by the Management Company that the non-compliance is due to the unavailability of competitive bid in the market and they had already approached the Commission seeking waiver against such compliance. We have also reported this non-compliance to Commission in order to comply with the Regulation 41(m) of the NBFC & NE Regulations.

#### **Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 27, 2019

# INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

## Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **AKD Aggressive Income Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2018. The Management Company (AKD Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: Noman Abbas Sheikh

Karachi: February 27, 2019

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2018

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	245,098	241,122
Investments	5	272,662	555,185
Profit receivable	6	7,278	8,244
Other receivables		82	48
Deposits and prepayments	7	7,850	13,362
Receivable against sale of securities		34,650	1,081
<b>Total assets</b>		<b>567,620</b>	<b>819,042</b>
<b>LIABILITIES</b>			
Payable to AKD Investment Management Limited - Management Company	8	5,235	5,853
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	97	123
Payable to the Securities and Exchange Commission of Pakistan	10	260	621
Payable against purchase of securities		-	62,661
Accrued expenses and other liabilities	11	9,317	9,526
Payable against redemption of units		25	11,394
<b>Total liabilities</b>		<b>14,934</b>	<b>90,178</b>
<b>NET ASSETS</b>		<b>552,686</b>	<b>728,864</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>552,686</b>	<b>728,864</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>NUMBER OF UNITS IN ISSUE</b>	12	<b>10,895,830</b>	<b>13,612,982</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>50.7245</b>	<b>53.5418</b>
<b>FACE VALUE PER UNIT</b>		<b>50</b>	<b>50</b>

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

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

\_\_\_\_\_  
**Imran Motiwala**  
Chief Executive Officer

\_\_\_\_\_  
**Muhammad Munir Abdullah**  
Chief Financial Officer

\_\_\_\_\_  
**Anum Dhedhi**  
Director

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	For the half year ended		For the quarter ended	
	December 31,		December 31,	
Note	2018	2017	2018	2017
----- (Rupees in '000) -----				
<b>INCOME</b>				
(Loss) / income from spread transactions	(953)	1,009	(2,813)	291
Capital gain / (loss) on sale of investments - net	5,044	(1,344)	5,067	(487)
Profit on bank deposits	8,506	10,106	4,841	5,986
Income from government securities	3,884	2,937	1,820	917
Income from term finance certificates and sukuk certificates	10,987	11,270	4,862	5,381
Income from term deposit receipts	1,566	5,639	195	1,907
Income from commercial paper	430	1,328	-	879
Income from margin trading system	-	17	-	1
Dividend income	4,928	-	4,928	-
	<b>34,392</b>	<b>30,962</b>	<b>18,900</b>	<b>14,875</b>
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2 (4,021)	(6,167)	1,021	343
<b>Total Income</b>	<b>30,371</b>	<b>24,795</b>	<b>19,921</b>	<b>15,218</b>
<b>EXPENSES</b>				
Remuneration of the Management Company - net	8.2 5,129	6,000	2,386	3,269
Sindh sales tax on remuneration of the Management Company	8.3 676	852	314	394
Remuneration of the Trustee	9.1 590	743	274	344
Sindh sales tax on remuneration of the Trustee	9.2 77	97	36	45
Annual fee to the Securities and Exchange Commission of Pakistan	10.1 260	328	121	152
Security transaction costs	616	279	176	39
Provision against Sindh Workers' Welfare Fund	11.1 -	276	(115)	193
Auditors' remuneration	302	220	207	125
Settlement and bank charges	70	48	32	33
Fees and subscriptions	236	216	122	110
Legal and professional	240	897	68	36
Impairment loss on investments	24,925	792	24,925	792
Allocated expenses	8.4 347	437	161	201
Printing and related costs	68	84	17	34
<b>Total Expenses</b>	<b>33,536</b>	<b>11,269</b>	<b>28,724</b>	<b>5,767</b>
<b>Net (loss) / income for the period before taxation</b>	<b>(3,165)</b>	<b>13,526</b>	<b>(8,803)</b>	<b>9,451</b>
<b>Taxation</b>	13 -	-	-	-
<b>Net (loss) / income for the period after taxation</b>	<b>(3,165)</b>	<b>13,526</b>	<b>(8,803)</b>	<b>9,451</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	-	13,526	-	9,451
Income already paid on units redeemed	-	(1,683)	-	(563)
	-	11,843	-	8,888
<b>Accounting income available for distribution</b>				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	11,843	-	8,888
	-	11,843	-	8,888

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

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

\_\_\_\_\_  
**Imran Motiwala**  
Chief Executive Officer

\_\_\_\_\_  
**Muhammad Munir Abdullah**  
Chief Financial Officer

\_\_\_\_\_  
**Anum Dhedhi**  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	For the half year ended		For the quarter ended	
	December 31, 2018	2017	December 31, 2018	2017
	----- (Rupees in '000) -----			
<b>Net (loss) / income for the period after taxation</b>	<b>(3,165)</b>	13,526	<b>(8,803)</b>	9,451
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(3,165)</b>	13,526	<b>(8,803)</b>	9,451

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

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

**Imran Motiwala**  
Chief Executive Officer

**Muhammad Munir Abdullah**  
Chief Financial Officer

**Anum Dhedhi**  
Director

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	For the half year ended December 31, 2018			For the half year ended December 31, 2017		
	(Rupees in '000)					
	Capital Value	Undistri- buted income	Total	Capital Value	Undistri- buted income	Total
Net assets at beginning of the period	675,004	53,860	728,864	901,942	32,707	934,649
Issue of 19,839,520 units (2017: 21,533,651 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,018,597	-	1,018,597	1,113,079	-	1,113,079
- Element of income	4,032	-	4,032	6,495	-	6,495
Total proceeds on issuance of units	1,022,629	-	1,022,629	1,119,574	-	1,119,574
Redemption of 22,556,672 units (2017: 24,761,049 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,158,100	-	1,158,100	1,279,904	-	1,279,904
- Element of loss	7,593	-	7,593	5,826	1,683	7,509
Total payments on redemption of units	1,165,693	-	1,165,693	1,285,730	1,683	1,287,413
Total comprehensive (loss) / income for the period	-	(3,165)	(3,165)	-	13,526	13,526
Distribution during the period	-	(26,186)	(26,186)	-	-	-
Refund of Capital	(3,763)	-	(3,763)	-	-	-
Net income for the period less distribution	(3,763)	(29,351)	(33,114)	-	13,526	13,526
<b>Net assets at end of the period</b>	<b>528,177</b>	<b>24,509</b>	<b>552,686</b>	<b>735,786</b>	<b>44,550</b>	<b>780,336</b>
Undistributed income brought forward						
- Realised		60,136			28,842	
- Unrealised		(6,276)			3,865	
		<u>53,860</u>			<u>32,707</u>	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	-			11,843		
Net loss for the period after taxation		(3,165)		11,843		
Distribution during the period at Rs. 2.20 per unit i.e. 4.4% of the par value of Rs. 50/- each (July 6, 2018)		(26,186)		-		
Undistributed income carried forward		<u>24,509</u>		<u>44,550</u>		
Undistributed income carried forward						
- Realised income		28,530		50,717		
- Unrealised loss		(4,021)		(6,167)		
		<u>24,509</u>		<u>44,550</u>		
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>53.5418</u>			<u>51.6902</u>
Net assets value per unit at end of the period			<u>50.7245</u>			<u>52.5324</u>

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

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

\_\_\_\_\_  
**Imran Motiwala**  
Chief Executive Officer

\_\_\_\_\_  
**Muhammad Munir Abdullah**  
Chief Financial Officer

\_\_\_\_\_  
**Anum Dhedhi**  
Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

### FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

Note	For the half year ended December 31,		For the quarter ended December 31,	
	2018	2017	2018	2017
	(Rupees in '000)		(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net (loss) / income for the period before taxation	(3,165)	13,526	(8,803)	9,451
<b>Adjustments for non-cash and other items</b>				
Unrealised diminution / (appreciation) in fair value of investments classified as 'financial assets at fair value through profit or loss' - net	4,021	6,167	(6,973)	(642)
Unrealised appreciation in the fair value of future contracts	-	-	5,952	-
Capital loss / (gain) on sale of investments	(5,044)	1,344	(5,067)	487
Provision against Sindh Workers' Welfare Fund	-	-	(115)	-
Impairment loss on investments	24,925	792	24,925	792
	<b>20,737</b>	<b>21,829</b>	<b>9,919</b>	<b>10,088</b>
<b>(Increase) / decrease in assets</b>				
Investments - net	140,199	4,773	131,040	(29,145)
Profit receivable	966	971	(1,596)	990
Other receivables	(34)	39	5,898	299
Receivable from the Management Company	-	224	-	-
Receivable against sale of securities	(33,569)	158,871	44,137	48,312
Deposits and prepayments	5,512	17,559	59,341	6,511
	<b>113,074</b>	<b>182,437</b>	<b>238,820</b>	<b>26,967</b>
<b>Increase / (decrease) in liabilities</b>				
Payable to AKD Investment Management Limited - Management Company	(618)	(364)	(100)	133
Payable to Central Depository Company of Pakistan Limited - Trustee	(26)	(21)	(34)	(21)
Payable to Securities and Exchange Commission of Pakistan	(361)	(443)	121	152
Payable against purchase of securities	(62,661)	(2,422)	(65,146)	(15,323)
Accrued expenses and other liabilities	(209)	(9,175)	(497)	(1,590)
	<b>(63,875)</b>	<b>(12,425)</b>	<b>(65,656)</b>	<b>(16,649)</b>
<b>Net cash generated from operating activities</b>	<b>69,936</b>	<b>191,841</b>	<b>183,083</b>	<b>20,406</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts against issuance of units	1,018,866	1,119,574	1,018,866	519,068
Payment against redemption of units	(1,177,062)	(1,312,163)	(1,203,428)	(613,038)
Cash distributions paid during the period	(26,186)	-	-	-
<b>Net cash used in from financing activities</b>	<b>(184,382)</b>	<b>(192,589)</b>	<b>(184,562)</b>	<b>(93,970)</b>
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(114,446)</b>	<b>(748)</b>	<b>(1,479)</b>	<b>(73,564)</b>
Cash and cash equivalents at beginning of the period	414,544	446,701	301,577	519,517
<b>Cash and cash equivalents at end of the period</b>	<b>4.2 300,098</b>	<b>445,953</b>	<b>300,098</b>	<b>445,953</b>

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

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

\_\_\_\_\_  
**Imran Motiwala**  
Chief Executive Officer

\_\_\_\_\_  
**Muhammad Munir Abdullah**  
Chief Financial Officer

\_\_\_\_\_  
**Anum Dhedhi**  
Director

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

### 1 LEGAL STATUS AND NATURE OF BUSINESS

AKD Aggressive Income Fund (the Fund) was established under a Trust Deed executed between AKD Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed on September 11, 2006 and it was executed on October 2, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund commenced operations from March 23, 2007.

The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules, through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block 8, Clifton, Karachi.

The Fund is an open ended mutual fund and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund.

The Fund is classified as an 'Aggressive Fixed Income Scheme'. The principal activity of the Fund is to make investments in government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharaka (COM), TDRs, commercial paper, reverse repo, TFC/Sukuk, spread transactions and transactions under Margin Trading System.

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

The Pakistan Credit Rating Agency Limited (PACRA) has maintained Asset Manager rating of "AM3++" to the Management Company as at August 10, 2018. PACRA has also maintained fund stability rating of "A-(f)" to the Fund as at December 28, 2018.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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 audited financial statements of the Fund for the year ended June 30, 2018.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND RISK MANAGEMENT**

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.3.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of 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. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the fund for the year ended June 30, 2018.
- 3.3 Standards and amendments to published accounting and reporting standards that are effective in the current period**

The Securities and Exchange Commission of Pakistan has extended the effective date of applicability of IFRS 9: "Financial Instruments" till 'reporting period / year ending on or after

June 30, 2019' with an option for early adoption vide its notification SRO 229(1)/2019 dated February 14, 2019. The Fund has made an early adoption of IFRS 9: "Financial Instruments" effective from July 1, 2018.

IFRS 9 has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment being managed as a group of assets and hence has classified them as FVPL and other financial assets which were held for collection continue to be measured at amortised cost. The Funds investment in Term Deposit Receipts and Commercial Papers which were previously classified as "loans and receivables" and carried at amortised cost under IAS 39 and the investment in Sukuks certificate which were previously classified as available for sale would now be classified as 'at fair value through profit or loss' and carried at fair value. However the investment in Sukuk Certificates is fully provided therefore this change will not have any impact.

The Fund has adopted modified retrospective restatement for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current period.

## AKD Aggressive Income Fund - Half Yearly Report December 2018

The effect of this change in accounting policy is as follows:

	As at June 30, 2018 (as previously stated)	Change	As at July 1, 2018	As at December 31, 2018
----- Rupees In '000 -----				
<b>Impact on Statement of Assets and Liabilities</b>				
Investments - 'loans and receivables'				
- Term deposit receipts	74,000	(74,000)	-	
- Commercial papers	46,512	(46,512)	-	
Investments - 'At fair value through profit or loss'	-	-	120,512	272,662

There are no other standards, amendments to standards or interpretations that are effective for annual accounting periods beginning on July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

### 3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

4 BANK BALANCES	Note	(Unaudited) December 31, 2018	(Audited) June 30, 2018
		---- (Rupees in '000) ----	
In savings accounts	4.1	245,031	241,055
In current accounts		67	67
		<u>245,098</u>	<u>241,122</u>

4.1 These accounts carry markup at rates ranging from 8% to 10% (June 30, 2018: 4.5% to 7.75%) per annum.

4.2 CASH AND CASH EQUIVALENTS	Note	(Unaudited) December 31, 2018	(Audited) June 30, 2018
		---- (Rupees in '000) ----	
Bank balances		245,098	241,122
Market Treasury Bills	5.1.4	-	99,422
Term deposit receipts (having original maturity upto 3 months)	5.1.2	55,000	74,000
		<u>300,098</u>	<u>414,544</u>

## AKD Aggressive Income Fund - Half Yearly Report December 2018

5 INVESTMENTS		(Unaudited) December 31, 2018	(Audited) June 30, 2018
	Note	---- (Rupees in '000) ----	
<b>Financial assets 'at fair value through profit or loss'</b>			
- Debt securities - Term Finance Certificates	5.1.1	<b>217,662</b>	272,716
- Term deposit receipts (TDR)	5.1.2	<b>55,000</b>	74,000
- Debt securities - Sukuk Certificates	5.1.3	-	-
- Government securities - Market Treasury Bills	5.1.4	-	99,422
- Listed equity securities	5.1.5	-	62,535
- Commercial papers	5.1.6	-	46,512
- Preference shares	5.1.7	-	-
		<b><u>272,662</u></b>	<b><u>555,185</u></b>

## 5.1 Financial assets 'at fair value through profit or loss' - net

### 5.1.1 Debt securities - Term Finance Certificates

Name of Investee Company	Face value per certificate	Number of certificates				Balance as at December 31, 2018			Market value as a percentage of total investments	Market value as a percentage of Net Assets	Investment as a percentage of total issue size
		As at July 1, 2018	Purchased during the period	Sold / redeemed during the period	As at December 31, 2018	Carrying value	Market value	Unrealised appreciation/ (diminution) as at December 31, 2018			
	Rupees					-----Rupees in '000'-----			----- % -----		
<b>Term finance certificates - listed</b>											
Summit Bank Limited - (note 5.1.1.3)	5,000	5,000	-	-	5,000	-	-	-	-	-	-
Worldcall Telecom Limited	5,000	20,000	-	-	20,000	-	-	-	-	-	-
Dewan Cement Limited - (note 5.1.1.	5,000	20,000	-	-	20,000	-	-	-	-	-	-
Pace Pakistan Limited	5,000	115	-	-	115	-	-	-	-	-	-
<b>Term finance certificates - unlisted</b>											
TPL Corporation Limited (formerly TPL Trakker Limited )	100,000	780	-	-	780	52,144	51,981	(163)	19.06	9.41	4.33
Silk Bank Limited	5,000	20,000	-	-	20,000	92,917	91,626	(1,291)	33.60	16.58	4.58
The Bank of Punjab	100,000	750	-	-	750	76,622	74,056	(2,566)	27.16	13.40	2.96
						221,683	217,662	(4,021)			
<b>Total - December 31, 2018</b>						<b>221,683</b>	<b>217,662</b>	<b>(4,021)</b>			
Total - June 30, 2018						278,850	272,716	(6,134)			

**5.1.1.1** Significant terms and conditions of term finance certificates outstanding as at December 31, 2018 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Original maturity date	Rating
Summit Bank Limited	6 months KIBOR + 3.25%	27-Oct-2011	27-Oct-18	A-
TPL Corporation Limited (formerly TPL Trakker Limited)	3 months KIBOR + 1.50%	19-Dec-17	19-Dec-19	AA-
The Bank of Punjab	6 months KIBOR + 1.00%	23-Dec-16	23-Dec-26	AA
Silk Bank Limited	6 months KIBOR + 1.85%	10-Aug-17	10-Aug-25	A-

**5.1.1.2** The cost of investments as at December 31, 2018 amounted to Rs 418.670 million (June 30, 2018: Rs 418.67 million). These carry profit at the rate of 9.9% to 11.72% (June 30, 2018: 8.02% to 9.76%) per annum.

**5.1.1.3** The Term Finance certificates of Summit Bank Limited (SBL) had an original maturity of October 27, 2018. An extra ordinary general meeting was called on November 19, 2018, where in it was resolved that the maturity date of these certificates be extended for one year (i.e October 27, 2019) on the existing terms and conditions. Since SBL defaulted on timely payment of its final installment, the management company has made 100 percent provision amounting to Rs. 24.925 million against the defaulted installment in line with the requirement of Circular 33 dated October 24, 2012. Furthermore, profit on installment due amounting to Rs. 1.23 million has also been suspended.

**5.1.1.4** The Fund had advanced an amount of Rs 100 million in respect of Pre-IPO placement of Dewan Cement Limited (DCL) under an agreement, which required public offering to be completed within 270 days of the date of agreement (which was January 9, 2008). Dewan Cement Limited (DCL) failed to complete the public offering within the said time period and had also defaulted in payment of principal and profit for the said period. As a matter of prudence, the Fund had made provision for the amount of the investment in accordance with the provisioning criteria specified in Circular No. 1 of 2009 dated January 6, 2009 issued by the SECP.

### 5.1.2 Term deposit receipts (TDRs)

These TDRs have been placed with FINCA Microfinance Bank Limited having credit rating A dated April 23, 2018. These carry profit at the rate of 11.75% (June 30, 2018: 7.60%) per annum and are due to mature by January 21, 2019. At December 31, 2018, TDR represented 9.95% (June 30, 2018: 10.15%) of the total net assets of the Fund.

### 5.1.3 Debt securities - Sukuk Certificates

Name of Investee Company	Face value per certificate	Number of Certificates				Balance as at December 31, 2018			Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
		As at July 1, 2018	Purchased during the period	Sold / redeemed during the period	As at December 31, 2018	Carrying value	Market value	Appreciation/ (diminution)			
	Rupees					----- (Rupees in '000) -----			----- % -----		
<b>Sukuk certificates - unlisted</b>											
New Allied Electronics Industries (Private) Limited (25-07-07)	312.50	96,000	-	-	96,000	30,000	-	(30,000)	-	-	-
						30,000	-	(30,000)			
Less: Impairment recognised in the income statement in prior years						30,000	-	30,000			
<b>Total - December 31, 2018</b>						-	-	-			
Total - June 30, 2018						-	-	-			

**5.1.3.1** New Allied Electronics Industries (Private) Limited defaulted on the amount of principal and mark-up due on the scheduled redemption dates i.e. October 25, 2008, January 25, 2009, April 25, 2009, July 25, 2009, October 25, 2009, January 25, 2010 and April 25, 2010. Hence, the Fund had 100 percent provided for the amount of the Investment in accordance with the requirements of Circular No. 1 of 2009 dated January 6, 2009.

**5.1.4 Government securities - Market Treasury Bills**

Tenor	Face Value				Balance as at December 31, 2018			Market value as a percentage of investments	Market value as a percentage of net assets
	At July 1, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying Value	Market value	Unrealised appreciation as at December 31, 2018		
	----- Rupees in '000 '-----							%	
3 months	100,000	365,000	465,000	-	-	-	-	-	
	100,000	365,000	465,000	-	-	-	-	-	
<b>Total - December 31, 2018</b>					-	-	-		
Total - June 30, 2018					99,458	99,422	(36)		

### 5.1.5 Listed equity securities (spread transactions)

Name of Investee Company	Number of Shares					Balance as at December 31, 2018			Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
	At July 1, 2018	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2018	Carrying value	Market value	Diminution			
						-----Rupees in '000'-----			----- % -----		
Aisha Steel Mill Limited	-	584,500	-	584,500	-	-	-	-	-	-	-
Descon Oxychem Limited	64,500	87,000	-	151,500	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim	1,488,500	4,485,000	-	5,973,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	110,500	285,500	-	396,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan	-	2,675,500	-	2,675,500	-	-	-	-	-	-	-
K-Electric Limited	118,000	37,000	-	155,000	-	-	-	-	-	-	-
Pak Elektron Limited	500	70,000	-	70,500	-	-	-	-	-	-	-
Pakistan International Bulk Terminal Limited	-	50,500	-	50,500	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	40,000	-	-	40,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	32,500	-	32,500	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	5,000	-	-	5,000	-	-	-	-	-	-	-
Shabbir Tiles and Ceramics Limited	-	95,000	-	95,000	-	-	-	-	-	-	-
Treet Corporation Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
TRG Pakistan Limited	-	160,500	-	160,500	-	-	-	-	-	-	-
Unity Foods Limited	-	2,743,000	-	2,743,000	-	-	-	-	-	-	-
<b>Total - December 31, 2018</b>						<b>-</b>	<b>-</b>	<b>-</b>			
Total - June 30, 2018						<u>62,661</u>	<u>62,535</u>	<u>(126)</u>			

5.1.5.1 The cost of investment in listed equity securities amounted to Rs Nil million (June 30, 2018: Rs 62.661 million).

5.1.5.2 The above equity securities were purchased in the ready market and simultaneously sold in the future market, resulting in spread income due to difference in ready and future stock prices.

### 5.1.6 Commercial Paper (CP)

This Commercial paper (CP) was issued by Crescent Steel and Allied Products Limited and was purchased during the year ended June 30, 2018. This had a credit rating of A-2 dated May 29, 2018 and carried a yield of 7.5% per annum. This had matured on August 15, 2018. At December 31, 2018, CP represented Nil % (June 30, 2018: 6.38%) of the total net assets of the Fund.

### 5.1.7 Preference shares

Security Leasing Corporation Limited

Note	(Unaudited) December 31, 2018	(Audited) June 30, 2018
---- (Rupees in '000) ----		
5.1.7.1	-	-

**5.1.7.1** In view of its adverse financial position, Security Leasing Corporation Limited had deferred the payment of 3rd redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2009 and 4th redemption pertaining to 1,722,625 shares (face value of Rs. 10 each) due in November 2010. As per the terms of the preference shares, the preference shareholders have preference over ordinary shareholders in the event of liquidation of the Company. The management has fully provided for its investment during the year ended June 30, 2018.

### 5.1.5.5 Non compliant investments

Name of non compliant investment	Type of investment	Value of Investment	Provision balance as on July 1, 2018	Provision during the period	Provision as on December 31, 2018	Value of investment after provision	Market value as a percentage of net assets	Investment as a percentage of total issue size
----- (Rupees in '000) -----							----- % -----	
Silk Bank Limited	Term Finance Certificate	91,626	-	-	-	91,626	16.58	4.58
The Bank of Punjab	Term Finance Certificate	74,056	-	-	-	74,056	13.40	2.96
Security Leasing Corporation Limited	Preference shares	10,663	10,663	-	10,663	-	-	-

## AKD Aggressive Income Fund - Half Yearly Report December 2018

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
		---- (Rupees in '000) ----	
<b>5.2</b>	<b>Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net</b>	<b>Note</b>	
	Market value of securities	5.1.1 & 5.1.2 & 5.1.4 & 5.1.5	217,662
	Less: carrying value of securities	5.1.1 & 5.1.2 & 5.1.4 & 5.1.5	(221,683)
			<u>(4,021)</u>
			434,673
			<u>(440,969)</u>
			<u>(6,296)</u>
<b>6</b>	<b>PROFIT RECEIVABLE</b>		
	Profit receivable on:		
	- Term Finance and Sukuk Certificates		4,343
	- Term Deposit Receipts		195
	- Commercial Paper		-
	- Bank deposits		2,740
			<u>7,278</u>
			3,984
			46
			3,058
			1,156
			<u>8,244</u>
<b>7</b>	<b>DEPOSITS AND PREPAYMENTS</b>		
	Security deposit with National Clearing Company of Pakistan Limited - (NCCPL)		7,750
	Security deposit with Central Depository Company of Pakistan Limited - (CDC)		100
			<u>7,850</u>
			13,262
			100
			<u>13,362</u>
			(Unaudited) (Audited)
			December 31, June 30,
		Note	2018 2018
			---- (Rupees in '000) ----
<b>8</b>	<b>PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>		
	Federal Excise Duty on management remuneration	8.1	4,141
	Management remuneration payable - net	8.2	651
	Sindh sales tax payable on management remuneration	8.3	94
	Payable against allocated expenses	8.4	347
	Sales load payable		-
	Others		2
			<u>5,235</u>
			4,141
			758
			123
			828
			1
			2
			<u>5,853</u>

- 8.1** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2018 amounting to Rs 4.14 million (June 30, 2018: Rs 4.14 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.380 per unit (June 30, 2018: Re 0.3042 per unit).

- 8.2** The Management Company has charged remuneration at the rate of 1.5 % per annum (June 30, 2018: 1.5% per annum) based on the daily net assets of the Fund. The amount of remuneration is being paid monthly in arrears.
- 8.3** During the period, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (June 30, 2018: 13%).
- 8.4** The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses.

## AKD Aggressive Income Fund - Half Yearly Report December 2018

	Note	(Unaudited)	(Audited)
		December 31, 2018	June 30, 2018
---- (Rupees in '000) ----			
<b>9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee remuneration payable	9.1	82	108
Settlement charges payable to the trustee		4	1
Sindh Sales Tax payable on trustee remuneration and CDS charges	9.2	11	14
		<b>97</b>	<b>123</b>

**9.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the average annual net assets of the Fund. In the current period the Management Company has charged trustee fee at the rate of 0.17% per annum (June 30, 2018: 0.17% per annum) of the average annual net assets of the Fund.

**9.2** During the period, Sindh Sales Tax on trustee remuneration has been charged at the rate of 13% (June 30, 2018: 13%).

**9.3** The remuneration is paid to the Trustee on a monthly basis in arrears.

### 10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

**10.1** Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075% (June 30, 2018: 0.075%) of the average annual net assets of the Fund.

	Note	(Unaudited)	(Audited)
		December 31, 2018	June 30, 2018
---- (Rupees in '000) ----			
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		242	337
NCCPL clearing charges payable		35	30
Withholding tax payable		5	21
Provision against Sindh Workers Welfare Fund	11.1	2,690	2,690
Others		6,345	6,448
		<b>9,317</b>	<b>9,526</b>

**11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and also in new Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the SWWF not been provided, the NAV per unit / fund return would have been higher by Re 0.25 / 0.49% (June 30, 2018: Re 0.20 / 0.37%).

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018 except as disclosed below.

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>December 31,</b>	<b>June 30,</b>
	<b>2018</b>	<b>2018</b>
	<b>---- (Rupees in '000) ----</b>	
<b>12.1 Commitments</b>		
Sale of listed equity securities in future (for spread transactions)	-	63,116

## 13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The Fund has not recorded any tax liability as the fund has incurred net loss during the period.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 14 TOTAL EXPENSE RATIO

In accordance with regulation 60 (5) of the amended NBFC regulations 2008 the Total Expense Ratio (excluding government levies) of an aggressive fixed income fund is to be capped at 2% of the daily average net assets of the fund during the year. The Total Expense Ratio of the Fund for the period ended December 31, 2018 was 2.50% (annualised) which included 0.34% (annualised) representing government levies and SECP fee. Accordingly this has been capped at 2.34%. The total expense ratio (excluding government levies and SECP fee) exceeds the 2% capping by Rs 0.075 million which has been recorded as a receivable from the Management Company and adjusted against the remuneration of the Management Company.

### 15 TRANSACTIONS WITH CONNECTED PERSONS

Related parties / connected persons of the Fund include AKD Investment Management Limited( being the Management Company) and its related entities, Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes managed by the Management Company, any entity in which the Management Company , its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close relatives and key management personnel of the Management Company.

Transactions with related parties connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively.

The details of transactions carried out by the Fund with related parties / connected persons and balances with them at the period end are as follows

## AKD Aggressive Income Fund - Half Yearly Report December 2018

### 15.1 Details of transactions with related parties / connected persons during the period are as follows:

	For the half year ended December 31,	
	2018 (Unaudited)	2017 (Unaudited)
	(Rupees in '000)	
<b>AKD Investment Management Limited - Management Company</b>		
Management remuneration - net	5,129	6,000
Sindh sales tax on management remuneration	676	852
Sales load	1	3
Allocated expenses	347	437
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	590	743
Sindh sales tax on trustee remuneration	77	97
<b>AKD Investment Management Limited - Staff Provident Fund</b>		
Purchase of units 3,683 (2017: 6,749)	189	350
Redemption of units 89,633 (2017: 24,812)	4,685	1,290
Dividend paid	180	-
Refund of capital of 185 units (2017: Nil units)	9	-
<b>Key Management Personnel, Director of the Management Company and their close relatives</b>		
<b>Chief Financial Officer</b>		
Redemption of units 5,325 (2017: Nil)	280	-
Dividend paid	27	-
<b>Unit holder holding 10% or more of the units in issue</b>		
<b>National Bank of Pakistan - Employees Pension Fund**</b>		
Purchase of units : 250,257 (2017: Nil)	12,843	-
Dividend paid	17,123	-
<b>Sindh Province Pension Fund**</b>		
Purchase of units: 41,293 (2017: Nil)	2,119	-
Dividend paid	2,825	-
<b>National Bank Of Pakistan*</b>		
Purchase of units : Nil (2017: 1,733,916)	-	90,000
<b>Askari General Insurance Company Limited*</b>		
Purchase of units : 62,526 (2017: Nil)	3,210	-
Redemption of units 1,612,270 (2017: Nil)	84,628	-
Dividend paid	1,328	-
Refund of capital of 40,538 units (2017: Nil units)	2,081	-

## AKD Aggressive Income Fund - Half Yearly Report December 2018

### 15.2 Details of balances with related parties / connected persons as at period end

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	(Rupees in '000)	
<b>AKD Investment Management Limited - Management Company</b>		
Payable to the Management Company - net	651	758
Federal excise duty on management fee payable	4,141	4,141
Sales tax on management fee payable	94	123
Sales load payable	-	1
Payable against allocated expenses	347	828
Others	2	2
<b>AKD Investment Management Limited - Staff Provident Fund</b>		
Units held Nil (June 30, 2018: 85,950)	-	4,602
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	82	108
Settlement charges payable	4	1
Sindh Sales Tax payable on trustee remuneration and CDS charges	11	14
Security deposit	100	100
<b>Chief Financial Officer</b>		
Units held 6,958 (June 30, 2018: 12,283)	353	658
<b>Unit holder holding 10% or more of the units in issue</b>		
<b>National Bank of Pakistan Employees Pension Fund</b>		
Units held 8,033,595 (June 30, 2018: 7,783,338)	407,500	416,734
<b>Sindh Province Pension Fund**</b>		
Units held 1,325,568 (June 30, 2018: Nil)	67,239	-
<b>Askari General Insurance Company Limited*</b>		
Units held Nil (June 30, 2018: 1,549,744)	-	82,976
* Prior period connected party, current period figures not shown		
** Current period connected party, Prior period figures not shown		

## 16 FAIR VALUE MEASUREMENT

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2018 and June 30, 2018, the Fund held the following assets measured at fair values:

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>At fair value through profit or loss</b>				
- Debt securities - Term Finance Certificates	-	217,662	-	217,662
- Government securities - Market Treasury Bills	-	-	-	-
- Listed equity securities	-	-	-	-
- Commercial papers **	-	-	-	-
- Term deposit receipts *	-	-	55,000	55,000
	June 30, 2018			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>At fair value through profit or loss</b>				
- Debt securities - Term Finance Certificates	-	272,716	-	272,716
- Debt securities - Sukuk Certificate	-	-	-	-
- Government securities - Market Treasury Bills	-	99,422	-	99,422
- Listed equity securities	62,535	-	-	62,535
- Commercial papers **	-	-	46,512	46,512
- Term deposit receipts *	-	-	74,000	74,000

- \* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.
- \*\* The valuation of commercial papers had been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of the investment was less than six months and this had been placed with counterparties having high credit rating.

### 17 GENERAL

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

**17.2** Figures have been rounded off to the nearest thousand Rupees.

### 18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 22, 2019 by the Board of Directors of the Management Company.

For AKD Investment Management Limited  
(Management Company)

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**Imran Motiwala**  
Chief Executive Officer

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**Muhammad Munir Abdullah**  
Chief Financial Officer

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**Anum Dhedhi**  
Director



**AKD Investment  
Management Ltd.**

**Head Office:**

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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

**Abbottabad Branch:**

Office No. 1 & 2, 2nd Floor, Zaman Plaza,  
Near Complex Hospital,  
Main Mansehra Road, Abbottabad.  
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