

Funds Managed by:
AKD Investment Management Ltd.

2020



annual report



Partner with AKD
Profit from the Experience



**AKD Investment
Management Ltd.**

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CORPORATE INFORMATION



Abdul Karim
Chairman



Imran Motiwala
Chief Executive Officer



Hasan Ahmed
Director



Anum Dhedhi
Director



Ali Wahab Siddiqui
Director



Aysha Ahmed
Director



Saim Mustafa Zuberi
Director

MANAGEMENT COMPANY

216-217, Continental Trade Centre, Block-8,
Clifton, Karachi-74000

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman

Mr. Abdul Karim

Director & Chief Executive Officer

Mr. Imran Motiwala

Director

Ms. Anum Dhedhi

Ms. Aysha Ahmed

Mr. Ali Wahab Siddiqui

Mr. Hasan Ahmed

Mr. Saim Mustafa Zuberi

HEAD OF INTERNAL AUDIT OF THE MANAGEMENT COMPANY

Ms. Tayyaba Masoom Ali

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)

Mr. Hasan Ahmed (Member)

Mr. Saim Mustafa Zuberi (Member)

Ms. Tayyaba Masoom Ali (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

Ms. Aysha Ahmed (Chairman)

Mr. Abdul Karim (Member)

Mr. Imran Motiwala (Member)

Ms. Anum Dhedhi (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING

AKD Investment Management Limited
AM3++ (AM Three Plus Plus) issued by PACRA

**CORPORATE
INFORMATION**

VISION



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

MISSION STATEMENT



AKD Funds shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of AKD Investment Management Limited (AKDIML), the Management Company of AKD Opportunity Fund (AKDOF), Golden Arrow Stock Fund (GASF) - (Formerly: Golden Arrow Selected Stocks Fund Limited), 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 annual report along with the Funds' Audited Financial Statements for the year ended June 30, 2020.

FUNDS' FINANCIAL PERFORMANCE**AKD Opportunity Fund (AKDOF)**

For the FY20, the return of AKD Opportunity Fund stood at 1.65% compared to the benchmark KSE-100 Index return of 1.53%.

Golden Arrow Stock Fund (GASF)

For the FY20, the return of Golden Arrow Stock Fund stood at -4.59% compared to the benchmark KSE-100 Index return of 1.53%.

Golden Arrow Stock Fund (subsequent to its conversion from a closed end investment company into an open end scheme as per Scheme of arrangement) the return for the period from November 25, 2019 to June 30, 2020 stood at -3.16% compared to the benchmark KSE-100 Index return of -9.24%.

AKD Index Tracker Fund (AKDITF)

For the FY20, the return of AKD Index Tracker Fund stood at -0.19% compared to the benchmark KSE-100 Index return of 1.53%.

AKD Cash Fund (AKDCF)

For the FY20, the return of AKD Cash Fund stood at 12.24% compared to the benchmark return of 11.67%.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution (including refund of element) of Rs. 6.0811 per unit to the unit holders during the year ended June 30, 2020.

AKD Aggressive Income Fund (AKDAIF)

For the FY20, the return of AKD Aggressive Income Fund stood at 13.12% compared to the benchmark return of 12.31%.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution (including refund of element) of Rs. 6.7781 per unit to the unit holders during the year ended June 30, 2020.

AKD Islamic Income Fund (AKDISIF)

For the FY20, the return of AKD Islamic Income Fund stood at 11.54% compared to the benchmark return of 6.33%.

The Chief Executive under the authority granted by the Board of Directors approved interim distribution (including refund of element) of Rs. 5.7297 per unit to the unit holders during the year ended June 30, 2020.

AKD Islamic Stock Fund (AKDISSF)

For the FY20, the return of AKD Islamic Stock Fund stood at -14.05% compared to the benchmark KMI-30 Index return of 1.62%.

MACRO PERSPECTIVE

Stringent measures adopted by the PTI led government during its initial two years cultivated fruits during FY20 as both the Fiscal and Current Account Deficits were restricted to 8.1% and 1.1% of Gross Domestic

Product (GDP) respectively, as compared to 8.9 % and 4.8% in FY19. Improvement in former can be attributed to austerity measures taken by the government while latter improved on the back of a decrease in balance of trade and improvement in remittances during the period. However, the government's precautionary approach to COVID19 led to a country wide lockdown which brought almost all economic activities to a halt, resulting in a decline in GDP by 0.38% YoY.

The Current Account Deficit (CAD) for FY20 stood at \$2.97 billion (1.1% of GDP) as compared to \$13.43 billion (4.8% of GDP) in the same period last year (SPLY), exhibiting a decline of 77.89% YoY. This improved performance is attributed to decrease in the imports of goods by 18.22% YoY to \$42.42 billion from \$51.87 billion, along with an increase in remittances of 6.35% YoY to \$23.12 billion. However, due to the shutdown in export destinations coupled with lockdowns in Pakistan amid spread of COVID-19 pandemic, exports of goods remained depressed and declined by 7.21% YoY to \$22.51 billion from \$24.26 billion, SPLY. Foreign Direct Investment (FDI) registered a growth of 88.03% YoY to \$2.56 billion which helped the Central Bank in building country's Foreign Exchange Reserves up by \$4.40 billion to \$18.89 billion.

On fiscal front, the Federal Board of Revenue (FBR) managed to collect around PKR 3.998 trillion during FY20, i.e. PKR 89 billion above its revised target of PKR 3.908 trillion, as compared to PKR 3.83 trillion in the same period last year. The tax collection remained below the initial target of PKR 5.55 trillion (12.6% of GDP), making it difficult for the government to execute development spending. Moreover, the government has set a revenue collection target of PKR 4.96 trillion for FY21, up by 24.16% as compared to FY20 collection, which appears ambitious keeping in view the current economic slowdown despite an encouraging improvement in economic numbers as COVID-19 cases recede.

As per Pakistan Bureau of Statistics (PBS), the average National Consumer Price Index (NCPI) in FY20 was recorded at 10.74% YoY as compared to 6.80% YoY, SPLY. Core Inflation, calculated by excluding food and energy, clocked in at 7.09% YoY and 6.34% YoY for Urban and Rural areas respectively, as compared to 5.10% YoY and 4.08% YoY, SPLY. Following a decrease in the economic activity due to the country-wide lockdown amidst Covid-19, the State Bank of Pakistan (SBP) took an unorthodox step of slashing the policy rate by 625 bps cumulatively to 7.00% from 13.25% in order to revive halted economic activities in the country.

According to the Economic Survey of FY20, the agriculture sector grew by 2.67%YoY. The crops witnessed a positive growth of 2.98% during FY20 mainly due to positive growth of 2.90% YoY in key agricultural crops. Wheat being the most important crop of Rabi, showed growth of 2.5% to reach 24.95 million tons. Rice production increased by 2.9% to 7.41 million tons and Maize production by 6.0% to 7.24 million tons. However, Cotton production declined by 6.9% to 9.18 million bales while the Sugarcane production declined by 0.4% to 66.88 million tons.

The Large Scale Manufacturing (LSM) sector, which constitutes 77.05% of the total Manufacturing and 8.9% of GDP, witnessed a decrease of 10.17% for FY20. During the period under review, major contribution towards the negative growth came from Automobile (Weight: 4.613%), Textile (Weight: 20.92%), Electronics (Weight: 1.96%) and Coke and Petroleum Products (Weight: 5.514%) as the sectors decreased by 43.78%, 10.37%, 34.82% and 20.10% respectively. However, some of the decrease was compensated by positive performance from Fertilizer (Weight: 4.441%), Paper and Board (Weight: 2.314%) and Rubber Products (Weight: 0.262%) which grew by 4.39%, 2.25% and 2.91% respectively during FY20.

Furthermore, Pakistan was able to attract net \$2.56 billion in Foreign Direct Investment (FDI) during FY20, up by 88.03% YoY as compared to \$1.36 billion recorded during FY19 owing to low base effect. This was on the back of a number of reasons including uncertainty of PKR/US, delay in finalization of IMF program, vulnerable twin deficit, downgrading of Pakistan's credit rating by Fitch Ratings in December 2018 and dampened investor confidence. Major increase in FDI came in the Power sector (majorly coal fired power plant) and Communication sector with increase in net inflows by \$1.09 billion (~336% YoY) and \$719.61 million (~1292% YoY) respectively. On the other hand, Personal Services, Beverages, Chemicals, and Transport Equipment-cars, witnessed a cumulative net decrease in FDI of \$346.12 million during FY20. As far as investing countries were concerned, major increase in FDI was witnessed from China, Malta and Norway by \$713.33 million (+60% YoY), \$362.15 million (+30% YoY) and 286.06 million (24% YoY).

During the period under review, the local currency had a volatile year as PKR appreciated by 4.15% during 1QFY20 owing to expected inflows from the International Monetary Fund and multilateral lenders. However, PKR depreciated by 7.74% during 2HFY20 after shutdown of economic activities as provinces announced lockdown to contain the spread of Corona Virus in the country. USD PKR rate closed at PKR 167.86 during FY20 as compared to previous year closing rate PKR 163.75, registering depreciation of 2.45% YoY.

EQUITY MARKET REVIEW

After two years aggregate downward trajectory of 27.20% for FY18 and FY19, the local bourse stayed flat with a disappointing return of 1.53% (-3.1% in dollar terms) during FY20 to close at 34,422 points as compared to last year close of 33,902 points. During 1HFY20, market posted a return of 20.16% owing to improvement in economic numbers; however, it succumbed to selling pressure during 2HFY20 as shutdown of economic activities amid lockdown due to Covid-19 pandemic hit the KSE-100 Index. With the widespread of Covid-19 in the country, market plunged by 28.24% QoQ during 3QFY20. Moreover, timely monetary easing by the Central Bank (cumulative reduction in policy rate by 625bps), and the government's incentive package for the construction sector and business friendly policies for the businesses provided impetus to the local bourse in 4QFY20, and resulted in recouping investors' losses of 3QFY20.

Average daily turnover during FY20 clocked in at 196.53 million shares, up by 26.63%YoY as compared to 155.21 million shares recorded during FY19. Investors' attention shifted towards top tier stocks as ratio of turnover for KSE-100 improved to 68.92% in FY20 as compared to 62.26% SPLY. Average daily traded value improved to PKR 7.22 billion, up by 13.44% as compared to PKR 6.36 billion recorded during FY19. Foreign investors continued to remain the net sellers in the Equity market with net selling of \$284.83 million during FY20, taking the cumulative outflow since FY16 to \$1.86 billion. Banks/DFI and Mutual Funds also offloaded their positions during FY20 with net selling of \$55.40 million and \$50.22 million respectively. Much of the selling was absorbed by Individuals and Insurance Companies with net buying of \$213.23 million and \$127.64 million respectively.

There was major outperformance witnessed in different sectors during FY20 which helped the KSE-100 Index maintain its momentum. Sectors like, Cement, Pharmaceuticals, Food & Personal Care Products, Chemical, Fertilizer and Technology and Communication sector outperformed the benchmark index as market capitalization increased by 33.31%, 56.42%, 10.78%, 12.34%, 7.31% and 35.31% respectively. On the other hand Tobacco, Commercial Banks, Oil and Gas Exploration Companies, Power Generation & Distribution and Textile Composite sector remained the worst performers with a decrease in market capitalization by 40.41%, 16.70%, 14.26%, 19.19% and 8.15% respectively. Total Market Capitalization ratio to GDP has decreased to 15.65% as compared to 18.14% and 24.90% recorded during FY19 and FY18 respectively.

After the outbreak of COVID-19 in the country and the closure of economic activities, the Government of Pakistan (GoP) took some unprecedented steps and skipped imposition of additional new taxes in the Budget FY21. Prior to that GoP had announced a PKR 1.2 trillion relief package including PKR 100 billion exporter refunds, PKR 150 billion deferred interest payments for SMEs, and subsidized electricity for consumers who use less than 300 units of electricity. Moreover, government has expanded the outreach of Prime Minister's "Ehsaas Programme" by increasing the total allocation to PKR 208 billion as compared to PKR 187 billion in FY19. All the steps helped to recuperate investors' confidence due to expected increase in demand.

In terms of valuation, KSE-100 Index closed at forward Price to Earnings Multiple of 6.22x, 50% discount as compared to MSCI Emerging Market P/E of 12.45x and offering a healthy dividend yield of 6.86%. Furthermore, Benchmark index closed at a forward Price to Book Multiple of 0.85x, 40% as compared to MSCI Emerging Market P/B of 1.41x.

MONEY MARKET REVIEW

During FY20, twenty-seven (27) T-Bill auctions were conducted, where the State Bank of Pakistan managed to raise PKR 14.35 trillion cumulatively. Weighted average yield of the 3 months, 6 months, and 12 months period were 12.23%, 12.13%, and 11.98% respectively, as compared to 9.69%, 9.76%, and 6.57% respectively for same period last year. It is pertinent to note however that the yield curve has been on a declining

trend since touching its high of 13.75%, 13.95% and 14.22% for 3 months, 6 months and 12 months T-Bills respectively, depicting an inversion in the yield curve within the short tenure papers as well.

To further address demand for liquidity, the SBP conducted twelve (12) auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR 2.07 trillion during FY20 with weighted average yield of the 3 years, 5 years, and 10 years of 11.59%, 11.29%, and 11.18%, as compared to 9.97%, 10.02%, and 10.93% respectively, during the same period last year. It is pertinent to note that bids were accepted in 20 years PIB with the weighted average yield of 11.02%. Moreover, the SBP carried out a fresh issue of the 15 years PIB with a weighted average yield of 12.80%. During 1QFY21, weighted average yields for 3 years, 5 years, 10 years, and 20 years PIBs rose by 37.77 bps, 9.46 bps, 11.9 bps, and 3.98 bps respectively to 8.20%, 8.45%, 8.99%, and 10.55%.

During FY20, the Monetary Policy Committee (MPC) cut the policy rate cumulatively by 525 bps to 7.00% amid the Covid-19 pandemic with an aim to cushion the slowdown in growth rate while maintaining its inflation outlook. The SBP conducted 106 Open Market Operations (OMO) in FY20 of different maturities, in which it injected an average amount of PKR 625.10 billion per OMO at an average cut-off yield of 12.36%, and mopped up an average amount of PKR 202.37 billion per OMO at an average cut-off yield of 11.05%.

As per the auction target calendar for September - November 2020, the SBP targets to raise PKR 420 billion by issuing 3 -20 years Fixed Rate PIBs and PKR 2.35 trillion by issuing 3 -12-months T-Bills to pay back the maturing debt of PKR 3.12 trillion. In addition, SBP targets to raise another PKR 660 billion through the auction of a 3 - 10 years Floating Rate PIBs.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- (a) The financial statements, prepared by the Management of the Company, present fairly the state of affairs of the Fund, the result of its operations, cash flows and movement in unit holders' funds.
- (b) Proper books of account of the Funds have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments.
- (d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;
- (e) The system of internal control is sound in design and has effectively implemented and monitored.
- (f) There are no significant doubts upon the Funds' ability to continue as a going concern.
- (g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- (h) Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- (i) The statement showing the attendance of Directors in BOD meetings and Audit Committee meetings is as under:

S.No.	Name of Director	MEETINGS ATTENDANCE (BOD)				Attended	Leave
		29-Apr-20	21-Feb-20	26-Oct-19	30-Sep-19		
1	Mr. Abdul Karim	✓	✓	✓	✓	4	0
2	Mr. Imran Motiwala	✓	✓	✓	✓	4	0
3	Ms. Anum Dhedhi	✓	✓	✓	✓	4	0
4	Mr. Saim Mustafa Zuberi	✓	✓	✗	✓	3	1
5	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
6	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
7	Ms. Aysha Ahmed	✓	✓	✓	✓	4	0

S.No.	Name of Director	MEETINGS ATTENDANCE (Audit Committee)				Attended	Leave
		29-Apr-20	21-Feb-20	25-Oct-19	28-Sep-19		
1	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
2	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
3	Mr. Saim Mustafa Zuberi	✗	✓	✗	✓	2	2

(j) There have been no trades in the units of the Funds carried out by the Directors, CEO, CFO, CIO, COO, Company Secretary and their spouses and minor children of the Management Company other than as disclosed below and in the note to the financial statements:

S.No.	Trades by	Designation	Investment (No. of Units)	Redemption (No. of Units)
AKD Opportunity Fund				
1	Mr. Imran Motiwala	CEO	32,660.13	32,689.45
2	Ms. Sehr Imran Motiwala	Spouse - CEO	924,859.97	1,762,171.66
3	Mr. Muhammad Yaqoob	COO & Company Secretary	14,574.38	4,729.77
4	Ms. Maliha	Spouse – COO & Company Secretary	26,322.02	1,615.30

S.No.	Trades by	Designation	Investment (No. of Units)	Redemption (No. of Units)
AKD Cash Fund				
1	Ms. Sehr Imran Motiwala	Spouse - CEO	1,912,911.13	1,912,911.13
2	Mr. Hasan Ahmed	Director	12.9318	-

S.No.	Trades by	Designation	Investment (No. of Units)	Redemption (No. of Units)
AKD Islamic Income Fund				
1	Mr. Imran Motiwala	CEO	79,113.14	79,135.09
2	Ms. Sehr Imran Motiwala	Spouse - CEO	9,634,283.16	7,626,999.36
3	Mr. Muhammad Yaqoob	COO & Company Secretary	1,665.87	-
4	Ms. Maliha	Spouse – COO & Company Secretary	27,685.64	27,685.64
5	Mr. Muhammad Munir	CFO	-	5,968.00

S.No.	Trades by	Designation	Investment (No. of Units)	Redemption (No. of Units)
AKD Islamic Stock Fund				
1	Ms. Sehr Imran Motiwala	Spouse - CEO	396,502.52	396,502.52
2	Mr. Hasan Ahmed	Director	-	10,077.96

S.No.	Trades by	Designation	Investment (No. of Units)	Redemption (No. of Units)
AKD Index Tracker Fund				
1	Ms. Maliha	Spouse – COO & Company Secretary	147,786.13	147,786.13

S.No.	Trades by	Designation	Investment (No. of Units)	Redemption (No. of Units)
Golden Arrow Stock Fund				
1	Ms. Maliha	Spouse – COO & Company Secretary	619.97	-

RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of AM3++ (AM three Plus Plus) to AKD Investment Management Limited (AKDIML) on February 08, 2020.

RATING OF THE FUNDS

AKD OPPORTUNITY FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned AKD Opportunity Fund (AKDOF) performance ranking of "MFR-1 Star" in performance period of 1 year, "MFR-2 Star" in performance period of 3 years, and "MFR-3 Star" in performance period of 5 years on February 28, 2020.

AKD CASH FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of 'AA+(f)' (Double A plus; fund stability rating) to AKD Cash Fund (AKDCF) on April 24, 2020.

AKD AGGRESSIVE INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of 'A-(f)' (A Negative; fund stability rating) to AKD Aggressive Income Fund (AKDAIF) on April 24, 2020.

GOLDEN ARROW STOCK FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Golden Arrow Stock Fund (GASF) performance ranking of "MFR-1 Star" in performance period of 1 year, "MFR-2 Star" in performance period of 3 years, and "MFR-4 Star" in performance period of 5 years on February 28, 2020.

AKD ISLAMIC INCOME FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned the stability rating of 'A+(f)' (A plus; fund stability rating) to AKD Islamic Income Fund (AKDISIF) on April 24, 2020.

AKD ISLAMIC STOCK FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned AKD Islamic Stock Fund (AKDISSF) performance ranking of "MFR-1 Star" in performance period of 1 year on February 28, 2020.

HOLDING COMPANY

Aqeel Karim Dhedhi Securities (Private) Limited is the holding company of AKD Investment Management Limited and holds 99.97% of the outstanding ordinary shares of the company.

APPOINTMENT OF AUDITORS

The Board re-appointed M/s Deloitte Yousuf Adil, Chartered Accountants as the statutory auditors for AKD Opportunity Fund (AKDOF), Golden Arrow Stock Fund (GASF), 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) for the year 2020-2021 as recommended by the Audit Committee.

The Board re-appointed M/s Deloitte Yousuf Adil, Chartered Accountants as statutory auditors of AKD Investment Management Limited for the year 2020-2021 as recommended by the Audit Committee.

ACKNOWLEDGEMENTS

The Directors would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan, the Ministry of Finance, the state Bank of Pakistan and the Management of the Pakistan Stock Exchange for their continued support and cooperation. The Board also appreciates the devoted performance of the staff and officers of the AKD Investment Management Limited. The Board will also like to thank the investors for their confidence in the Company.

FUTURE OUTLOOK

During 2MFY21, Current Account balance witnessed a surplus of \$805 million. Turnaround in the situation can be attributed to an increase in remittances on the back of hindrance over informal channel owing to closure of air travel and lockdown. Going forward, textile exports are expected to increase owing to various incentives offered to the sector in the form of low energy tariff which will provide further cushion to the Current Account balance. Resultantly, pressure on the Current Account will lessen the chances of any ad-hoc devaluations, however, gradual devaluation of ~5% cannot be ruled out.

After Torrential Rain and floods in Karachi, The Prime Minister announced a historic PKR1.1 trillion development package to transform Karachi in the next 3 years to tackle the city's civic issues and includes key projects relating to cleaning of drains, sewerage treatment and disposal, water supply, roads, and mass transit. The breakup of the package includes: 1) Water supply of PKR 92 billion 2) Solid Waste Management, storm water drains clearance and resettlement projects of PKR 267 billion 3) Sewage treatment plans of PKR 141 billion, 4) Road Projects of PKR 41 billion and 5) mass transit including rail and road of PKR 572 billion. The announced Package along with Construction Package announced at start of 4th quarter will bode well for the economy. Primary beneficiaries of the announced package will be the cement and steel sectors.

As per the World Health Organization (WHO) briefing, Pakistan is among the top five Countries which have taken successful and effective measures combating the Covid-19 pandemic in a timely manner. WHO Director-General Dr. Tedros Adhanom Ghebreyesus in a recent press briefing remarked that Pakistan has used the infrastructure it developed in its fight against polio to tackle COVID-19. Pakistan has seen a steady decline in the number of positive cases in the past few weeks after which the government lifted most of the country's remaining corona virus restrictions. By mid of September, Pakistan recovery percentage stood at 96% with total recoveries and confirmed cases of 289,806 and 302,020 respectively. Daily Infection ratio has also been decreasing where current active cases stood at 5,831.

Due to increasing concern over ballooning circular Debt, Government of Pakistan has been in talks with Independent Power Producers (IPPs) to re-negotiate the contractual terms of their respective power purchase agreements. In a more encouraging development followed by an "in-principal/MoU" understanding, many IPPs have agreed to revise down their capacity payments and share efficiency gains above the benchmark tariff efficiency levels. Moreover, IPPs have also agreed to convert their contract to "Take and Pay basis" from "Take or Pay" after development of Competitive trading agreement. Such extraordinary reforms in the power sector will limit the increase of circular debt and increase the efficiency of energy chain in the country. It is further pertinent to note that the key issue of outstanding dues has also been addressed in the same principle agreement in which the government would pay all dues.

The Supreme Court (SC) of Pakistan announced its verdict for the long awaited decision of Gas Infrastructure Cess (GIDC). The SC decision was in favor of the Government and Industries were thereby directed to pay the whole amount due till July 31st, 2020 within 24 months of the date. SC also restrained the government from charging any further GIDC until the amount collected till date is spent on projects as defined in the GIDC Act, 2015. While the SC had ruled in favor of the Government there remained contentious issues as far as industries were concerned including applicability of this decision on exporters and more importantly the timeline provided by the SC to ensure receipt of all dues. In this connection, the Government for example, rejected the request of fertilizer manufacturer to extend the deadline to 10 years. Fertilizer manufacturers have warned about increasing the urea price by PKR 100/bag and PKR 500/bag depending upon the installment time of 2 year and 10 years respectively. Moreover, any increase in the urea prices can exert a potentially high inflationary pressure on the food inflation of the country. The recent developments and the verdict of the decision will put the sector under limelight during the upcoming year.

With a significant reduction in the interest rates, and the overall slowdown in the economy, Pakistan's equity market has become attractive for many investors and thus managed to attract liquidity where all other asset classes were selectively unable to excite fresh liquidity during the initial widespread of the Covid-19 pandemic. With that, PSX may continue to attract further liquidity compared to other asset classes through mutual funds and insurance companies. Foreign interest has rejuvenated where FIPI has witnessed inflow of USD 6.85mn during the month of August where we remain optimistic about future inflows due to our current PKR/USD parity and interest rate scenarios globally.

During FY21, output of major crops is likely to decrease due to the locust attacks and seasonal rains. Industrial sector is expected to resume growth after two years of a consecutive decline (FY19-20) contributing positively to our expected real GDP growth of 2.0% for FY21, as per State Bank of Pakistan. We expect that the current negative interest rate regime will be helpful in providing soft financing to the corporate sector. Moreover, the Real Effective Exchange Rate (REER) of 93.02 implies stable Dollar parity, and a very low probability of further Rupee depreciation.

On the Fixed Income Front, Recent 625bps decrease in interest rates has provided stimulus to the economy. The State Bank of Pakistan expects country's core inflation to hover between 7 to 9 percent during FY21. The current negative real interest rates cannot be sustainable for long considering the country under an International Monetary Fund program. Moreover, negative real interest rates also pose risk to flight of capital, resulting in devaluation of the currency. We expect the SBP to opt for contractionary monetary policy during 2HFY21.

Equity benchmarks are likely to remain in the bull-run trajectory in the medium run with liquidity being the pivotal driving force while also gaining assistance from potential shift towards heavy weight sectors like Banks and E&Ps where valuations appear to be stretched elsewhere. Future expected growth in corporate earnings due to recently announced packaged will justify upward re-rating Price to Earning of Benchmark KSE-100 index which is currently trading at a forward Price to Earnings Multiple of 7.49x (September 16, 2020).

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim Memon
Chairman

Karachi: September 30, 2020

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

- a) Male: Five
- b) Female: Two

2. The composition of the Board of Directors is as follows:

Category	Name
i. Independent Director	Mr. Hasan Ahmed Mr. Ali Wahab Siddiqui Ms. Aysha Ahmed
ii. Non-Executive Directors	Mr. Hasan Ahmed Mr. Ali Wahab Siddiqui Mr. Saim Mustafa Zuberi Mr. Abdul Karim Memon Ms. Aysha Ahmed
iii. Executive Directors	Mr. Imran Motiwala Ms. Anum Aqeel Dhedhi
iv. Female directors	Ms. Anum Aqeel Dhedhi Ms. Aysha Ahmed

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations").
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has formed a formal policy and transparent procedures for remuneration of directors in accordance with the provisions of Companies Act and these Regulations which is to be approved by the board in the upcoming meeting of the board of directors.
9. The Board remained fully compliant with the provision with regards to their Directors' Training Program (DTP). Out of total seven directors, five directors have obtained certification under DTP.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:-
- a. Audit Committee**
- Mr. Ali Wahab Siddiqui - Chairman
Mr. Hasan Ahmed - Member
Mr. Saim Mustafa Zubari - Member
Ms. Tayyaba Masoom - Secretary
- b. Human Resource and Remuneration (HR & R) Committee**
- Ms. Aysha Ahmed - Chairman
Mr. Abdul Karim Memon - Member
Mr. Imran Motiwala - Member
Ms. Anum Aqeel Dhedhi - Member
Mr. Saim Mustafa Zubari - Member
Mr. Muhammad Yaqoob Sultan - Secretary
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
- a) Audit Committee: Four quarterly meetings were held during the financial year ended June 30, 2020.
- b) HR and Remuneration Committee: One meeting was held during the financial year ended June 30, 2020.
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with.

For and on behalf of the board

Director

Chairman

Karachi: 30 September 2020

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS' OF AKD INVESTMENT MANAGEMENT LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **AKD INVESTMENT MANAGEMENT COMPANY** (the Company) for and on behalf of its Funds (the AKD Funds) for the year ended June 30, 2020 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the AKD Fund's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the AMC to comply with the Regulations.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Deloitte Yousuf Adil
Chartered Accountants

Place: Karachi

Date: September 30, 2020

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 Shahra-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

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

LEGAL ADVISER

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

REGISTRAR

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

DISTRIBUTORS

AKD Investment Management Limited.
Investomate (Pvt.) Limited
Investlink Advisor (Private) Limited

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:

AKD Aggressive Income Fund (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:

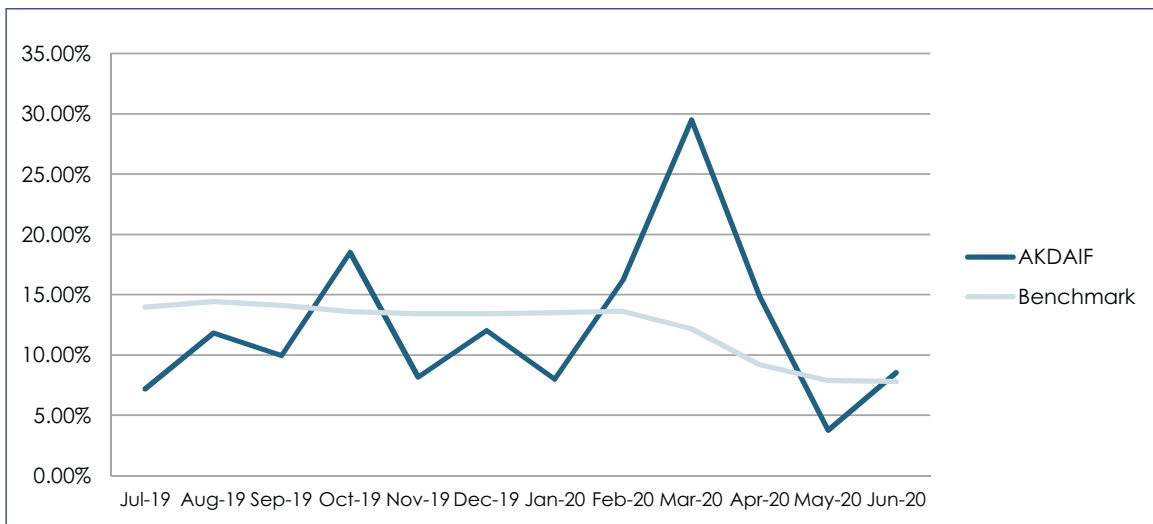
For the FY20, the return of AKD Aggressive Income Fund stood at 13.12% as compared to the benchmark return of 12.31%.

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:

AKDAIF PERFORMANCE RELATIVE TO BENCHMARK



Monthly return (p.a.)	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020
AKDAIF	7.20%	11.83%	9.98%	18.53%	8.18%	12.05%	8.00%	16.26%	29.49%	14.86%	3.77%	8.56%
Benchmark	13.97%	14.44%	14.12%	13.59%	13.42%	13.43%	13.50%	13.63%	12.19%	9.23%	7.90%	7.80%

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 Scheme; the returns of the fund are generated through investment in T-bills, PIBs, Margin Trading System, Spread transaction and corporate debt instruments.

vii) Disclosure of Collective Investment Scheme's asset allocation as the date of the report and particulars of significant changes in asset allocation:

Asset Allocation (% of Total Asset)	30-June 2020	30-June 2019
Cash and Cash Equivalent	11.42%	50.52%
Tbills having more than 90 days maturity	54.43%	0.00%
Placement with Banks, DFIs, and NBFCs	0.00%	8.68%
TFCs / SUKUK	24.03%	38.99%
Commercial Papers	8.19%	-
Other Assets including Receivables	1.93%	1.81%

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

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	89,713	Nil	89,713	13.75%	13.21%
The Bank of Punjab	TFC	73,488	Nil	73,488	11.26%	10.82%

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

FY20 Return	13.12%
Benchmark Return	12.31%

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

Net Assets Value		NAV Per Unit		
30-Jun-20	30-Jun-19	Change in Net Assets	30-Jun-20	30-Jun-19
(Rupees In "000")			Rs.	Rs.
652,483	559,033	16.72%	51.06	51.12

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

Stringent measures adopted by the PTI led government during its initial two years cultivated fruits during FY20 as both the Fiscal and Current Account Deficits were restricted to 8.1% and 1.1% of Gross Domestic Product (GDP) respectively, as compared to 8.9 % and 4.8% in FY19. Improvement in former can be attributed to austerity measures taken by the government while latter improved on the back of a decrease in balance of trade and improvement in remittances during the period. However, the government's precautionary approach to COVID19 led to a country wide lockdown which brought almost all economic activities to a halt, resulting in a decline in GDP by 0.38% YoY.

The Current Account Deficit (CAD) for FY20 stood at \$2.97 billion (1.1% of GDP) as compared to \$13.43 billion (4.8% of GDP) in the same period last year (SPLY), exhibiting a decline of 77.89% YoY. This improved performance is attributed to decrease in the imports of goods by 18.22% YoY to \$42.42 billion from \$51.87 billion, along with an increase in remittances of 6.35% YoY to \$23.12 billion. However, due to the shutdown in export destinations coupled with lockdowns in Pakistan amid spread of COVID-19 pandemic, exports of goods remained depressed and declined by 7.21% YoY to \$22.51 billion from

\$24.26 billion, SPLY. Foreign Direct Investment (FDI) registered a growth of 88.03% YoY to \$2.56 billion which helped the Central Bank in building country's Foreign Exchange Reserves up by \$4.40 billion to \$18.89 billion.

On fiscal front, the Federal Board of Revenue (FBR) managed to collect around PKR 3.998 trillion during FY20, i.e. PKR 89 billion above its revised target of PKR 3.908 trillion, as compared to PKR 3.83 trillion in the same period last year. The tax collection remained below the initial target of PKR 5.55 trillion (12.6% of GDP), making it difficult for the government to execute development spending. Moreover, the government has set a revenue collection target of PKR 4.96 trillion for FY21, up by 24.16% as compared to FY20 collection, which appears ambitious keeping in view the current economic slowdown despite an encouraging improvement in economic numbers as COVID-19 cases recede.

As per Pakistan Bureau of Statistics (PBS), the average National Consumer Price Index (NCPI) in FY20 was recorded at 10.74% YoY as compared to 6.80% YoY, SPLY. Core Inflation, calculated by excluding food and energy, clocked in at 7.09% YoY and 6.34% YoY for Urban and Rural areas respectively, as compared to 5.10% YoY and 4.08% YoY, SPLY. Following a decrease in the economic activity due to the country-wide lockdown amidst Covid-19, the State Bank of Pakistan (SBP) took an unorthodox step of slashing the policy rate by 625 bps cumulatively to 7.00% from 13.25% in order to revive halted economic activities in the country.

According to the Economic Survey of FY20, the agriculture sector grew by 2.67%YoY. The crops witnessed a positive growth of 2.98% during FY20 mainly due to positive growth of 2.90% YoY in key agricultural crops. Wheat being the most important crop of Rabi, showed growth of 2.5% to reach 24.95 million tons. Rice production increased by 2.9% to 7.41 million tons and Maize production by 6.0% to 7.24 million tons. However, Cotton production declined by 6.9% to 9.18 million bales while the Sugarcane production declined by 0.4% to 66.88 million tons.

The Large Scale Manufacturing (LSM) sector, which constitutes 77.05% of the total Manufacturing and 8.9% of GDP, witnessed a decrease of 10.17% for FY20. During the period under review, major contribution towards the negative growth came from Automobile (Weight: 4.613%), Textile (Weight: 20.92%), Electronics (Weight: 1.96%) and Coke and Petroleum Products (Weight: 5.514%) as the sectors decreased by 43.78%, 10.37%, 34.82% and 20.10% respectively. However, some of the decrease was compensated by positive performance from Fertilizer (Weight: 4.441%), Paper and Board (Weight: 2.314%) and Rubber Products (Weight: 0.262%) which grew by 4.39%, 2.25% and 2.91% respectively during FY20.

Furthermore, Pakistan was able to attract net \$2.56 billion in Foreign Direct Investment (FDI) during FY20, up by 88.03% YoY as compared to \$1.36 billion recorded during FY19 owing to low base effect. This was on the back of a number of reasons including uncertainty of PKR/US, delay in finalization of IMF program, vulnerable twin deficit, downgrading of Pakistan's credit rating by Fitch Ratings in December 2018 and dampened investor confidence. Major increase in FDI came in the Power sector (majorly coal fired power plant) and Communication sector with increase in net inflows by \$1.09 billion (~336% YoY) and \$719.61 million (~1292% YoY) respectively. On the other hand, Personal Services, Beverages, Chemicals, and Transport Equipment-cars, witnessed a cumulative net decrease in FDI of \$346.12 million during FY20. As far as investing countries were concerned, major increase in FDI was witnessed from China, Malta and Norway by \$713.33 million (+60% YoY), \$362.15 million (+30% YoY) and 286.06 million (24% YoY).

During the period under review, the local currency had a volatile year as PKR appreciated by 4.15% during 1QFY20 owing to expected inflows from the International Monetary Fund and multilateral lenders. However, PKR depreciated by 7.74% during 2HFY20 after shutdown of economic activities as provinces announced lockdown to contain the spread of Corona Virus in the country. USD PKR rate closed at PKR 167.86 during FY20 as compared to previous year closing rate PKR 163.75, registering depreciation of 2.45% YoY.

MONEY MARKET REVIEW

During FY20, twenty-seven (27) T-Bill auctions were conducted, where the State Bank of Pakistan managed to raise PKR 14.35 trillion cumulatively. Weighted average yield of the 3 months, 6 months, and 12 months period were 12.23%, 12.13%, and 11.98% respectively, as compared to 9.69%, 9.76%, and 6.57% respectively for same period last year. It is pertinent to note however that the yield curve has been on a declining trend since touching its high of 13.75%, 13.95% and 14.22% for 3 months, 6 months and 12 months T-Bills respectively, depicting an inversion in the yield curve within the short tenure papers as well.

To further address demand for liquidity, the SBP conducted twelve (12) auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR 2.07 trillion during FY20 with weighted average yield of the 3 years, 5 years, and 10 years of 11.59%, 11.29%, and 11.18%, as compared to 9.97%, 10.02%, and 10.93% respectively, during the same period last year. It is pertinent to note that bids were accepted in 20 years PIB with the weighted average yield of 11.02%. Moreover, the SBP carried out a fresh issue of the 15 years PIB with a weighted average yield of 12.80%. During 1QFY21, weighted average yields for 3 years, 5 years, 10 years, and 20 years PIBs rose by 37.77 bps, 9.46 bps, 11.9 bps, and 3.98 bps respectively to 8.20%, 8.45%, 8.99%, and 10.55%.

During FY20, the Monetary Policy Committee (MPC) cut the policy rate cumulatively by 525 bps to 7.00% amid the Covid-19 pandemic with an aim to cushion the slowdown in growth rate while maintaining its inflation outlook. The SBP conducted 106 Open Market Operations (OMO) in FY20 of different maturities, in which it injected an average amount of PKR 625.10 billion per OMO at an average cut-off yield of 12.36%, and mopped up an average amount of PKR 202.37 billion per OMO at an average cut-off yield of 11.05%.

As per the auction target calendar for September - November 2020, the SBP targets to raise PKR 420 billion by issuing 3 -20 years Fixed Rate PIBs and PKR 2.35 trillion by issuing 3 -12-months T-Bills to pay back the maturing debt of PKR 3.12 trillion. In addition, SBP targets to raise another PKR 660 billion through the auction of a 3 - 10 years Floating Rate PIBs.

FUTURE OUTLOOK

During 2MFY21, Current Account balance witnessed a surplus of \$805 million. Turnaround in the situation can be attributed to an increase in remittances on the back of hindrance over informal channel owing to closure of air travel and lockdown. Going forward, textile exports are expected to increase owing to various incentives offered to the sector in the form of low energy tariff which will provide further cushion to the Current Account balance. Resultantly, pressure on the Current Account will lessen the chances of any ad-hoc devaluations, however, gradual devaluation of ~5% cannot be ruled out.

After Torrential Rain and floods in Karachi, The Prime Minister announced a historic PKR1.1 trillion development package to transform Karachi in the next 3 years to tackle the city's civic issues and includes key projects relating to cleaning of drains, sewerage treatment and disposal, water supply, roads, and mass transit. The breakup of the package includes: 1) Water supply of PKR 92 billion 2)Solid Waste Management , storm water drains clearance and resettlement projects of PKR 267 billion 3)Sewage treatment plans of PKR 141 billion, 4) Road Projects of PKR 41 billion and 5) mass transit including rail and road of PKR 572 billion. The announced Package along with Construction Package announced at start of 4th quarter will bode well for the economy. Primary beneficiaries of the announced package will be the cement and steel sectors.

As per the World Health Organization (WHO) briefing, Pakistan is among the top five Countries which have taken successful and effective measures combating the Covid-19 pandemic in a timely manner. WHO Director-General Dr. Tedros Adhanom Ghebreyesus in a recent press briefing remarked that Pakistan has used the infrastructure it developed in its fight against polio to tackle COVID-19. Pakistan

has seen a steady decline in the number of positive cases in the past few weeks after which the government lifted most of the country's remaining corona virus restrictions. By mid of September, Pakistan recovery percentage stood at 96% with total recoveries and confirmed cases of 289,806 and 302,020 respectively. Daily Infection ratio has also been decreasing where current active cases stood at 5,831.

Due to increasing concern over ballooning circular Debt, Government of Pakistan has been in talks with Independent Power Producers (IPPs) to re-negotiate the contractual terms of their respective power purchase agreements. In a more encouraging development followed by an "in-principal/MoU" understanding, many IPPs have agreed to revise down their capacity payments and share efficiency gains above the benchmark tariff efficiency levels. Moreover, IPPs have also agreed to convert their contract to "Take and Pay basis" from "Take or Pay" after development of Competitive trading agreement. Such extraordinary reforms in the power sector will limit the increase of circular debt and increase the efficiency of energy chain in the country. It is further pertinent to note that the key issue of outstanding dues has also been addressed in the same principle agreement in which the government would pay all dues.

The Supreme Court (SC) of Pakistan announced its verdict for the long awaited decision of Gas Infrastructure Cess (GIDC). The SC decision was in favor of the Government and Industries were thereby directed to pay the whole amount due till July 31st, 2020 within 24 months of the date. SC also restrained the government from charging any further GIDC until the amount collected till date is spent on projects as defined in the GIDC Act, 2015. While the SC had ruled in favor of the Government there remained contentious issues as far as industries were concerned including applicability of this decision on exporters and more importantly the timeline provided by the SC to ensure receipt of all dues. In this connection, the Government for example, rejected the request of fertilizer manufacturer to extend the deadline to 10 years. Fertilizer manufacturers have warned about increasing the urea price by PKR 100/bag and PKR 500/bag depending upon the installment time of 2 year and 10 years respectively. Moreover, any increase in the urea prices can exert a potentially high inflationary pressure on the food inflation of the country. The recent developments and the verdict of the decision will put the sector under limelight during the upcoming year.

With a significant reduction in the interest rates, and the overall slowdown in the economy, Pakistan's equity market has become attractive for many investors and thus managed to attract liquidity where all other asset classes were selectively unable to excite fresh liquidity during the initial widespread of the Covid-19 pandemic. With that, PSX may continue to attract further liquidity compared to other asset classes through mutual funds and insurance companies. Foreign interest has rejuvenated where FIPI has witnessed inflow of USD 6.85mn during the month of August where we remain optimistic about future inflows due to our current PKR/USD parity and interest rate scenarios globally.

During FY21, output of major crops is likely to decrease due to the locust attacks and seasonal rains. Industrial sector is expected to resume growth after two years of a consecutive decline (FY19-20) contributing positively to our expected real GDP growth of 2.0% for FY21, as per State Bank of Pakistan. We expect that the current negative interest rate regime will be helpful in providing soft financing to the corporate sector. Moreover, the Real Effective Exchange Rate (REER) of 93.02 implies stable Dollar parity, and a very low probability of further Rupee depreciation.

On the Fixed Income Front, Recent 625bps decrease in interest rates has provided stimulus to the economy. The State Bank of Pakistan expects country's core inflation to hover between 7 to 9 percent during FY21. The current negative real interest rates cannot be sustainable for long considering the country under an International Monetary Fund program. Moreover, negative real interest rates also pose risk to flight of capital, resulting in devaluation of the currency. We expect the SBP to opt for contractionary monetary policy during 2HFY21.

Equity benchmarks are likely to remain in the bull-run trajectory in the medium run with liquidity being the pivotal driving force while also gaining assistance from potential shift towards heavy weight sectors

like Banks and E&Ps where valuations appear to be stretched elsewhere. Future expected growth in corporate earnings due to recently announced packaged will justify upward re-rating Price to Earning of Benchmark KSE-100 index which is currently trading at a forward Price to Earnings Multiple of 7.49x (September 16, 2020).

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:

Range (Units)	No. of Investors
0.1 - 9,999	69
10,000 - 49,999	16
50,000 - 99,999	0
100,000 - 499,999	5
500,000 and above	2
	92

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.

DETAILS OF PATTERN OF HOLDING (UNITS)

	No. of Unitholders	Units Held	% of Total
Associated Companies	-	-	-
Directors and CEO	-	-	-
Individuals	79	306,113	2.40%
Insurance Companies	-	-	-
Banks/DFIs	1	11,285	0.09%
Retirement funds	7	11,732,850	91.81%
Public Limited Companies	2	413,916	3.24%
Others	3	314,945	2.46%
	92	12,779,109	100.00%

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V 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 year ended June 30, 2020 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 holders' attention towards the fact that exposure of the Fund in the Term Finance Certificates of Silk Bank Limited (SBL) and The Bank of Punjab (BOP) as on June 30, 2020 reached 13.75% & 11.26% respectively 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 percent of its total net assets. As a result of above non-compliance, the exposure of the Fund in banking sector as on June 30, 2020 also reached 25.01% of the net assets against the prescribed limit of 25% as required under Regulation 55(9) of the NBFC & NE Regulations.

These non-compliances in SBL and BOP are prevailing since June 20, 2018 and February 22, 2019 respectively and we have reported the said issue to the Commission.

Abdul Samad

Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2020

INDEPENDENT AUDITORS' REPORT

To the unit holders of AKD Aggressive Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AKD Aggressive Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the related income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance, cash flows and transactions for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and Management Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matter:

Key audit matter	How the matter was addressed in our audit
<p>Valuation and existence of investments at fair value</p> <p>As disclosed in note 6 to the financial statements, investments amounted to Rs. 602.19 million as at June 30, 2020.</p> <p>These investments represent a significant item on the statement of assets and liabilities. This is a main driver of the Fund's performance. The Fund invests principally in a wide range of listed and unlisted Term Finance Certificates (TFCs) and government securities (Treasury bills) and there is a risk that appropriate quoted prices may not be used to determine fair value.</p> <p>Further, the Fund may have included investments in its financial statements which were not owned by Fund.</p>	<p>We performed the following steps during our audit of investments at fair value:</p> <ul style="list-style-type: none"> ● Obtained understanding of relevant controls placed by Management Company applicable to the balances; ● independently checked valuation with the prices quoted on Mutual Funds Association of Pakistan (MUFAP) for TFCs; ● independently checked valuation by verifying the average rates quoted on a widely used electronic quotation system (PKRV) rates) for Treasury bills; ● independently matched TFCs held by the Fund with the securities appearing in the Central Depository Company account to verify existence;

Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> ● we performed existence testing of Treasury bills held as at June 30, 2020 by independently matching the securities held by the Fund as per internal records with the securities appearing in the Investor Portfolio Services (IPS) account statement; ● performed purchases and sales testing on a sample of trades made during the year regarding movement of the securities; and ● any differences identified during our testing that were over our acceptable threshold were investigated further.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have not received this information and therefore cannot report in this regard.

Responsibilities of Management Company and Those Charged with Governance for the Financial Statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.
- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charges with Governance of Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Other Matter

The financial statements of the Fund for the year ended June 30, 2019 were audited by another firm of Chartered Accountants who expressed an unqualified opinion through their report dated September 30, 2019.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.

Deloitte Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 30, 2020

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2020

	Note	2020 (Rupees in '000)	2019
ASSETS			
Bank balances	5	8,265	78,467
Investments	6	657,804	489,293
Profit receivable	7	10,238	7,464
Deposit and other receivable	8	2,928	2,929
Total assets		679,235	578,153
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	9	5,170	5,587
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	47	93
Payable to the Securities and Exchange Commission of Pakistan	11	123	481
Accrued expenses and other liabilities	12	15,123	6,851
Unclaimed dividend		6,289	6,108
Total liabilities		26,752	19,120
NET ASSETS		652,483	559,033
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		652,483	559,033
CONTINGENCIES AND COMMITMENTS			
	13	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	14	12,779,109	10,935,470
		----- (Rupees)-----	
NET ASSETS VALUE PER UNIT		51.0586	51.1211

The annexed notes from 1 to 30 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 (Rupees in '000)	2019
INCOME			
Income / (loss) from spread transactions - net		245	(2,238)
Capital gain on sale of investments - net		7,158	5,795
Net unrealised appreciation / (diminution) on remeasurement of investments 'at fair value through profit or loss'	6.7	1,357	(5,484)
Profit on bank deposits		1,904	17,843
Income from government securities		38,288	10,111
Income from term finance certificates and sukuk certificates		29,902	26,281
Income from term deposit receipts		393	4,646
Income from commercial papers		5,425	430
Income from Pakistan Investment Bonds		6,421	-
Markup on letter of placements		37	-
Dividend income		-	6,486
TOTAL INCOME		91,130	63,870
EXPENSES			
Remuneration of AKD Investment Management Limited - Management Company	9.1	9,227	9,614
Sindh Sales tax on the remuneration of Management Company	9.2	1,200	1,250
Expenses allocated by Management Company	9.3	615	641
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	461	1,090
Sindh Sales tax on the remuneration of Trustee	10.2	60	142
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	123	481
Security transaction costs		213	655
Provision against Sindh Workers' Welfare Fund	12.1	1,554	469
Auditors' remuneration	15	444	559
Bank charges		75	98
Fees and subscriptions		573	434
Legal and professional		319	475
Impairment loss on investments		-	24,925
Printing and related costs		118	38
TOTAL EXPENSES		14,982	40,871
Net income for the year before taxation		76,148	22,999
Taxation	16	-	-
Net income for the year after taxation		76,148	22,999
Allocation of net income for the year			
Net income for the year after taxation		76,148	22,999
Income already paid on units redeemed		(2,295)	(1,804)
		73,853	21,195
Accounting income available for distribution			
- Relating to capital gains		8,515	311
- Excluding capital gains		65,338	20,884
		73,853	21,195
Earnings per unit	17		

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	2020 (Rupees in '000)	2019
Net income for the year after taxation	76,148	22,999
Other comprehensive income for the year	-	-
Total comprehensive income for the year	76,148	22,999

The annexed notes from 1 to 30 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- Rupees in '000 -----						
Net assets at beginning of the year	530,008	29,025	559,033	675,004	53,860	728,864
Issue of 4,698,636 units (2019: 26,339,615 units)						
- Capital value (at Ex-Net asset value per unit at the beginning of year)	240,199	-	240,199	1,352,323	-	1,352,323
- Element of income	12,184	-	12,184	3,920	-	3,920
	252,383	-	252,383	1,356,243	-	1,356,243
Redemption of 2,854,997 units (2019: 29,017,127 units)						
- Capital value (at Ex-Net asset value per unit at the beginning of year)	(145,951)	-	(145,951)	(1,489,792)	-	(1,489,792)
- Element of income	(9,034)	(2,295)	(11,329)	(7,357)	(1,804)	(9,161)
	(154,985)	(2,295)	(157,280)	(1,497,149)	(1,804)	(1,498,953)
Total comprehensive income for the year	-	76,148	76,148	-	22,999	22,999
Distribution during the year (dated June 26, 2020 at the rate of Rs. 6.77808 per unit)	-	(74,652)	(74,652)	-	(46,030)	(46,030)
Refund of capital	(3,149)	-	(3,149)	(4,090)	-	(4,090)
Net income for the year less distribution	(3,149)	1,496	(1,653)	(4,090)	(23,031)	(27,121)
Net assets at end of the year	624,257	28,226	652,483	530,008	29,025	559,033
Undistributed income brought forward						
- Realised income		34,509			60,136	
- Unrealised loss		(5,484)			(6,276)	
		29,025			53,860	
Accounting income available for distribution						
- Relating to capital gains		8,515			311	
- Excluding capital gains		65,338			20,884	
		73,853			21,195	
Distribution during the year						
- Interim: Nil (2019: 6th July)		-			(26,186)	
- Final: 26th June 2020 / (2019: 26th June)		(74,652)			(19,844)	
		(74,652)			(46,030)	
Undistributed income carried forward		28,226			29,025	
Undistributed income carried forward						
- Realised income		26,869			34,509	
- Unrealised loss		1,357			(5,484)	
		28,226			29,025	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		51.1211			53.5418	
Net assets value per unit at end of the year		51.0586			51.1211	

The annexed notes from 1 to 28 form an integral part of these financial statements

**For AKD Investment Management Limited
(Management Company)**
Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	76,148	22,999
Adjustments for non-cash and other items		
Unrealised diminution in fair value of investments classified as 'financial at fair value through profit or loss' - net	(1,357)	5,484
Capital gain on sale of investments	(7,158)	(5,795)
Provision against Sindh Workers' Welfare Fund	1,554	469
Impairment loss on investments	-	24,925
	69,187	48,082
Decrease / (increase) in assets		
Profit receivable	(2,774)	780
Deposits, prepayments and other receivables	1	10,481
Receivable against sale of securities	-	1,081
	(2,773)	12,342
(Decrease) / increase in liabilities		
Payable to AKD Investment Management Limited - Management Company	(417)	(266)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(46)	(30)
Payable to the Securities and Exchange Commission of Pakistan	(358)	(140)
Payable against purchase of securities	-	(62,661)
Accrued expenses and other liabilities	6,899	2,964
	6,078	60,133
Investments - net	(404,077)	131,798
	(331,585)	132,089
Net cash (used in) / generated from operating activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	249,234	1,352,153
Amount paid against redemption of units	(157,280)	(1,510,347)
Dividend paid	(74,652)	(46,030)
Net cash used in financing activities	17,302	(204,224)
Net decrease in cash and cash equivalents during the year	(314,283)	(72,135)
Cash and cash equivalents at beginning of the year	342,409	414,544
Cash and cash equivalents at end of the year	19 28,126	342,409

The annexed notes from 1 to 30 form an integral part of these 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 THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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 the 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, in the province of Sindh.

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 mushrakas (COM), commercial paper, reverse repo, term deposit receipts, term finance certificates / sukuk certificates, 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 Management Company has been assigned a quality rating of "AM3++" by Pakistan Credit Rating Agency Limited (PACRA) on February 8, 2020. The Fund has been given stability rating of 'A-(f)' by PACRA on April 24, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement of the Trust Deed.

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

- 2.1.2** The SECP/Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on

mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain investments are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except stated otherwise.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting and reporting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) Classification and valuation of financial assets (Note 4.1.1 & 6.1); and
- (ii) Impairment of financial assets (Note 4.1.5)
- (iii) Taxation (Note 4.5 & 16)

3. NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2020

The following standards, amendments and interpretations are effective for the year ended June 30, 2020. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
IFRS 16 - Leases, this standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.	January 01, 2019
IFRS 14 – Regulatory Deferral Accounts - IFRS 14 was originally issued in January 2014 and applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2016. However, SECP has adopted from July 01, 2019.	July 01, 2019
Amendments to IFRS 9 'Financial Instruments' - prepayment features with negative compensation	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Long-term interests in associates and joint ventures	January 01, 2019

Effective from Accounting period beginning on or after

Amendments to IAS 19 'Employee Benefits' - Plan amendment, curtailment or settlement January 01, 2019

IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

3.2.1 The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Effective date (accounting period beginning on or after)

Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS January 01, 2020

Amendments to IFRS 3 'Business Combinations' - amendments regarding definition of a business January 01, 2020

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - amendments regarding definition of material January 01, 2020

Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - amendments regarding interest rate benchmark reform January 01, 2020

Amendment to IFRS 16 'Leases' - amendments regarding Covid-19 related rent concessions January 01, 2020

Amendments to IFRS 3 'Business Combinations' - amendments reference to the conceptual framework January 01, 2022

Amendments to IAS 16 'Property, Plant and Equipment' - amendments proceeds before intended use January 01, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — amendments regarding cost of fulfilling a contract January 01, 2022

Amendments to IAS 1 'Presentation of Financial Statements' - amendments regarding classification of liabilities as current or non-current January 01, 2023

Certain annual improvements have also been made to a number of IFRSs which are also not expected to have material impact on financial reporting of the Fund.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Financial Instruments

4.1.1 Classification of financial assets

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVOCI") and
- Fair value through profit or loss ("FVTPL").

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI), only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial assets at FVTPL

"All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI)."

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

4.1.2 Recognition and initial measurement of financial instruments

Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in income statement.

4.1.3 Subsequent measurement of financial assets**Financial assets at amortised cost**

Financial assets at amortised cost are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVOCI

All financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income.

For debt instruments classified as financial assets at FVOCI, the amounts in other comprehensive income are reclassified to income statement on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the income statement.

4.1.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

- Debt securities are initially recognise at cost excluding any transaction costs which are charged to profit or loss and subsequently measured at fair value through profit or loss. The fair value of investments is determined by using closing rate of securities at day end available on the MUFAP website.

- Appreciation / diminution arising from changes in fair value of financial assets classified as fair value through profit or loss are recognised Income Statement.

4.1.5 Impairment

Under expected credit loss (ECL) model of IFRS 9, the Fund recognises loss allowances for ECLs on financial assets other than debt securities. The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

As disclosed in note 2.1.2 of these financial statements, the Fund follows requirements of circular 33 of 2012 (the "circular") for impairment of debt securities. Under the circular, provision for non performing debt securities is made on the basis of time based criteria as prescribed under the circular. Impairment losses recognised on debt securities can be reversed through the income statement.

As allowed under circular no. 13 of 2009 dated May 04, 2009 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

4.1.6 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

4.1.7 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

4.1.8 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.1.9 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

4.3 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

4.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

4.5 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 its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.6 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines (duly consented by the SECP) distribution for the year is deemed to comprise of the portion of income already paid on units redeemed during the year and cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted for the effect of refund of capital, if any, based on the period of investment made during the year. Resultantly the rate of distribution per unit may vary depending on the year of investment.

4.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

4.8 Element of income / (loss) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.9 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net asset of the Fund by the number of units in issue at the year end.

4.10 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included operating income in the income statement on the date at which the sale transaction takes place.
- Unrealised gains / (losses) arising on remeasurement of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Profit on bank deposits, term deposit receipts and commercial papers is recognised on a time proportionate basis using the effective interest rate method.
- Profit / mark-up on debt and government securities, term finance certificates and sukuk certificates is recognised on on a time proportionate basis using effective interest method.
- Dividend income is recognised when the right to receive the dividend is established.
- Income on debt securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP are recorded on cash basis.

4.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

	Note	2020 (Rupees in '000)	2019
5. BANK BALANCES			
In savings account	5.1	8,199	78,400
In current account		67	67
		8,265	78,467

5.1 Mark-up rates on these accounts range between 5.00% to 6.50% (2019: 6.50% to 11%) per annum.

	Note	2020 (Rupees in '000)	2019
6. INVESTMENTS			
At fair value through profit or loss			
- Debt securities - Term finance certificates	6.1	163,201	190,351
- Debt securities - Sukuk certificates	6.2	-	35,000
- Market Treasury Bills	6.3	438,991	213,755
- Equity securities	6.4	-	-
		602,192	439,106
At amortised cost			
- Commercial paper	6.5	55,612	-
- Term deposit receipts		-	50,187
- Letter pf placements	6.6	-	-
		657,804	489,293

6.1 Debt securities - Term Finance Certificates

Name of Investee Company	Face value per certificate	Number of certificates			Balance as at June 30, 2020			Market value as a percentage of		Investment as a percentage of total issue size
		As at July 1, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020	Carrying value	Market value	Unrealised appreciation/ (diminution) as at June 30, 2020	Investments	
(Rupees)										
Term finance certificates - listed										
Commercial Banks										
Summit Bank Limited - (note 6.1.2)	5,000	5,000	-	-	5,000	24,925	-	-	-	-
Less: provision for impairment						(24,925)				
Technology & Communication										
Worldcall Telecom Limited- (note 6.1.3)	5,000	20,000	-	-	20,000	34,235	-	-	-	-
Less: provision for impairment						(34,235)				
Cement										
Dewan Cement Limited - (note 6.1.4)	5,000	20,000	-	-	20,000	100,000	-	-	-	-
Less: provision for impairment						(100,000)				
Miscellaneous										
Pace Pakistan Limited- (note 6.1.5)	5,000	115	-	-	115	574	-	-	-	-
Less: provision for impairment						(574)				
Term finance certificates - unlisted										
Technology & Communication										
TPL Corporation Limited	100,000	780	-	780	-	-	-	-	-	-
Commercial Banks										
Silk Bank Limited	5,000	20,000	-	-	20,000	90,189	(476)	13,64	13,75	4.49
The Bank of Punjab	100,000	750	-	-	750	74,164	(677)	11,17	11,26	2.94
Total - June 30, 2020						164,354	163,201	(1,153)		
Total - June 30, 2019						195,658	190,351	(5,307)		

6.1.1 Significant terms and conditions of term finance certificate are as follows:

Name of security	Face value per certificate	Redeemed face value per certificate	Mark-up rate (per annum)	Maturity	Rating
Silk Bank Limited	(Rupees) 5,000	(Rupees) 4,998	6 month KIBOR + 1.85%	August 10, 2025	BBB+
The Bank of Punjab	100,000	99,860	6 month KIBOR + 1%	December 23, 2026	AA-

6.1.2 The Term Finance Certificates (TFCs) 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.

6.1.3 The Term Finance Certificates (TFCs) of Worldcall Telecom Limited (WTL) had an original maturity of October 07, 2013. WTL had defaulted on timely repayment of principal, therefore, the TFC has been classified as non-performing by Mutual Funds Association of Pakistan w.e.f November 8, 2012. Accordingly the outstanding investment had been fully provided.

6.1.4 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.

6.1.5 The Term Finance Certificates (TFCs) of Pace (Pakistan) Limited (PPL) had an original maturity of February 15, 2017. PPL had defaulted on timely repayment of principal, therefore, the TFC has been classified as non-performing by Mutual Funds Association of Pakistan w.e.f September 5, 2011. Accordingly the outstanding investment had been fully provided.

6.2 Debt securities - Sukuk Certificates

Name of Investee Company	Redeemed Face value per certificate	Number of Certificates			Balance as at June 30, 2020			Market value as a percentage of			
		As at July 1, 2019	Purchased during the period	Sold / redeemed during the period	As at June 30, 2020	Carrying value	Market value	Unrealised Appreciation/ (diminution) as at June 30, 2020	Investments	Net assets	Investment as a percentage of total issue size
Sukuk certificates - unlisted											
Hub Power Company Limited -note (6.2.1)	5,000	7,000	-	7,000	-	-	-	-	-	-	-
Total - June 30, 2020											
Total - June 30, 2019					35,000	35,000	-				
New Allied Electronics Industries (Private) Limited -note (6.2.2)	313	96,000	-	96,000	30,000	(30,000)	-				
Less: provision for impairment					-	-	-				
Total - June 30, 2020											
Total - June 30, 2019											

6.2.1 Th Hub Power Company Limited issued sukook certificate on February 27, 2019, which has been matured on November 27, 2019. It carried mark up at the rate 3-month KIBOR plus 100 bps.

6.2.2 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 been fully provided for the amount of the investment in accordance with the requirements of Circular No. 1 of 2009 dated January 6, 2009.

6.3 Market Treasury Bills

Issue Date	Tenor	Face Value			Balance as at June 30, 2020			Market value as a percentage of		
		At July 1, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020	Carrying Value	Market value	Unrealised appreciation/ (diminution) as at June 30, 2020	Investments	Net assets
Number of Units										
Market Treasury Bills- 3 months		215,000	1,693,000	1,888,000	20,000	19,843	19,861	18	3.02	3.04
Market Treasury Bills- 6 months		-	45,000	45,000	-	-	-	-	-	-
Market Treasury Bills- 12 months		-	1,004,000	564,000	440,000	416,638	419,130	2,492	63.72	64.24
Total as on June 30, 2020						436,481	438,991	2,510		
Total as on June 30, 2019						213,933	213,755	(178)		

6.3.1 On December 09, 2019, the Fund transferred Market Treasury Bills of Rs. 50 million (face value) into National Clearing Company Limited (NCCPL). Exposure margin account maintained with Bank Al-Falah Limited in respect of Exposure Margin and Mark-to-Market losses in Ready Market and DFC Market.

6.3.2 The cost of investment as at June 30, 2020 amounts to Rs. 426.874 million (2019: 210.502 million). They carry profit at the rate of 9% (2019:10.92%) per annum and will mature from July 30, 2020 to May 06, 2021.

Name of security	Face Value			Balance as at June 30, 2020			Market value as a percentage of		
	At July 1, 2019	Purchased during the period	Sold / matured during the period	As at June 30, 2020	Carrying Value	Market value	Unrealised appreciation/ (diminution) as at June 30, 2020	Investments	Net assets
(Rupee in '000)									
Pakistan Investment Bonds									
Pakistan Investment Bonds- 3 year	-	100,000	100,000	-	-	-	-	-	-
Pakistan Investment Bonds- 5 year	-	287,500	287,500	-	-	-	-	-	-
Total - June 30, 2020									
Total - June 30, 2019									

6.4 Equity securities for spread transactions

Name of investee Company	Number of Shares			Balance as at June 30, 2020			Market value as a percentage of		Investment as a percentage of total issue size	
	At July 1, 2019	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2020	Carrying value	Market value	Diminution		Investments
Face value of Rs. 10 per share										
Ordinary shares										
International Steel Mills	-	31,500	-	31,500	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	155,000	-	155,000	-	-	-	-	-	-
Lucky Cement Limited	-	12,000	-	12,000	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	250,000	-	250,000	-	-	-	-	-	-
TRG Pakistan Limited	-	587,000	-	587,000	-	-	-	-	-	-
Total - June 30, 2020										
Total - June 30, 2019										
Preference shares										
Security Leasing Corporation Limited (note 6.4.1)	3,445,250	-	-	-	3,445,250	10,663	-	-	-	-
Less: provision for impairment						(10,663)				
Total - June 30, 2020										
Total - June 30, 2019										

6.4.1 In view of 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.

6.5 Commercial Paper

Name of Investee Company	Rate of return per annum	Face value			Carrying value	Maturity	Rating
		As at July 01, 2019	Purchased during the year	Matured / sold during the year			
TPL Holding (Private) Limited	15.9%	-	23,182	23,182	-	11-Jan-20	A1
TPL Trakker Limited	16.0%	-	55,612	-	55,612	14-Jul-20	A1
Total - June 30, 2020					55,612		
Total - June 30, 2019					-		

6.6 Letter of Placement

Name of Investee Company	Rate of return per annum	Face value			Carrying value	Date of purchase	Date of maturity	Rating
		As at July 01, 2019	Purchased during the year	Matured during the year				
Pak Oman Investment Company Limited	13%	-	35,000	35,000	-	30-Dec-19	31-Dec-19	AA+
Pak Oman Investment Company Limited	13%	-	35,012	35,012	-	31-Dec-19	2-Jan-20	AA+
Total - June 30, 2020					-			
Total - June 30, 2019					-			

6.7 Net unrealised appreciation / (diminution) on re-measurement of investments as 'financial assets at fair value through profit or loss'

	2020 (Rupees in '000)	2019
Market value of investments	602,192	439,106
Carrying amount of investments	<u>(600,835)</u>	<u>(444,590)</u>
	<u>1,357</u>	<u>(5,484)</u>

6.8 Details of Non-compliant Investment

The Securities and Exchange Commission of Pakistan (SECP), vide its circular no. 16 dated July 7, 2010 has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the collective investment schemes or with the investment requirements of their constitutive documents.

Name of non compliant investment	Note	Issue date	Type of investment	Value of investment	Provision held if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
				Rupees in 000		Percentage of net assets		
Non-compliance under NBFC Regulation 55 (5)								
Silk Bank Limited TFC	6.1	10-Aug-17	Term Finance Certificate	89,713	-	89,713	13.75%	13.21%
The Bank of Punjab	6.1	23-Dec-16	Term Finance Certificate	73,488	-	73,488	11.26%	10.82%
Non-compliance under NBFC Regulation 55 (9)								
Silk Bank Limited TFC	6.1	10-Aug-17	Term Finance Certificate	89,713	-	89,713	13.75%	13.21%
The Bank of Punjab	6.1	23-Dec-16	Term Finance Certificate	73,488	-	73,488	11.26%	10.82%
				<u>163,201</u>	<u>-</u>	<u>163,201</u>	<u>25.01%</u>	<u>24.03%</u>
Non-compliance under via circular no.7 of 2009								
Security Leasing Corporation Limited	6.4.1	-	Preference shares	10,663	(10,663)	-	-	-

7. PROFIT RECEIVABLE

Profit receivable on:

	2020 (Rupees in '000)	2019
- Term finance and sukuk certificates	6,128	5,726
- Term deposit receipts	-	966
- Commercial papers	4,071	-
- Bank deposits	<u>39</u>	<u>772</u>
	<u>10,238</u>	<u>7,464</u>

8. DEPOSIT AND OTHER RECEIVABLE

Security deposits with:

- National Clearing Company Pakistan Limited		2,750	2,750
- Central Depository Company Limited		100	100
Advance tax	8.1	<u>78</u>	<u>79</u>
		<u>2,928</u>	<u>2,929</u>

- 8.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, upto year ended June 30, 2020, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

9. PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2020 (Rupees in '000)	2019
Management fee	9.1	818	711
Sindh Sales Tax on Management fee	9.2	106	92
Expenses allocated by the Management Company	9.3	57	641
Federal exercise duty on Management fee	9.4	4,141	4,141
Other		48	2
		5,170	5,587

- 9.1** The remuneration to the Management Company is been charged at 1.5% of the daily average net assets value and is payable in arrears.

- 9.2** Sindh sales tax at the rate of 13% on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

- 9.3** Upto June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to Fund, from July 01, 2019 to June 19, 2020.

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

On June 30, 2016, the Honorable Sindh High Court of Pakistan had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of FED after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Management Company, as a matter of abundant caution, has maintained full provision for FED aggregating to Rs. 4.14 million (2019: Rs. 4.14 million) until the matter is resolved. Had the provision not been retained, the net asset value per unit of the Fund as at June 30, 2020 would have been higher by Rs. 0.324 per unit (2019: Rs. 0.379 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."

	Note	2020 (Rupees in '000)	2019
10. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee	10.1	41	81
Settlement charges payable to the trustee		1	1
Sindh Sales Tax on trustee fee and settlement charges	10.2	5	11
		47	93

10.1 The Trustee was entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on 0.17% of the daily net assets value of the Fund. However, tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.075% of net assets. The remuneration is paid to the Trustee on monthly basis in arrears.

10.2 Sindh Sales Tax has been charged at the rate of 13% (2019: 13%) on gross value of trustee fee under the provisions of Sindh Sales Tax on Services Act, 2011.

	Note	2020 (Rupees in '000)	2019
11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable to SECP	11.1	123	481

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

	Note	2020 (Rupees in '000)	2019
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		336	388
National Clearing Company of Pakistan Limited clearing charges payable		25	30
Withholding tax payable		9,623	2,841
Provision against Sindh Workers Welfare Fund	12.1	4,714	3,159
Others		425	433
		15,123	6,851

12.1 "The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / Mutual Funds (CISs) whose income exceeded Rs. 500,000 in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher."

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honorable Lahore High Court (LHC) and the Honorable High Court of Sindh (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of the LHC and the SHC were challenged in the Honorable Supreme Court of Pakistan (SCP). On November 10, 2016 the SCP passed a judgment declaring the insertion of amendments introduced through Finance Act, 2008 pertaining to WWF as unlawful for the reason that the WWF is not in the nature of tax and therefore, could not be introduced through money bill under the Constitution. Subsequently, the Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgment, which is pending adjudication.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on May 21, 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs.500,000 or more in any year of account commencing on or after the date of closing of account on or after December 31, 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on an opinion obtained by the Mutual Funds Association of Pakistan (MUFAP), believes that Mutual Funds are not liable to pay Sindh WWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Federal and Sindh WWF on Mutual Funds, the MUFAP obtained a legal opinion on these matters during financial year ended June 30, 2017. Based on such legal advice (which also stated that even if a review petition is filed by any party, such petition can only be based on very limited grounds and the chances of any major change in the SCP judgement are very limited), MUFAP had recommended to all its members to reverse the Federal WWF and start recording of Sindh WWF. Consequently, the Fund has recorded provision of Rs.1.554 million (2019: 0.469 million) for the year and Rs.4.714 million (2019: Rs.3.159 million) in aggregate in respect of SWWF.

Had the provision against SWWF not been made, the net assets value per unit would have been higher by Re. 0.369 per unit (2019: Re. 0.289 per unit).

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2020 and June 30, 2019.

14. NUMBER OF UNITS IN ISSUE

	2020	2019
	(Rupees in '000)	
Opening units in issue	10,935,470	13,612,982
Units issued during the year	4,698,636	26,339,615
Less: Units redeemed	(2,854,997)	(29,017,127)
Total units in issue at the end of the year	<u>12,779,109</u>	<u>10,935,470</u>

15. AUDITORS' REMUNERATION

Annual audit fee	237	237
Half year fee	79	79
Income Certification	30	100
COCG Certification	20	-
Out of pocket expenses	45	102
	<u>411</u>	<u>518</u>
Sindh sales tax @ 8%	33	41
	<u>444</u>	<u>559</u>

16. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. The Fund is also exempt from the provisions of section 113 (Minimum Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the year, Management Company has distributed cash dividend of at least 90% of the aforementioned accounting income to the unit holders. Accordingly, no provision for taxation has been recognised in these financial statements.

17. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

18. TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the year ended June 30, 2020 is 2.44% (June 30, 2019: 2.5%) which includes 0.50% (June 30, 2019: 0.41%) representing government levies such as sales taxes, Sindh Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Aggressive Fixed Income Scheme.

	Note	2020 (Rupees in '000)	2019
19. CASH AND CASH EQUIVALENTS			
Bank balances	5	8,265	78,467
Market treasury bills (having original maturity upto 3 months)	6.3	19,861	213,755
Term deposit receipts (having original maturity upto 3 months)		-	50,187
		28,126	342,409

20. TRANSACTIONS WITH CONNECTED PERSONS

"Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, the Trustee, directors and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

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 Fund."

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

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

20.1 Details of transactions with related parties / connected persons during the year are as follows:

	2020 (Rupees in '000)	2019
AKD Investment Management Limited - Management Company		
Management fee-net	9,227	9,614
Sindh sales tax on management fee	1,200	1,250
Allocated expenses	615	641
Sales load	-	1
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	461	1,090
CDC charges	14	53
Sindh Sales tax on trustee remuneration	60	142
AKD Investment Management Limited - Staff Provident Fund		
Purchase of 74,566 (2019: 3,683) units	4,135	189
Redemption of 57,563 (2019: 89,633) units	3,202	4,684
Dividend paid	35	180
Refund of capital of 1,474 (2019: 185) units	75	9

	2020	2019
	(Rupees in '000)	
AKD Securities Limited		
Brokerage on purchase of listed equity securities for spread	15	-
Key Management Personnel, Director of the Management Company and their close relatives		
Chief Financial Officer		
Redemption of Nil (2019: 12,283) units	-	633
Dividend paid	-	27
Unit holder holding 10% or more of the units in issue		
National Bank of Pakistan - Employees Pension Fund		
Purchase of 934,106 (2019: 505,072) units	47,753	25,837
Dividend paid	56,179	32,412
Sindh Province Pension Fund		
Purchase of 182,314 (2019: 90,758) units	9,320	4,641
Dividend paid	9,320	4,500
20.2 Details of balances with related parties / connected persons as at year end		
AKD Investment Management Limited - Management Company		
Management remuneration payable	818	711
Sindh Sales tax payable on management remuneration	106	92
Federal excise duty payable on management remuneration	4,141	4,141
Payable against allocated expenses	55	641
Others	50	2
AKD Investment Management Limited - Staff Provident Fund		
Outstanding 18,478 (2019: Nil) units	943	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	41	81
Settlement charges payable	1	1
Sindh Sales Tax payable on trustee remuneration and settlement charges	5	11
Security deposit	100	100
Unit holder holding 10% or more of the units in issue		
National Bank of Pakistan Employees Pension Fund		
Outstanding 9,222,516 (2019: 8,288,410) units	470,889	423,713
Sindh Province Pension Fund		
Outstanding 1,557,347 (2019: 1,375,033) units	79,516	70,293
** Prior year connected party, current year figures not shown		

21. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets at fair value through profit or loss or amortised cost. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	As at June 30, 2020		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Bank balances	8,265	-	8,265
Investments	55,612	602,192	657,804
Profit receivable	10,238	-	10,238
Deposits	2,850	-	2,850
	<u>76,965</u>	<u>602,192</u>	<u>679,157</u>
Financial liabilities			
Payable to AKD Investment Management Limited - Management Company	923	-	923
Payable to the Central Depository Company of Pakistan Limited - Trustee	42	-	42
Accrued expenses and other liabilities	786	-	786
Unclaimed dividend	6,289	-	6,289
	<u>8,040</u>	<u>-</u>	<u>8,040</u>

Particulars	As at June 30, 2019		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Bank balances	78,467	-	78,467
Investments	50,187	439,106	489,293
Profit receivable	7,464	-	7,464
Deposits	2,850	-	2,850
	<u>138,968</u>	<u>439,106</u>	<u>578,074</u>
Financial liabilities			
Payable to AKD Investment Management Limited - Management Company	1,354	-	1,354
Payable to Central Depository Company of Pakistan Limited - Trustee	82	-	82
Accrued expenses and other liabilities	851	-	851
Unclaimed dividend	6,108	-	6,108
	<u>8,395</u>	<u>-</u>	<u>8,395</u>

22. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, profit rate and other price risk), credit risk and liquidity risk. Risks of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provides broad guidelines for management of above mentioned risks. The Board of Directors of Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund financial assets primarily comprise of balances with banks, investment in debt securities classified at 'fair value through profit or loss' and 'at amortised cost'. The Fund also has profit on bank deposits, deposits and other receivables. The Fund's principal financial liabilities include remuneration payable to the Management Company, the Trustee and accrued and other liabilities.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

22.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

22.1.2 Yield / interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2020, the Fund is exposed to such risk on its balances held with bank balances and investments in government securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2020, details of Fund's profit bearing financial instruments were as follows:

	Note	2020 (Rupees in '000)	2019
Variable rate instrument (financial assets)			
- Bank balances	5	8,199	78,400
- Debt securities (Term finance certificates and sukuk)	6.1	163,201	225,351
		171,400	303,751
Fixed rate instruments (financial assets)			
- Government securities - Market treasury bills	6.3	438,991	213,755
- Term deposit receipts		-	50,187
- Commercial papers	6.5	55,612	-
		494,603	263,942

a) Sensitivity analysis for variable rate instruments

A change of 100 basis points in profit rates at the reporting date would have increased / decreased profit before taxation and total comprehensive income by Rs 1.714 million (2019: Rs 3.038 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the profit before taxation and total comprehensive income by Rs. 4.946 million (2019: Rs 2.639 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by Financial Market Association is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2020 is not necessarily indicative of the effect on the Fund's net assets and net income due to future movements in interest rates.

Exposure to interest rate risk and maturity

Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

Particular	Effective interest rate	Exposed to interest rate risk			Not exposed to interest risk	Total
		Upto three months	More than three months and upto one year	More than one year		

% -----(Rupees in 000)-----

On-balance sheet financial instruments
Financial assets at fair value through profit or loss

- Debt securities - Term finance certificates	8.68-15.36	-	-	163,201	-	163,201
- Market Treasury Bills	7.15 - 8.07	19,861	419,130	-	-	438,991
		19,861	419,130	163,201	-	602,192

Financial assets at amortised cost

Bank balances	5.0 - 6.50	8,199	-	-	67	8,265
Investments - Commercial papers	14.64	55,612	-	-	-	55,612
Profit receivable		10,238	-	-	-	10,238
Deposits		2,850	-	-	-	2,850
		76,899	-	-	67	76,965

Sub total

96,760 419,130 582,331 67 679,157

Financial liabilities at amortised cost

Payable to AKD Investment Management Limited - Management Company		-	-	-	923	923
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	42	42
Accrued expenses and other liabilities		-	-	-	786	786
Unclaimed dividend		-	-	-	6,289	6,289

Sub total

- - - 8,040 8,040

On-balance sheet gap (a)

96,760 419,130 582,331 (7,973) 671,117

Off-balance sheet financial instruments

- - - - -

Off-balance sheet gap (b)

- - - - -

Total interest rate sensitivity gap (a) + (b)

96,760 419,130 582,331 (7,973)

Cumulative interest rate sensitivity gap

96,760 419,130 582,331 (7,973)

Particular	Effective interest rate	Exposed to interest rate risk			Not exposed to interest risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees in 000)				

On-balance sheet financial instruments
Financial assets at fair value through profit or loss

- Debt securities - Term finance certificates	7.5 to 14.42	-	-	190,351	-	190,351
- Debt securities - Sukuk certificates		35,000	-	-	-	35,000
- Market Treasury Bills		-	-	213,755	-	213,755

Financial assets at amortised cost

Investments -Term deposit receipts		50,187	-	-	-	50,187
Bank balances	6.5 to 11.5	78,400	-	-	67	78,467
Profit receivable		-	-	-	7,464	7,464
Deposits		-	-	-	2,850	2,850
		78,400	-	-	10,381	88,781

Sub total

163,587	-	404,106	10,381	578,074
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Financial liabilities at amortised cost

Payable to AKD Investment Management Limited - Management Company		-	-	-	1,354	1,354
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	82	82
Accrued expenses and other liabilities		-	-	-	851	851
Unclaimed dividend		-	-	-	6,108	6,108

Sub total

-	-	-	8,395	8,395
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On-balance sheet gap (a)

163,587	-	404,106	1,986	569,679
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Off-balance sheet financial instruments

-	-	-	-	-
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Off-balance sheet gap (b)

-	-	-	-	-
---	---	---	---	---

Total interest rate sensitivity gap (a) + (b)

163,587	-	404,106	1,986	
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Cumulative interest rate sensitivity gap

163,587	-	404,106	1,986	
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22.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are cost by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Since the Fund is not allowed to invest in equity securities, hence it is not exposed to equity price risk.

22.2 Credit risk

Credit risk represents the risk of loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from bank balances and Mark-up / interest receivable.

Management of credit risk

The Fund keeps deposits and performs transactions with reputed financial institutions with reasonably high credit ratings. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC rules and the regulations and the guidelines given by the SECP from time to time.

The maximum exposure to credit risk before considering any collateral as at June 30, 2020 and June 30, 2019 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'. Investment in government securities are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees in '000)			
Bank balances	8,265	8,265	78,467	78,467
Investments	657,804	218,813	489,293	275,538
Profit receivable	10,238	10,238	7,464	7,464
	676,307	237,316	575,224	361,469

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in government securities of Rs 438.991 million (2019: Rs 213.755 million) are not exposed to credit risk.

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2020 and June 30, 2019:

Rating Agency	2020		2019		
	Rupees in '000	%	Rupees in '000	%	
Bank balances by rating category					
AAA / A1+	PACRA / VIS	200	1.97	921	0.19
AA+ / A1+	PACRA	7,239	87.58	77,816	98.65
AA / A1+	PACRA	481	5.82	540	0.46
A+ / A1	PACRA	83	1.00	269	0.34
A / A1	PACRA	175	2.12	148	0.19
BBB+ / A3	PACRA	69	0.84	67	0.09
Suspended	VIS	55	0.67	65	0.08
		8,303	100	79,826	100

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited (Formerly JCR-VIS Credit Rating Company Limited) as of June 30, 2020.

Balance with banks are assessed to have low credit risk of default since the banks are highly regulated by the State Bank of Pakistan. Accordingly, management of the Fund estimates that loss allowance on balance with banks at the end of the reporting period at an amount equal to 12 month Expected Credit Loss (ECL). None of the balance with banks at the end of the reporting period is past due, and taking into account the historical default experience and the current credit ratings of the banks, the management of the Fund have assessed that there is no impairment, and hence have not recorded any loss allowance on this balance.

Investment in variable income securities	Rating	June 30, 2020	June 30, 2019
		(Rupee in 000)	
TPL Corporation Limited	-	-	25,947
Silk Bank of Pakistan	BBB+	95,685	95,118
The Bank of Punjab	AA-	73,645	74,425
Term deposit receipts	-	-	51,153
Hub Power Company Limited	-	-	35,000
		169,330	281,644
Investment in fixed income securities			
Commercial paper - TPL Trakker Limited	A+	59,683	-

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in debt securities which are diversified and relate to various sectors. The Fund's portfolio of other financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

Settlement risk

"The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations."

22.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset or such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, no such instances were witnessed by the Fund during the current year .

The table below analyses the Fund's financial instruments into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

As at June 30, 2020

Within one month	Over one to three months	Over three to twelve Months	Over one to five years	Total
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-----Rupee in 000)-----

**Financial liabilities
(excluding unit holders fund)**

Payable to AKD Investment Management Limited - Management Company	923	-	-	-	923
Payable to Central Depository Company of Pakistan Limited - Trustee	42	-	-	-	42
Accrued expenses and other liabilities	786	-	-	-	786
Unclaimed dividend	6,289	-	-	-	6,289
	8,040	-	-	-	8,040

As at June 30, 2019

Within one month	Over one to three months	Over three to twelve Months	Over one to five years	Total
------------------	--------------------------	-----------------------------	------------------------	-------

-----Rupee in 000)-----

**Financial liabilities
(excluding unit holders fund)**

Payable to AKD Investment Management Limited - Management Company	1,354	-	-	-	1,354
Payable to Central Depository Company of Pakistan Limited - Trustee	82	-	-	-	82
Accrued expenses and other liabilities	851	-	-	-	851
Unclaimed dividend	6,108	-	-	-	6,108
	8,395	-	-	-	8,395

23. UNIT HOLDERS' FUND (UHF) RISK MANAGEMENT

"The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund's objective when managing unit holders' fund is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the benefits of the unit holders to maintain a strong base of assets to support the development of the investment activities of the Fund and to meet unexpected losses or opportunities. As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. In order to comply with the requirement and to maintain or adjust the Unit Holders' Fund, the Fund's policy is to perform the following:"

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjust the amount of distributions the Fund pays to the unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors of the Management Company is updated regarding key performance indicators, e.g., yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

24. 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).

	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
ASSETS				
Investment in securities - at fair value through profit or loss				
- Debt securities - Term finance certificates		163,201	-	163,201
- Market Treasury Bills	-	438,991	-	438,991
	-	602,192	-	602,192
<hr/>				
	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
ASSETS				
Investment in securities - at fair value through profit or loss				
- Debt securities - Term finance certificates		190,351	-	190,351
- Debt securities - Sukuk certificates	-	35,000	-	35,000
- Market Treasury Bills	-	213,755	-	213,755
	-	439,106	-	439,106

There were no transfers between various levels of fair value hierarchy during the year

25. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No	Name	Designation	Qualification	Experience in years
1	Mr. Imran Motiwala	Chief Executive Officer	BBA	26
2	Mr. Muhammad Yaqoob	Chief Operating Officer and Company Secretary	MBA, CFA	16
3	Ms. Anum Dhedhi	Chief Investment Officer	BSc	9
6	Mr. Muhammad Taha Siddiqui	Risk Manager	ACCA	5
7	Mr. Bilal Shuja Zaidi	Investment Analyst	BS, CFA Level II	2
8	Mr. Danish Aslam	Fund Manager	BS, CFA Level I	2
9	Mr. Ajay Kumar	Fund Manager	MBA, CFA	5

25.1 Mr. Danish Aslam is the Manager of the Fund. He is also manager of AKD Islamic Income Fund and AKD Cash Fund.

26. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF THE COMMISSION CHARGE

S. No.	Particulars	June 30, 2020 Percentage
1	Arif Habib Limited	33%
2	Vector Capital Private Limited	17%
3	Optimus Market Private Limited	15%
4	Next Capital Limited	10%
5	AKD Securities Private Limited	9%
6	Pearl Securities Private Limited	8%
7	BIPL Securities Private Limited	6%
8	DJM Securities Private Limited	3%

S. No.	Particulars	June 30, 2019 Percentage
1	Next Capital Limited	41%
2	Vector Securities (Private) Limited	46%
3	Time Securities (Private) Limited	11%
4	Arif Habib Limited	2%

The fund has traded with only the above mentioned 4 brokers / dealers during the year ended June 30, 2019.

27. PATTERN OF UNIT HOLDINGS

	As at June 30, 2020		
	Number of unit holders	Number of units held	percentage of investment %
Individuals	79	306,113	2.40%
Corporates	2	413,916	3.24%
Banks and development financial institutions	1	11,285	0.09%
Retirement funds	7	11,732,850	91.81%
Others	3	314,945	2.46%
	92	12,779,109	100%

	As at June 30, 2019		
	Number of unit holders	Number of units held	percentage of investment %
Individuals	86	603,743	5.52%
Corporates	2	39,611	0.36%
Banks and development financial institutions	1	11,287	0.10%
Retirement funds	4	10,058,690	91.98%
Others	2	222,139	2.03%
	95	10,935,470	100%

28. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

During the year 81st, 82nd, 83rd and 84th board meetings were held on September 30, 2019, October 26, 2019, February 21, 2020 and April 29, 2020 respectively. Information in respect of attendance by Directors in these meetings is given below:

Name of Director	Number of meetings held	Attended	Leave granted	Meetings not attended
Mr. Abdul Karim Memon	4	4	-	-
Mr. Imran Motiwala	4	4	-	-
Mr. Ali Wahab Siddiqui	4	4	-	-
Ms. Anum Dhedhi	4	4	-	-
Ms. Aysha Ahmed	4	4	-	-
Mr. Hasan Ahmed	4	4	-	-
Mr. Saim Mustafa Zuberi	4	3	1	82nd

29. GENERAL

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

29.2 Comparative figures have been reclassified where necessary for better presentation and comparison.

29.3 On March 11, 2020, the World Health Organisation made an assessment that the outbreak of a coronavirus (COVID-19) can be characterised as a pandemic. As a result, businesses have subsequently been affected amongst others with temporary suspension of travel, and closure of recreation and public facilities.

To alleviate the negative impact of the COVID-19 pandemic, the Government, Central Banks including financial institutions affiliated to those banks, and regulators have taken measures and issued directives to support businesses, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the market.

The Management Company has made an assessment in order to evaluate the impact of COVID-19 pandemic over the financial performance of the Fund as well as the going concern assessment. As a result of such assessment, the management has not identified any material adverse impact on its financial performance due to COVID-19 pandemic situation.

30. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 30, 2020 by the Board of Directors of the Management Company.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

PERFORMANCE TABLE

	2020	2019	2018
Total net assets value (Rs '000)*	652,483	559,033	722,589
Net assets value per unit - (Rs)*	51.0586	51.1211	51.3418
Selling price as at June 30 (Rs)*	51.5693	51.6323	51.8773
Repurchase price as at June 30 (Rs)*	51.0586	51.1210	51.3418
Highest selling price (Rs)	58.4782	53.5243	54.0893
Lowest selling price (Rs)	51.6762	50.5907	52.2205
Highest repurchase price (Rs)	57.8991	52.9942	53.5537
Lowest repurchase price (Rs)	51.1645	50.0897	51.7034
Return of the Fund			
- capital growth (Rs '000)	93,450	(169,831)	(212,060)
- income distribution (including refund of capital) (Rs '000)*	77,801	20,171	29,949
Distribution per unit			
Interim	6.78	1.90	-
- Gross (2020: announced on June 30, 2020)			
- Gross (2019: announced on June 28, 2019)			
Final	-	-	2.20
- Gross (2018: Announced on July 6, 2018)			
Average Annual Return (Percentage)			
- Last one year	13.12	3.28	3.62
- Last two years	8.09	3.45	5.02
- Last three years	6.58	4.44	6.54
Weighted Average Portfolio Duration	668	697	617

* Final distributions for the year made subsequent to the year end have been adjusted against the closing NAVs.

Note: The portfolio composition of the fund has been disclosed in note 6 to the financial statements.

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

PROXY DETAILS ISSUED BY FUND

As per the requirement of Non-Banking Finance Companies and Notified Entities Regulations, 2008, The Board of Directors of AKD Investment Management Limited (the Management Company of the Fund) has formulated Proxy Voting Policy, which is available on Management Company's website (www.akdinvestment.com).

During the period, the Management Company on behalf of the Fund participated in 1 shareholder's meetings. Moreover, details of summarized proxies voted are as follows:

AKDAIF	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	1	1	0	0	-
(%ages)	100	100	0	0	-

Detailed information regarding actual proxies voted by the Management Company on behalf of the Fund will be provided to the unit holders without any charges upon request.

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

AKD انویسٹمنٹ مینجمنٹ لمیٹڈ (AKDIML) کے بورڈ آف ڈائریکٹرز، مینجمنٹ کمپنی آف AKD اپر چوٹی فنڈ (AKDOF)، گولڈن ایرو اسٹاک فنڈ (GASF) - (سابقہ: گولڈن ایرو سلیکنڈ اسٹاکس فنڈ لمیٹڈ)، AKD انڈیکس ٹریڈر فنڈ (AKDITF)، AKD کیش فنڈ (AKDCF)، AKD اگریو اگم فنڈ (AKDAIF)، AKD اسلامک اگم فنڈ (AKDISIF) اور AKD اسلامک اسٹاک فنڈ (AKDISSF) کے 30 جون 2020 کو ختم ہونے والے سال کے لئے فنڈز کے آڈٹ شدہ مالی گوشواروں کے ساتھ اپنی سالانہ رپورٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

فنڈز کی مالی کارکردگی

AKD اپر چوٹی فنڈ (AKDOF)

مالی سال 20 کے لئے ہینج مارک KSE-100 انڈیکس ریٹرن 1.53 فیصد کے مقابلے میں AKD اپر چوٹی فنڈ کی آمدنی 1.65 فیصد رہی۔

گولڈن ایرو اسٹاک فنڈ (GASF)

مالی سال 20 کے لئے ہینج مارک KSE-100 انڈیکس ریٹرن 1.53 فیصد کے مقابلے میں گولڈن ایرو اسٹاک فنڈ کی آمدنی 4.59 فیصد رہی۔

گولڈن ایرو اسٹاک فنڈ (اے سی ایم آف آرٹیفیٹ کے مطابق اس کی کلوز اینڈ انویسٹمنٹ کمپنی سے اوپن انڈیکس میں تبدیلی کے بعد) کی 25 نومبر، 2019 سے 30 جون، 2020 تک کی مدت کے لئے ہینج مارک KSE-100 انڈیکس ریٹرن 9.24 فیصد کے مقابلے میں آمدنی 3.16 فیصد رہی۔

AKD انڈیکس ٹریڈر فنڈ (AKDITF)

مالی سال 20 کے لئے ہینج مارک KSE-100 انڈیکس ریٹرن 1.53 فیصد کے مقابلے میں AKD انڈیکس ٹریڈر فنڈ کی آمدنی 0.19 فیصد رہی۔

AKD کیش فنڈ (AKDCF)

مالی سال 20 میں ہینج مارک ریٹرن 11.67 فیصد کے مقابلے میں AKD کیش فنڈ کی آمدنی 12.24 فیصد رہی۔

بورڈ آف ڈائریکٹرز کی عطا کردہ اتھارٹی کے تحت چیف ایگزیکٹو نے 30 جون 2020 کو ختم ہونے والے سال کے دوران پونٹ ہولڈرز کو 6.0811 روپے فی پونٹ عبوری ڈسٹری بیوٹن (جس میں عنصر کی واپسی بھی شامل ہے) کی منظوری دی ہے۔

AKD اگریو اگم فنڈ (AKDAIF)

مالی سال 20 کے لئے، 12.31 فیصد ہینج مارک ریٹرن کے مقابلے میں AKD اگریو اگم فنڈ کی آمدنی 13.12 فیصد رہی۔

بورڈ آف ڈائریکٹرز کی عطا کردہ اتھارٹی کے تحت چیف ایگزیکٹو نے 30 جون 2020 کو ختم ہونے والے سال کے دوران پونٹ ہولڈرز کو 6.7781 روپے فی پونٹ عبوری ڈسٹری بیوٹن (جس میں عنصر کی واپسی بھی شامل ہے) کی منظوری دی ہے۔

AKD اسلامک اگم فنڈ (AKDISIF)

مالی سال 20 میں ہینج مارک ریٹرن 6.33 فیصد کے مقابلے میں AKD اسلامک اگم فنڈ کی آمدنی 11.54 فیصد رہی۔

بورڈ آف ڈائریکٹرز کی عطا کردہ اتھارٹی کے تحت چیف ایگزیکٹو نے 30 جون 2020 کو ختم ہونے والے سال کے دوران پونٹ ہولڈرز کو 5.7297 روپے فی پونٹ عبوری ڈسٹری بیوٹن (جس میں عنصر کی واپسی بھی شامل ہے) کی منظوری دی ہے۔

AKD اسلامک اسٹاک فنڈ (AKDISSF)

مالی سال 20 کے لئے ہینج مارک KMI-30 انڈیکس ریٹرن 1.62 فیصد کے مقابلے میں AKD اسلامی اسٹاک فنڈ کی آمدنی 14.05 فیصد رہی۔

وسیع نقطہ نظر

ابتدائی دو سالوں میں پی پی پی کی زیر قیادت حکومت کی طرف سے اپنائے گئے سخت اقدامات کا مالی سال 20 کے دوران پھل حاصل کرنا شروع کیا کیونکہ مالی اور کرنٹ اکاؤنٹ خسارے دونوں بالترتیب 8.1 فیصد اور مجموعی مقامی مصنوعات (جی ڈی پی) 1.1 فیصد تک محدود تھے جبکہ مالی سال 19 میں 8.9 فیصد اور 4.8 فیصد تھی۔ اس بہتری کو حکومت کی طرف سے کئے جانے والے سادگی کے اقدامات سے منسوب کیا جاسکتا ہے جبکہ اس عرصے کے دوران تجارت میں توازن میں کمی اور ترسیلات زر میں بہتری کی وجہ سے مزید بہتری آئی ہے۔ تاہم، COVID-19 پر حکومت کی احتیاطی تدابیر کے نتیجے میں ملک بھر میں لاک ڈاؤن کرنا پڑا جس سے تقریباً تمام معاشی سرگرمیاں رک گئیں، جس کے نتیجے میں جی ڈی پی میں 0.38 فیصد تک کی سالانہ کمی واقع ہوئی۔

مالی سال 20 کے لئے کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) گزشتہ سال کی اسی مدت (SPLY) میں 13.43 بلین ڈالر (جی ڈی پی کا 4.8 فیصد) کے مقابلہ میں 2.97 بلین ڈالر (جی ڈی پی کا 1.1 فیصد) رہا، جو سالانہ 77.89 فیصد کم رہا۔ اس بہتر کارکردگی کی وجہاً شہادت درآمدات میں 18.22 فیصد سالانہ کمی کے باعث 51.87 بلین ڈالر سے 42.42 بلین ڈالر تک کمی اور اس کے ساتھ ساتھ ترسیلات زر میں 6.35 فیصد سالانہ اضافہ سے 23.12 ارب ڈالر ہو جاتا ہے۔ تاہم، COVID-19، وبائی بیماری کے پھیلاؤ کے درمیان برآمد مقامات میں شٹ ڈاؤن کے ساتھ ساتھ پاکستان میں لاک ڈاؤن کی وجہ سے، سامان کی درآمدات 7.21 فیصد سالانہ کم ہو کر 24.26 بلین ڈالر سے 22.51 بلین ڈالر ہو گئی۔ براہ راست غیر ملکی سرمایہ کاری (FDI) میں 88.03 فیصد کے اضافے سے 2.56 بلین ڈالر تک بڑھ گئے جس نے مرکزی بینک کو ملک کے غیر ملکی زرمبادلہ کے ذخائر کی تعمیر میں 4.40 بلین ڈالر اضافے سے 18.89 بلین ڈالر کرنے میں مدد کی ہے۔

مالی ماہ ذریعہ بورڈ آف ریونیو (FBR) مالی سال 20 کے دوران تقریباً 3.998 ٹریلین روپے جمع کرنے میں کامیاب رہا، یعنی اپنے ترمیم شدہ ہدف 3.908 ٹریلین روپے سے 89 بلین روپے زائد، جبکہ پچھلے سال کی اسی مدت میں 3.83 ٹریلین روپے جمع کئے تھے۔ ٹیکس کی وصولی ابتدائی ہدف 5.55 ٹریلین (جی ڈی پی کا 12.66 فیصد) سے بھی کم رہی جس کی وجہ سے حکومت کو ترقیاتی اخراجات پورا کرنا مشکل ہو گیا۔ مزید یہ کہ حکومت نے مالی سال 21 کے لئے 4.96 ٹریلین روپے ریونیو کو ٹیکس کا ہدف مقرر کیا ہے، جو مالی سال 20 کے مقابلے میں 24.16 فیصد زیادہ ہے، جو معاشی تعداد میں حوصلہ افزاء بہتری کے باوجود موجودہ معاشی ست روئی مد نظر رکھتے ہوئے مشکل دکھائی دیتا ہے کیونکہ کوویڈ 19 کے کیمز دو بارہ بڑھنے شروع ہو گئیں۔

پاکستان پیور آف اسٹیکس (PBS) کے مطابق، مالی سال 20 میں اوسطاً پیشکش سائز پر آئی اینڈ ایکس (NCPI) گزشتہ سالانہ 6.80 فیصد سالانہ کے مقابلے میں 10.74 فیصد سالانہ ریکارڈ کیا گیا۔ خود کار اور توانائی کے علاوہ بنیادی افراط زر، شہری اور دیہی علاقوں کے لئے بالترتیب 7.09 فیصد سالانہ اور 6.34 فیصد سالانہ اضافہ ہوا، جبکہ گزشتہ سال میں 5.10 فیصد سالانہ اور 4.08 فیصد سالانہ تھی۔ کوویڈ-19 کے درمیان ملک بھر میں لاک ڈاؤن کی وجہ سے معاشی سرگرمیوں میں کمی کے بعد، اسٹیٹ بینک آف پاکستان (ایس بی پی) نے ملک میں رکی ہوئی معاشی سرگرمیوں کی بحالی کے لئے پالیسی شرح میں 625bps کمی کرتے ہوئے مجموعی طور پر 13.25 فیصد سے 7.00 فیصد تک کم کرنے کا فیصلہ اپنی اقدام اٹھایا۔

مالی سال 20 کے اقتصادی سروے کے مطابق، زراعت کے شعبے میں 2.67 فیصد سالانہ اضافہ ہوا ہے۔ مالی سال 20 کے دوران فصلوں میں 2.98 فیصد کی مثبت نمو دیکھی گئی، اس کی بنیادی وجہ اہم زرعی فصلوں میں 2.90 فیصد سالانہ کی مثبت نمو ہے۔ گندم ریف کی سب سے اہم فصل ہونے کی وجہ سے، 2.5 فیصد اضافے سے 24.95 بلین ٹن تک پہنچ گئی۔ چاول کی پیداوار میں 2.9 فیصد اضافے سے 7.41 بلین ٹن اور کئی کی پیداوار 6.0 فیصد اضافے سے 7.24 بلین ٹن ہو گئی۔ تاہم، کپاس کی پیداوار 6.9 فیصد کم ہو کر 9.18 بلین گانٹھوں تک رہی جبکہ گنے کی پیداوار 0.4 فیصد کم ہو کر 66.88 بلین ٹن رہی۔

لارج سیکیل مینوفیکچرنگ (LSM) سیکٹر، جوکل مینوفیکچرنگ کا 77.05 فیصد اور جی ڈی پی کا 8.9 فیصد ہے، جس میں مالی سال 20 میں 10.17 فیصد کمی دیکھی گئی۔ زیر جائزہ مدت کے دوران، منفی نمو میں اہم شراکت آٹوموٹو پائل (ویٹ: 4.613 فیصد)، ٹیکسٹائل (ویٹ: 20.92 فیصد)، الیکٹریکل (ویٹ: 1.96 فیصد) اور کونولڈ اور پنیرولیم مصنوعات (ویٹ: 5.514 فیصد) کی ہوئی سکٹروں میں بالترتیب 43.78 فیصد، 10.37 فیصد، 34.82 فیصد اور 20.10 فیصد کمی واقع ہوئی ہے۔ تاہم، مالی سال 20 کے دوران کچھ کمی کو فریٹلائزر (ویٹ: 4.441 فیصد)، کانڈ اور بورڈ (ویٹ: 2.314 فیصد) اور بڑی مصنوعات (ویٹ: 0.262 فیصد) کی بالترتیب 4.39 فیصد، 2.25 فیصد اور 2.91 فیصد کی مثبت کارکردگی سے پورا کیا گیا۔

مزید برآں، پاکستان مالی سال 20 کے دوران براہ راست غیر ملکی سرمایہ کاری (ایف ڈی آئی) میں 2.56 بلین ڈالر کا اضافہ حاصل کرنے میں کامیاب رہا، جو 88.03 فیصد سالانہ اضافہ ہوا جبکہ مالی سال 19 کے دوران کم جس اثر کی وجہ سے 1.36 بلین ڈالر ریکارڈ ہوئی۔ یہ امر کی ڈالر کے برعکس پاکستانی روپیہ کی غیر یقینی صورتحال، آئی ایم ایف پروگرام کو حتمی شکل دینے میں تاخیر، کمزور جڑواں خسارے، ڈسمبر 2018 میں فٹ ریٹنگ کی طرف سے پاکستان کے کریڈٹ ریٹنگ میں کمی اور سرمایہ کاروں کے کم اعتماد سمیت متعدد وجوہات کی بنا پر تھا۔ بجلی کے شعبے (بڑے پیمانے پر کوئلے سے چلنے والے بجلی گھر) اور مواصلات کے شعبے میں FDI میں بڑے پیمانے پر اضافہ ہوا جس میں بالترتیب 1.09 بلین ڈالر (336 فیصد سالانہ) اور 719.61 بلین (12929 فیصد سالانہ) کا اضافہ ہوا ہے۔ دوسری جانب، ذاتی خدمات و مشروبات، کیٹیجز اور ٹرانسپورٹ کے آلات - کاروں نے مالی سال 20 کے دوران FDI میں 346.12 بلین ڈالر کی مجموعی خالص کمی دیکھی۔ جہاں تک سرمایہ کاری کرنے والے ممالک کا تعلق ہے تو، FDI میں اہم اضافہ چین، مالٹا اور ناروے سے 713.3313 بلین (60+ فیصد سالانہ)، 362.152 بلین (30+ فیصد سالانہ) اور 286.06 بلین (24+ فیصد سالانہ) دیکھا گیا۔

زیر جائزہ سال کے دوران، مقامی کرنسی سال میں غیر مستحکم رہی کیونکہ بین الاقوامی مالیاتی فنڈ اور کثیر الجہتی قرض دہندگان سے متوقع آمدی ہجے سے مالی سال 20 کی پہلی سہ ماہی کے دوران پاکستانی روپیہ کی قدر 4.15 فیصد تک بڑھی۔ تاہم، اقتصادی سرگرمیاں بند ہونے کے بعد مالی سال 20 کی دوسری سہ ماہی کے دوران پاکستانی روپیہ کی قدر 7.74 فیصد کم ہوئی کیونکہ صوبوں نے ملک میں گورنر ناؤنٹس کے پھیلاؤ پر قابو پانے کے لئے لاک ڈاؤن کا اعلان کیا۔ گزشتہ سال کی اقتصائی شرح 163.75 پاکستانی روپے کے مقابلہ میں، مالی سال 20 کے دوران امریکی ڈالر کے برعکس پاکستانی روپیہ کی شرح 167.86 روپے پر بند ہوئی۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 18 اور مالی سال 19 کے لئے دو سالوں کی مجموعی 27.20 فیصد تک نیچے آنے کے بعد، مقامی بورس مالی سال 20 کے دوران 1.53 فیصد (ڈالر کے لحاظ سے 3.1 فیصد) کے مایوس کن ریزن کے ساتھ کلیت ر ہا اور 34,422 پوائنٹس پر بند ہوا، جبکہ گزشتہ سال 33,902 پوائنٹس پر بند ہوا تھا۔ مالی سال 20 کی پہلی ششماہی کے دوران، اقتصادی نمبرز میں بہتری کی ہجے سے مارکیٹ نے 20.16 فیصد ریزن درج کر لیا۔ تاہم، مالی سال 20 کی دوسری ششماہی کے دوران، کوویڈ 19 وبائی بیماری کے KSE-100 انڈیکس پر اثرات کے باعث لاک ڈاؤن میں معاشی سرگرمیاں بند ہونے کی ہجے سے فروخت کا دباؤ دم توڑ گیا۔ ملک میں کوویڈ 19 پھیلنے پر، مالی سال کی تیسری سہ ماہی کے دوران مارکیٹ میں سہ ماہی بنیاد پر 28.24 فیصد کمی واقع ہوئی۔ مزید یہ کہ سنٹرل بینک کی طرف سے بروقت مانیٹری زمی (پالیسی شرح میں 625bps تک مجموعی طور پر کمی)، اور تعمیریاتی شعبے کے لئے حکومت کار عاقتصادی پیکج اور کاروبار دوستانہ پالیسیوں نے مالی سال 20 کی چوتھی سہ ماہی میں مقامی بورس کو محرک فراہم کیا، اور اس کے نتیجے میں مالی سال کی تیسری سہ ماہی کے سرمایہ کاروں کے نقصانات کی بحالی ہوئی۔

مالی سال 20 کے دوران یومیٹرن اور او۔ او۔ او۔ 196.53 ملین حصص ر ہا، جو مالی سال 19 کے دوران ریکارڈ 155.21 ملین حصص کے مقابلے میں 26.63 فیصد سالانہ اضافہ ہے۔ مالی سال 20 میں گزشتہ سال کے 62.26 فیصد کے مقابلے KSE-100 کے ٹرن اور کار کا تناسب 62.26 فیصد بہتر ہونے کے باشر مایہ کاروں کی توجہ اعلیٰ درجے کے اسٹاک کی منتقل ہو گئی۔ اوسط یومیٹری تجارت کی مالیت 7.22 ملین روپے ہوئی، جو مالی سال 19 کے دوران ریکارڈ 6.36 ملین روپے کے مقابلے میں 13.44 فیصد زیادہ ہے۔ غیر ملکی سرمایہ کاروں نے مالی سال 20 کے دوران ایکویٹی مارکیٹ میں 284.83 ملین ڈالر کی خالص فروخت کے ساتھ خالص فروخت کنندگان کی حیثیت برقرار رکھی، جو مالی سال 16 سے مجموعی اخراج سے 1.86 ملین ڈالر تک تھی۔ مالی سال 20 کے دوران بینکوں / ڈی ایف آئی اور میڈیٹل فنڈز کی پوزیشنز میں بھی کمی آئی جن کی خالص فروخت بالترتیب 55.40 ملین ڈالر اور 50.22 ملین ڈالر ہوئی۔ بالترتیب 213.23 ملین ڈالر اور 127.64 ملین ڈالر کی خالص خریداری کے ساتھ زیادہ تر افراد اور انشورنس کمپنیاں خریدار ہیں۔

مالی سال 20 کے دوران مختلف شعبوں نے بڑی کارکردگی دیکھائی جس نے KSE-100 انڈیکس کو اپنی رفتار برقرار رکھنے میں مدد فراہم کی۔ سینٹ، فارماسیوٹیکلز، فوڈ اینڈ پراسسنگ، کیمیکل، فرنیچر اینڈ ریٹیل ٹیکنالوجی اور مواصلات جیسے شعبوں نے بیچ مارک انڈیکس کی بہتر کارکردگی ظاہر کی کیونکہ مارکیٹ کچھلاؤ ٹریڈنگ بالترتیب 33.31 فیصد، 56.42 فیصد، 10.78 فیصد، 12.34 فیصد، 7.31 فیصد اور 35.31 فیصد بڑھ گئی۔ دوسری طرف تہا کو، کمرشل بینک، آئل اینڈ گیس ایکسیپلوریشن کمپنیاں، بجلی کی پیداوار اور تقسیم اور نیکنائل کمپوزٹ سیکٹرز نے بالترتیب 40.41 فیصد، 16.70 فیصد، 14.26 فیصد اور 19.19 فیصد اور 8.15 فیصد کی اتر کارکردگی ظاہر کی۔ جی ڈی پی میں مجموعی مارکیٹ کچھلاؤ ٹریڈنگ کا تناسب مالی سال 19 اور مالی سال 18 کے دوران بالترتیب 18.14 فیصد اور 24.90 فیصد کے مقابلے میں کم ہو کر 15.65 فیصد رہ گیا ہے۔

ملک میں کوویڈ-19 کے پھیل جانے اور معاشی سرگرمیوں کی بندش کے بعد حکومت پاکستان نے غیر معمولی اقدامات اٹھائے اور مالی سال 21 کے بجٹ میں نئے اضافی ٹیکس عائد نہیں کیے۔ اس سے قبل حکومت پنجاب نے ایک 1.2 ٹریلین روپے کے ریلیف پیکج کا اعلان کیا جس میں 100 ملین روپے برآمد کنندگان کو ادائیگی، 150 ملین روپے SMEs کے لئے مؤخر سود کی ادائیگی، اور 300 سے کم پونٹ استعمال کرنے والے صارفین کے لئے عاقتصادی پیکج کی فراہمی شامل ہے۔ مزید یہ کہ حکومت نے مالی سال 19 میں 187 ملین روپے کے مقابلے میں 208 ملین روپے تک مختص رقم میں اضافہ کر کے وزیر اعظم کے "احسان پروگرام" کی رسائی کو وسعت دی ہے۔ طلب میں متوقع اضافے کی بدولت ان تمام اقدامات سے سرمایہ کاروں کا اعتماد بحال ہوا۔

قیمت کے لحاظ سے، KSE-100 انڈیکس 6.22x کی کثیر آمدنی تک اگلی قیمت پر بند ہوا، جو 12.45x کی MSCI امریکن مارکیٹ P/E کے مقابلے میں 50 فیصد ڈسکاؤنٹ ہے اور 6.86 فیصد کی صحت مند منافع پیداوار کی پیش کش کر رہا ہے۔ مزید یہ کہ، 1.41x کی MSCI امریکن مارکیٹ P/B کے مقابلے میں، بیچ مارک انڈیکس 0.85x کی ہگ ملٹی پل تک اگلی قیمت پر بند ہوا جو 40 تک زیادہ ہے۔

منفی مارکیٹ کا جائزہ

مالی سال 20 کے دوران سٹاکس (27) کی بی نیلامیاں منعقد ہوئیں، جس میں اسٹیٹ بینک آف پاکستان نے مجموعی طور پر 14.35 ٹریلین روپے جمع کئے۔ 3 ماہ، 6 ماہ اور 12 ماہ کی اوسط پیداوار بالترتیب 12.23 فیصد، 12.13 فیصد اور 11.98 فیصد تھی جبکہ گزشتہ سال کے اسی عرصے کے لئے بالترتیب 9.69 فیصد، 9.76 فیصد اور 6.57 فیصد تھی۔ تاہم یہ بات قابل ذکر ہے کہ پیداوار میں کمی کارخانہ پانا جارہا ہے چونکہ 3 ماہ، 6 ماہ اور 12 ماہ کے ٹی بلز بالترتیب 13.75 فیصد، 13.95 فیصد اور 14.22 فیصد تک پہنچنے سے مختصر مدت کے کاغذات میں بھی پیداوار کرنے کی نشاندہی ہوتی ہے۔

لیکویٹیٹی کے مسئلے کو مزید حل کرنے کے لئے، اسٹیٹ بینک نے پاکستان انویسٹمنٹ بانڈ (PIBs) کی بارہ (12) نیلامیاں منعقد کیں اور مالی سال 20 کے دوران 2.07 ٹریلین روپے تک بڑھانے میں کامیاب رہا، جس کی اوسط پیداوار 3 سال، 5 سال، اور 10 سال کی بائوٹریٹیپ 11.59 فیصد، 11.29 فیصد، اور 11.18 فیصد رہی، جبکہ پچھلے سال کے اسی عرصے کے دوران بائوٹریٹیپ 9.97 فیصد، 10.02 فیصد، اور 10.93 فیصد تھی۔ یہ قابل ذکر ہے کہ 20 سال PIB میں اوسط وزن 11.02 فیصد پیداوار کے ساتھ بولیاں قبول کی گئیں۔ اس کے علاوہ، اسٹیٹ بینک نے 15 سال PIB کا اجراء کیا جس کی اوسط پیداوار 12.80 فیصد ہے۔ مالی سال 21 کی پہلی سہ ماہی کے دوران، 3 سال، 5 سال، 10 سال، اور 20 سال PIBs کی اوسط پیداوار 37.77bps، 9.46bps، 11.9bps اور 3.98bps تک بڑھنے سے بائوٹریٹیپ 8.20 فیصد، 8.45 فیصد، 8.99 فیصد اور 10.55 فیصد ہو گئی۔

مالی سال 20 کے دوران، مانیٹری پالیسی کمیٹی (ایم پی سی) نے Covid-19 کے دوران افراط زر کی شرح کو برقرار رکھتے ہوئے شرح نمو میں کمی کو روکنے کے مقصد کے ساتھ 525bps کی کمی کر کے 7.00 فیصد کر دیا۔ اسٹیٹ بینک نے مالی سال 20 میں مختلف مچھور ٹیز کے 106 اوپن مارکیٹ آپریشنز (او ایم او) منعقد کئے، جس میں اس نے اوسطاً 12.36 فیصد کٹ آف پیداوار پر پی او ایم او۔ اوسطاً 625.10 بلین روپے کی رقم کی سرمایہ کاری کی، اور 11.05 فیصد کی اوسط کٹ آف پیداوار پر پی او ایم او 202.37 بلین روپے کی اوسط رقم حاصل کی۔

ستمبر تا نومبر 2020 کے لئے نیلامی کے کیلنڈر ہدف کے مطابق، اسٹیٹ بینک نے 3.12 ٹریلین روپے کے مچھورنگ قرض کی ادائیگی کے لئے 3-12 ماہ کے ٹی بلوں کے ذریعے 2.35 ٹریلین روپے اور 3-20 سال کے گلسڈ ریٹ پی آئی بی کے ذریعے 420 بلین روپے جمع کرنے کا ہدف رکھا ہے۔ اس کے علاوہ، اسٹیٹ بینک نے 3 سے 10 سال کی فلوٹنگ شرح کی پی آئی بی نیلامی کے ذریعے مزید 660 بلین روپے جمع کرنے کا ہدف رکھا ہے۔

کارپوریٹ اور مالی رپورٹنگ فریم ورک

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، فنڈ کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور پونٹ ہولڈرز کے فنڈ، میں بہتری کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف اور وضاحت کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن منظم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- فنڈ کے گورننگ کسٹرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- قہری قواعد میں دی گئی تفصیل کے مطابق، کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- سیکسز، ڈیویڈنڈ، لیو یز اور بقایا چارجز کی مد میں کوئی قانونی ادائیگی نہیں ہے۔
- درج ذیل گوشوارہ بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کے اجلاسوں میں ڈائریکٹرز کی حاضری ظاہر کرتا ہے:

بورڈ اجلاس کی حاضری

نمبر شمار	ڈائریکٹر کا نام	29 اپریل 2020	21 فروری 2020	26 اکتوبر 2019	30 ستمبر 2019	حاضری	رخصت
1	جناب عبدالکریم	✓	✓	✓	✓	4	0
2	جناب عمران موتی والا	✓	✓	✓	✓	4	0
3	محترمہ انجم ذہیدہ	✓	✓	✓	✓	4	0
4	جناب صائم مصطفیٰ زبیری	✓	✓	✗	✓	3	1
5	جناب علی و باب صدیقی	✓	✓	✓	✓	4	0
6	جناب حسن احمد	✓	✓	✓	✓	4	0
7	محترمہ عائشہ احمد	✓	✓	✓	✓	4	0

آڈٹ کمیٹی اجلاس کی حاضری

نمبر شمار	ڈائریکٹر کا نام	29 اپریل 2020	21 فروری 2020	25 اکتوبر 2019	28 ستمبر 2019	حاضری	رخصت
1	جناب علی وہاب صدیقی	✓	✓	✓	✓	4	0
2	جناب حسن احمد	✓	✓	✓	✓	4	0
3	جناب صائم مصطفیٰ زبیری	✗	✓	✗	✓	2	2

(i) فنڈ کے پنشن میں کسی ڈائریکٹر سی او سی ایف او سی آئی او سی او او، کمیٹی ممبر سی او سی او اور ان کے شریک حیات اور ان کے ناپائے چوں کی طرف سے کوئی تجارت نہیں کی گئی علاوہ ازیں جن کا ذیل میں اور مانی گوشواروں کے متعلقہ نوٹس میں انکشاف کیا گیا۔

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (پونٹ کی تعداد)	واپسی (پونٹ کی تعداد)
AKD ایچ پی ٹی فنڈ				
1	جناب عمران موٹی والا	سی آئی او	32,660.13	32,689.45
2	مختصر عمران موٹی والا	زہبی سی آئی او	924,859.97	1,762,171.66
3	جناب محمد یاقوب	سی او او اور کمیٹی ممبر سی آئی او	14,574.38	4,729.77
4	مختصر شیخ	زہبی سی او او اور کمیٹی ممبر سی آئی او	26,322.02	1,615.30

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (پونٹ کی تعداد)	واپسی (پونٹ کی تعداد)
AKD کیش فنڈ				
1	مختصر عمران موٹی والا	زہبی سی آئی او	1,912,911.13	1,912,911.13
2	جناب حسن احمد	ڈائریکٹر	12.9318	-

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (پونٹ کی تعداد)	واپسی (پونٹ کی تعداد)
AKD اسلامک انکم فنڈ				
1	جناب عمران موٹی والا	سی آئی او	79,113.14	79,135.09
2	مختصر عمران موٹی والا	زہبی سی آئی او	9,634,283.16	7,626,999.36
3	جناب محمد یاقوب	سی او او اور کمیٹی ممبر سی آئی او	1,665.87	-
4	مختصر شیخ	زہبی سی او او اور کمیٹی ممبر سی آئی او	27,685.64	27,685.64
5	جناب محمد عزیز	سی ایف او	-	5,968.00

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (پونٹ کی تعداد)	واپسی (پونٹ کی تعداد)
AKD اسلامک اسٹاک فنڈ				
1	مختصر عمران موٹی والا	زہبی سی آئی او	396,502.52	396,502.52
2	جناب حسن احمد	ڈائریکٹر	-	10,077.96

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (پونٹ کی تعداد)	واپسی (پونٹ کی تعداد)
AKD انڈیکس ٹریڈر فنڈ				
1	مختصر شیخ	زہبی سی او او اور کمیٹی ممبر سی آئی او	147,786.13	147,786.13

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (پونٹ کی تعداد)	واپسی (پونٹ کی تعداد)
گولڈن ایر اسٹاک فنڈ				
1	مختصر شیخ	زہبی سی او او اور کمیٹی ممبر سی آئی او	619.97	-

میںجمنٹ کمپنی کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 08 فروری 2020 کو AKD انویسٹمنٹ مینجمنٹ لمیٹڈ (AKDIML) کو AM3++ (AM قہری پلس پلس) کی اٹھاسیٹھ درجہ بندی تفویض کی ہے۔

فٹڈ زکی درجہ بندی

AKD اپرچونٹی فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 28 فروری 2020 کو AKD اپرچونٹی فنڈ (AKDOF) کو ایک سالہ کارکردگی کی مدت میں "ایم ایف آر-1 اسٹار" ، تین سالہ کارکردگی کی مدت میں "ایم ایف آر-2 اسٹار" اور پانچ سالہ کارکردگی کی مدت میں "ایم ایف آر-3 اسٹار" کی کارکردگی کی درجہ بندی تفویض کی ہے۔

AKD کیش فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 24 اپریل 2020 کو AKD کیش فنڈ (AKDCF) کو "AA+(f)" (اے ڈبل اے پلس: فنڈ استحکام درجہ بندی) کی سطحی ریٹنگ تفویض کی ہے۔

AKD اگریو انکم فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 24 اپریل 2020 کو AKD اگریو انکم فنڈ (AKDAIF) کو "A-(f)" (اے منفی: فنڈ استحکام درجہ بندی) کی سطحی ریٹنگ تفویض کی ہے۔

گولڈن ایرو اسٹاک فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 28 فروری 2020 کو گولڈن ایرو اسٹاک فنڈ (GASF) کو ایک سالہ کارکردگی کی مدت میں "ایم ایف آر-1 اسٹار" ، 3 سالہ کارکردگی کی مدت میں "ایم ایف آر-2 اسٹار" اور 5 سالہ کارکردگی کی مدت میں "ایم ایف آر-4 اسٹار" کی کارکردگی کی درجہ بندی تفویض کی ہے۔

AKD اسلامک انکم فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 24 اپریل 2020 کو AKD اسلامک انکم فنڈ (AKDISIF) کو "A+(f)" (اے پلس: فنڈ استحکام درجہ بندی) کی سطحی ریٹنگ تفویض کی ہے۔

AKD اسلامک اسٹاک فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 28 فروری 2020 کو AKD اسلامک اسٹاک فنڈ (AKDISSF) کو ایک سالہ کارکردگی کی مدت میں "ایم ایف آر-1 اسٹار" کی کارکردگی کی درجہ بندی تفویض کی ہے۔

ہولڈنگ کمپنی

عقلم کریم وھید سیکیورٹیز (پرائیویٹ) لمیٹڈ (AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کی ہولڈنگ کمپنی ہے اور اس کمپنی کے آؤٹ شیڈنگ عام حصص کے 99.97 فیصد کی مالک ہے۔

آؤٹریز کا تقرر

بورڈ نے سال 2020-2021 کے لئے آؤٹ کمیٹی کے تجویز کردہ میسرز ڈیلاٹ یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو AKD اپرچونٹی فنڈ (AKDOF)، گولڈن ایرو اسٹاک فنڈ (GASF)، AKD انڈیکس ٹریڈر فنڈ (AKDITF)، AKD کیش فنڈ (AKDCF)، AKD اگریو انکم فنڈ (AKDAIF)، AKD اسلامک انکم فنڈ (AKDISIF) اور AKD اسلامک اسٹاک فنڈ (AKDISSF) کے آؤٹریز کے طور پر دوبارہ تقرر کی منظوری دی ہے۔

بورڈ نے سال 2020-2021 کے لئے آؤٹ کمیٹی کے تجویز کردہ میسرز ڈیلاٹ یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کے آؤٹریز کے طور پر دوبارہ تقرر کی منظوری دی ہے۔

اہلکار تشکر

ڈائریکٹرز سیکریٹریز اینڈ ایکسچینج کمیشن آف پاکستان، وزارت خزانہ، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کی مسلسل حمایت اور تعاون پر ان کا شکریہ ادا کرتے ہیں۔ بورڈ AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کے عملے اور افسران کی بھرپور کارکردگی کو بھی سراہتے ہیں۔ بورڈ کمپنی پر اعتماد کے لئے سرمایہ کاروں کے بھی شکریہ ادا کرتے ہیں۔

زاویہ نگاہ

مالی سال 21 کے دو ماہ کے دوران، کرنٹ اکاؤنٹ بیلنس میں 805 ملین ڈالر کا سرپلس دیکھنے میں آیا۔ ہوائی سفر کی بندش اور لاک ڈاؤن کی وجہ سے غیر رسمی چینل کی راہ میں رکاوٹ کی پشت پر ترسیلات زر میں اضافہ کی اس صورتحال میں ردوبدل میں اضافے کا سبب قرار دیا جاسکتا ہے۔ آگے بڑھتے ہوئے توقع ہے کہ ٹیکسٹائل برآمدات میں توانائی کے کم نرخوں کی شکل میں اس شعبے کو پیش کی جانے والی مختلف مراعات کی وجہ سے اضافہ ہوگا جس سے کرنٹ اکاؤنٹ کے توازن کو مزید تقویت ملے گی۔ نتیجہ کے طور پر، کرنٹ اکاؤنٹ پر دباؤ کسی بھی اڈاپک کی قدر میں کمی کے امکانات کو کم کر دے گا، تاہم، 5% کی بتدریج کمی کو مسترد نہیں کیا جاسکتا۔

کراچی میں طوفانی بارش اور سیلاب کے بعد، وزیر اعظم نے شہریوں کے مسائل حل کرنے کے لئے آئندہ 3 سالوں میں کراچی کو تبدیل کرنے کے لئے 1.1 ٹریلین روپے کے ایک تاریخی ڈیولپمنٹ پیکیج کا اعلان کیا اور اس میں نالوں کی صفائی، سیوریج ٹریٹمنٹ اور ڈسپوزل، پانی کی فراہمی، سڑکیں، اور بڑے پیمانے پر آمدورفت سے متعلق اہم منصوبے شامل ہیں۔ پیکیج کے بریک اپ میں شامل ہیں: (1) پانی کی فراہمی 92 بلین روپے (2) سالڈ ویسٹ مینجمنٹ، طوفانی پانی کے نالوں کی صفائی اور بحالی کے منصوبے 267 بلین روپے اور (5) ریل اور سڑک سمیت بڑے پیمانے پر آمدورفت 572 بلین روپے۔ چوتھی سہ ماہی کے آغاز پر ہی اعلان کردہ پیکیج اور تعمیراتی پیکیج معیشت کے لئے فائدہ مند ہوگا۔ اعلان کردہ پیکیج سے بنیادی طور پر سیٹ اور اسٹیل کے شعبے مستفید ہوں گے۔

ورلڈ ہیلتھ آرگنائزیشن (ڈبلیو ایچ او) کی بریفنگ کے مطابق، پاکستان ان پانچ ممالک میں شامل ہے جنہوں نے بروقت کوویڈ 19 واپائی بیماری کا مقابلہ کرنے میں کامیاب اور مؤثر اقدامات کیے ہیں۔ ڈبلیو ایچ او کے ڈائریکٹر جنرل ڈاکٹر ٹینڈروس اوجین گھریس نے حالیہ پریس بریفنگ میں ریمارکس دیئے کہ پاکستان نے کوویڈ 19 پر قابو پانے کے لئے پولیو کے خلاف تیار کردہ بنیادی ڈھانچے کو استعمال کیا ہے۔ پاکستان میں پچھلے چند ہفتوں میں مثبت کیسوں کی تعداد میں مستقل کمی دیکھنے میں آئی ہے جس کے بعد حکومت نے ملک کے بیشتر حصہ میں کوریوٹاوائزس سے متعلق پابندیوں کو ختم کر دیا۔ ستمبر کے وسط تک، پاکستان میں مجموعی طور پر ٹھیک ہونے والوں کے ساتھ بحالی کا تناسب 96 فیصد رہا اور بالترتیب 289,806 اور 302,020 کیسز کی تصدیق ہوئی۔ یومیہ انفیکشن کا تناسب بھی کم ہو رہا ہے جہاں موجودہ فعال کیسز 5,831 ہیں۔

گردشی قرضہ بڑھنے پر زیادہ توثیق کی وجہ سے، حکومت پاکستان آزاد بجلی پروڈیوسرز (آئی پی پی) سے بات چیت کر رہی ہے تاکہ وہ بجلی کی خریداری کے معاہدوں کی شرائط پر نظر ثانی کریں۔ زیادہ حوصلہ افزاء ڈیولپمنٹ "ان پرنسپل/ایم او" "انفہام گھریس کے بعد، بہت سے آئی پی بی چیز اپنی مصلحتی ادائیگیاں کم کرنے پر نظر ثانی کرنے اور شیڈ مارک ٹیرف کارکردگی کی سطح سے زیادہ کارکردگی کے حصول میں شریک ہونے پر راضی ہو گئے ہیں۔ مزید یہ کہ، آئی پی بی چیز نے مسابقتی تجارتی معاہدے کی ڈیولپمنٹ کے بعد اپنے معاہدے کو "ٹیک یا پی" سے "ٹیک اور پی چیز" میں تبدیل کرنے پر بھی اتفاق کیا ہے۔ بجلی کے شعبے میں اس طرح کی غیر معمولی اصلاحات گردشی قرضوں میں اضافے کو محدود کر دیں گی اور ملک میں انرجی سلسلے کی کارکردگی میں اضافہ ہوگا۔ یہ امر بھی قابل ذکر ہے کہ بلایا جات کے اہم معاملے پر بھی اسی اصولی معاہدے پر توجہ دی گئی ہے جس میں حکومت تمام واجبات ادا کرے گی۔

طویل مدت سے زبرالتوا ایف ایف ایس (GIDC) کے لئے پاکستان کی سپریم کورٹ (ایس سی) نے اپنے فیصلے کا اعلان کیا۔ سپریم کورٹ نے فیصلہ حکومت کے حق میں دیا اور انڈسٹریز کو ہدایت کی گئی کہ وہ آج کی تاریخ سے 31 جولائی 2020 تک تمام رقم 24 ماہ کے اندر ادا کرے۔ ایس سی نے حکومت کو مزید GIDC چارج کرنے سے بھی روک دیا جب تک کہ متعلقہ رقم آئی سی سی ایکٹ 2015ء میں بیان کردہ منصوبوں پر خرچ نہیں ہو جاتی۔ جبکہ ایس سی نے حکومت کے حق میں فیصلہ دیا، یہاں تک کہ تنازعات کے معاملات ابھی باقی ہیں برآمد کنندگان پر اس فیصلے کا زیادہ اطلاق ہو اور زیادہ اہم بات یہ ہے کہ تمام واجبات کی وصولی کو یقینی بنانے کے لئے سپریم کورٹ نے فراہم کردہ ٹائم لائن کے سلسلے میں، مثال کے طور پر حکومت نے فریڈا نریمینو پیچرز کی آخری تاریخ 10 سال تک بڑھانے کی درخواست کو مسترد کر دیا۔ کھادینو پیچرز نے یوریا کی قیمت میں 100 روپے بیک اور 500 روپے فیوچرنگ بالترتیب 2 سال اور 10 سال کی قسط پر منحصر کیا ہے۔ مزید یہ کہ، یوریا کی قیمتوں میں کسی بھی اضافے سے ملک کی غذائی افراتفر پر ممکنہ طور پر زیادہ افراتفر کا دباؤ بڑھ سکتا ہے۔ حالیہ چند ہفتوں اور فیصلے آئندہ دو سال کے دوران یہ شعبہ لائٹ لائٹ کے تحت رہے گا۔

سوڈی شرحوں میں نمایاں کمی، اور معیشت میں مجموعی سست روی کے ساتھ، پاکستان کی ایکویٹی مارکیٹ کئی سرمایہ کاروں کے لئے پرکشش بن گئی اور اس طرح لیکویڈیٹی کو اپنی طرف متوجہ کرنے میں کامیاب ہو گئی جہاں دیگر تمام اثاثہ طبقوں کا Covid 19 عالمی وبا کے ابتدائی پھیلاؤ کے دوران ہی لیکویڈیٹی حاصل کرنے میں ناکام رہے تھے۔ اس کے ساتھ، PSX ہائبرڈ زاور انشورنس کمپنیوں کے ذریعہ دیگر اثاثہ کلاسوں کے مقابلے میں مزید لیکویڈیٹی کو راغب کرنا جاری رکھ سکتا ہے۔ غیر ملکی دلچسپی دوبارہ بڑھ گئی جہاں اگست کے مہینے میں FIPI میں 6.85 بلین امریکی ڈالر کی آمدورفت دیکھنے میں آئی ہے، جہاں ہم موجودہ پاکستانی روپیہ/امریکی ڈالر کی برابری اور عالمی سطح پر شرح سود کے منظر ناموں کی وجہ سے مستقبل کی آمد کے بارے میں بڑا امید ہیں۔

مالی سال 21 کے دوران، منڈیوں کے مملوں اور موہمی بارشوں کی وجہ سے اہم فصلوں کی پیداوار میں کمی کا امکان ہے۔ اسٹیٹ بینک آف پاکستان کے مطابق مالی سال 21 کے لئے ہماری متوقع 2.0% کی ریکل جی ڈی پی نمو کی مثبت شراکت سے صنعتی شعبہ میں متوقع طور پر دو سال (مالی سال 20-19) میں مسلسل کمی کے بعد دوبارہ ترقی کا آغاز ہوگا۔ ہم توقع کرتے ہیں کہ موجودہ منفی شرح سود کا نظام کارپوریٹ سیکٹر کو مالی معاونت فراہم کرنے میں معاون ثابت ہوگا۔ مزید یہ کہ، 93.02 کا اصلی مؤثر تبادلہ شرح (REER) کا مطلب ڈالر کی مستحکم برابری، اور روپیہ کی قدر میں مزید کمی کا بہت کم امکان ہے۔

لکسڈ اگرم حجاز پر، سوڈی حالیہ شرحوں میں 625bps کی کمی نے معیشت کو محرک فراہم کیا ہے۔ اسٹیٹ بینک آف پاکستان کو توقع ہے کہ مالی سال 21 کے دوران ملک کی بنیادی افراتفر 7 سے 9 فیصد کے درمیان رہے گی۔ موجودہ منفی حقیقی سوڈی شرحیں بین الاقوامی مالیاتی فنڈ پروگرام کے تحت ملک پر زیادہ روپے پائیدار نہیں ہو سکتی ہیں۔ مزید یہ کہ، منفی حقیقی سوڈی شرحوں سے سرمایہ کی حفاظت کو بھی خطرہ لاحق ہوتا ہے، اور جس کے نتیجے میں کرنسی کی قدر میں کمی آتی ہے۔ ہم توقع کرتے ہیں کہ اسٹیٹ بینک پاکستان مالی سال 21 کی دوسری ششماہی کے دوران تنظیمی مالیاتی پالیسی کا انتخاب کرے گا۔

ایکویٹی شیئنگ مارک درمیانی مدت میں تیز رفتاری سے بڑھتے رہنے کا امکان ہے جس میں لیکویڈیٹی ایک اہم محرک ہے جبکہ بینکوں اور E&Ps جیسے اہم شعبوں جہاں قدر کی قیمت کم ہیں اور بڑھائی جاتی ہے کی طرف مکتدہ تہدیلی سے بھی مدد حاصل کرتی ہے۔ حال ہی میں اعلان کردہ ہیکٹیج کی وجہ سے کارپوریٹ آمدنی میں مستقبل کی متوقع نمو شیئنگ مارک KSE-100 انڈیکس کی آمدنی سے زیادہ درجہ بندی کا سبب بنیگی جس کی حالیہ تجارت 7.49x (16 ستمبر 2020) کی کثیر آمدنی تک آگے کی قیمت پر ہے۔

برائے وختیاب بورڈ

عیدالکریم
چیئر مین

عمران موٹی والا
چیئف ایگزیکٹو آفیسر

کراچی: 30 ستمبر 2020ء



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