

Funds Managed by:
AKD Investment Management Ltd.

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



half yearly report



Partner with AKD
Profit from the
Experience



**AKD Investment
Management Ltd.**

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MANAGEMENT COMPANY

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman

Mr. Abdul Karim

Director & Chief Executive Officer

Mr. Imran Motiwala

Directors

Ms. Anum Dhedhi

Mr. Ali Wahab Siddiqui

Mr. Hasan Ahmed

Mr. Saim Mustafa Zuberi

Ms. Aysha Ahmed

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)

Mr. Hasan Ahmed (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

Ms. Aysha Ahmed (Chairman)

Mr. Abdul Karim (Member)

Mr. Imran Motiwala (Member)

Ms. Anum Dhedhi (Member)

Mr. Saim Mustafa Zuberi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING

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

**CORPORATE
INFORMATION**

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

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

AKD Index Tracker Fund (AKDITF)

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

AKD Cash Fund (AKDCF)

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

AKD Aggressive Income Fund (AKDAIF)

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

AKD Islamic Income Fund (AKDISIF)

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

AKD Islamic Stock Fund (AKDISSF)

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

MACRO PERSPECTIVE

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

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

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

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

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

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

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

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

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

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

EQUITY MARKET REVIEW

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

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

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

MONEY MARKET REVIEW

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

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

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

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

FUTURE OUTLOOK

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

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

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

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

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

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Abdul Karim
Chairman

Karachi: February 22, 2019.

AKD Cash Fund

Financial Information - First Half FY19

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AKD Cash 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 Shakra-e-Faisal, Karachi.

BANKERS

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

AUDITORS

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

LEGAL ADVISER

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

REGISTRAR

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

DISTRIBUTOR

AKD Investment Management Limited
AKD Securities Limited
BMA Capital Management Limited
First Street Capital (Pvt.) Limited
Investomate (Pvt.) Limited
Savings Lounge (Pvt.) Limited

RATING

AKD CASH FUND
PACRA: AA+(f) [Double A Plus (f)]

FUND MANAGER'S REPORT

i) Description of the Collective Investment Scheme Category and types:

Open - end Money Market Scheme

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

The investment objective of the Fund is to provide optimum return consistent with minimal risk from a portfolio constituted of high quality short term securities / instruments, which will provide liquidity to investors. The fund exclusively invests in highly secure ('AA' and above) debt instruments such that the weighted average maturity of its assets stays below 90 days.

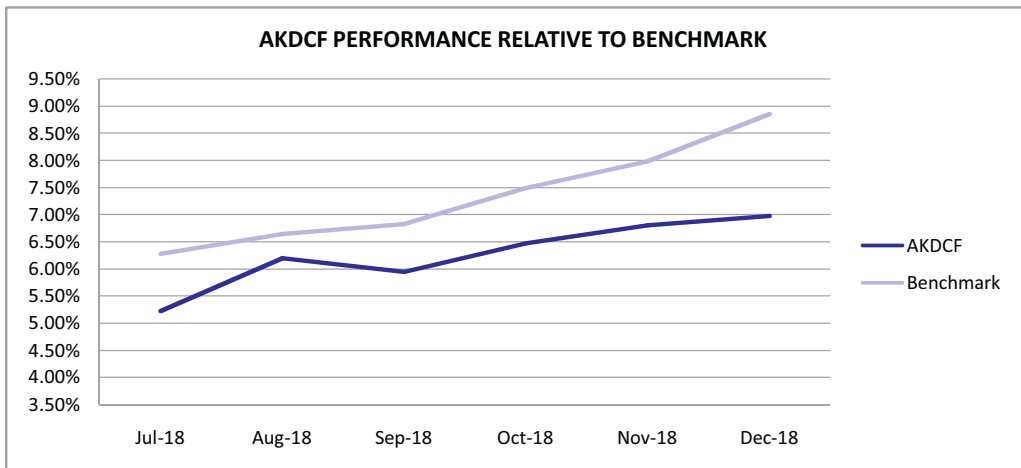
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

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

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

70% three (3) months PKRV rate + 30% three (3) months average deposit rate of three(3) AA rated scheduled Banks as selected by MUFAP.

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



Monthly yield (annualized)	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
AKDCF	5.23%	6.20%	5.95%	6.48%	6.81%	6.98%
Benchmark	6.28%	6.65%	6.83%	7.49%	7.99%	8.86%

AKD Cash Fund - Half Yearly Report December 2018

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

AKD Cash Fund is an open - end Money Market Scheme. The returns of the funds are generated through investment in high quality short term government securities. AKDCF is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

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

Asset Allocation (% of Total Assets)	31-Dec-18	30-Sep-18
Cash and Cash Equivalents	84.88%	99.85%
Other Assets Including Receivables	15.12%	0.15%

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

1HFY19 (annualized)	6.35%
Benchmark (annualized)	7.51%

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

Net Assets Value			NAV Per Unit	
31-Dec-18	30-Sep-18	Change in Net Assets	31-Dec-18	30-Sep-18
(Rupees in 000)			(Rupees)	
365,938	155,674	135.07%	51.8845	51.0126

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

MACRO PERSPECTIVE

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

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

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

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

xi) Description and explanation of any significant changes in the state of the affairs of the Collective Investment Scheme during the period and up till the date of Fund Manager's report, not otherwise disclosed in the financial statements:

There was no significant change in the state of affairs during the period under review.

xii) Break down of unit holding by size:

Range (Units)	No. of Investors
0.1 - 9,999	250
10,000 - 49,999	12
50,000 - 99,999	9
100,000 - 499,999	11
500,000 and above	4
Total	286

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

There were no unit splits during the period.

xiv) Disclosure of circumstances that materially affect any interest of unit holders:

Investments are subject to credit and market risk.

xv) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker (s) or dealers by virtue of transaction conducted by the Collective Investment Scheme:

No soft commission has been received by the AMC from its broker or dealer by virtue of transactions conducted by the Collective Investment Scheme.

TRUSTEE REPORT TO THE UNIT HOLDERS

AKD CASH FUND

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

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

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

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2019

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

Introduction

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

Scope of Review

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

Conclusion

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

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: Noman Abbas Sheikh

Karachi: February 27, 2019

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

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
Note		---- (Rupees in '000) ----	
ASSETS			
Bank balances	4	46,474	16,743
Investments	5	265,654	147,923
Profit receivable		605	50
Receivable against conversion of units		54,820	-
Deposits and prepayments		13	-
Other receivable		190	190
Total assets		367,756	164,906
LIABILITIES			
Payable to AKD Investment Management Limited - Management Company	6	828	759
Payable to the Central Depository Company of Pakistan Limited - Trustee	7	48	20
Payable to Securities and Exchange Commission of Pakistan	8	71	93
Accrued expenses and other liabilities	9	871	821
Total liabilities		1,818	1,693
NET ASSETS		365,938	163,213
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		365,938	163,213
CONTINGENCIES AND COMMITMENTS			
	10	---- (Number of units) ----	
NUMBER OF UNITS IN ISSUE		7,052,928	3,103,325
NET ASSET VALUE PER UNIT		51.8845	52.5930
		(Rupees)	
FACE VALUE PER UNIT		50.0000	50.0000

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

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

	Note	For the half year ended		For the quarter ended	
		December 31,		December 31,	
		2018	2017	2018	2017
		(Rupees in '000)		(Rupees in '000)	
INCOME					
Capital loss on sale of investments - net		(128)	(12)	(143)	(10)
Profit / mark-up on:					
- Government securities		6,537	3,354	3,833	1,702
- Bank balances		1,057	304	897	116
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss - net	5.1.1	(27)	(11)	3	(12)
Total income		7,439	3,635	4,590	1,796
EXPENSES					
Remuneration of the Management Company	6.2	379	244	220	123
Sindh sales tax on remuneration of the Management Company	6.3	49	32	28	16
Remuneration of the Trustee	7.1	142	92	82	47
Sindh sales tax on remuneration of the Trustee		18	12	10	6
Annual fee to the Securities and Exchange Commission of Pakistan	8	71	46	41	23
Allocated expenses	6.4	95	61	55	31
Brokerage and settlement charges		21	3	16	-
Legal and professional charges		140	71	82	36
Bank charges		10	25	5	12
Fees and subscriptions		14	20	7	13
Auditors' remuneration		252	130	189	69
Provision against Sindh Workers' Welfare Fund	9.1	124	57	77	28
Printing and related costs		68	62	18	13
Total expenses		1,383	855	830	417
Net income for the period before taxation		6,056	2,780	3,760	1,379
Taxation	13	-	-	-	-
Net income for the period after taxation		6,056	2,780	3,760	1,379
Allocation of net income for the period					
Net income for the period after taxation		6,056	2,780	3,760	1,379
Income already paid on units redeemed		(716)	(1,202)	(651)	(546)
		5,340	1,578	3,109	833
Accounting income available for distribution					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		5,340	1,578	3,109	833
		5,340	1,578	3,109	833

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

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

	For the half year ended December 31,		For the quarter ended December 31,	
	2018 (Rupees in '000)	2017	2018 (Rupees in '000)	2017
Net income for the period after taxation	6,056	2,780	3,760	1,379
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	6,056	2,780	3,760	1,379

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

AKD Cash Fund - Half Yearly Report December 2018

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

	For the half year ended December 31, 2018			For the half year ended December 31, 2017		
	(Rupees in '000)			(Rupees in '000)		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at the beginning of the period	159,857	3,356	163,213	164,467	1,326	165,793
Issue of 11,499,343 units (2017: 6,391,280 units)						
- Capital value (at net asset value per unit at the beginning of the period)	578,146	-	578,146	321,092	-	321,092
- Element of income	14,230	-	14,230	3,036	-	3,036
Total proceeds on issuance of units	592,376	-	592,376	324,128	-	324,128
Redemption of 7,549,740 units (2017: 7,343,585 units)						
- Capital value (at net asset value per unit at the beginning of the period)	379,574	-	379,574	368,935	-	368,935
- Element of loss	8,228	716	8,944	1,884	1,202	3,086
Total payments on redemption of units	387,802	716	388,518	370,819	1,202	372,021
Total comprehensive income for the period	-	6,056	6,056	-	2,780	2,780
Distribution during the period	-	(2,030)	(2,030)	-	-	-
Refund of Capital	(5,159)	-	(5,159)	-	-	-
Net income for the period less distribution	(5,159)	4,026	(1,133)	-	2,780	2,780
Net assets at end of the period	359,272	6,666	365,938	117,776	2,904	120,680
Undistributed income brought forward						
- Realised income		3,371			1,331	
- Unrealised loss		(15)			(5)	
Accounting income available for distribution		3,356			1,326	
- Relating to capital gains		-			-	
- Excluding capital gains		5,340			1,578	
Distribution during the period at Rs. 2.3165 per unit i.e. 4.63% of the par value of Rs. 50/- each (July 6, 2018)		5,340			1,578	
Undistributed income carried forward		2,030			-	
Undistributed income carried forward		6,666			2,904	
Undistributed income carried forward						
- Realised income		6,693			2,915	
- Unrealised loss		(27)			(11)	
		6,666			2,904	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		52.5930			50.2391	
Net assets value per unit at the end of the period		51.8845			51.4019	

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

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

Note	For the half year ended December 31,		For the quarter ended December 31,	
	2018 (Rupees in '000)	2017	2018 (Rupees in '000)	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	6,056	2,780	3,760	1,379
Adjustments for non-cash and other items				
Unrealised diminution / (appreciation) on re-measurement of investments at fair value through profit or loss - net	27	11	(3)	12
Capital loss on sale of investments - net	128	12	143	10
Provision against Sindh Workers' Welfare Fund	124	57	77	28
	6,335	2,860	3,977	1,429
Decrease / (increase) in assets				
Investments - net	(155)	(23)	(140)	(22)
Profit receivable	(555)	400	(576)	13
Deposits and prepayments	(13)	(15)	8	7
	(723)	362	(708)	(2)
(Decrease) / increase in liabilities				
Payable to AKD Investment Management Limited - Management Company	69	(289)	86	2
Payable to Central Depository Company of Pakistan Limited - Trustee	28	(64)	25	1
Payable to the Securities and Exchange Commission of Pakistan	(22)	(67)	41	24
Accrued expenses and other liabilities	(74)	(776)	(64)	(139)
	1	(1,196)	88	(112)
Net cash generated from operating activities	5,613	2,026	3,357	1,315
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts against issuance of units	532,397	324,128	514,833	153,110
Payments against redemption of units	(388,518)	(381,776)	(363,149)	(134,580)
Cash distributions paid during the period	(2,030)	-	-	-
Net cash generated from / (used in) financing activities	141,849	(57,648)	151,684	18,530
Net increase / (decrease) in cash and cash equivalents during the period	147,462	(55,622)	155,041	19,845
Cash and cash equivalents at the beginning of the period	164,666	177,466	157,087	101,999
Cash and cash equivalents at the end of the period	312,128	121,844	312,128	121,844

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

AKD Cash Fund (the Fund) was established under the Trust Deed executed between AKD Investment Management Limited (AKDIML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorized constitution of the Trust Deed on August 15, 2011 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

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

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

The principal activity of the Fund is to make investments in market treasury bills and bank deposits. Title of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund. The Fund is classified as a "Money Market Fund".

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

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

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

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.3.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.
- 3.3 Standards and amendments to published accounting and reporting standards that are effective in the current period**

The Securities and Exchange Commission of Pakistan has extended the effective date of applicability of IFRS 9: "Financial Instruments" till 'reporting period / year ending on or after June 30, 2019' with an option for early adoption vide its notification SRO 229(1)/2019 dated February 14, 2019. The Fund has made an early adoption of IFRS 9: "Financial Instruments" effective from July 1, 2018.

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

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

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence continues to classify them as FVPL and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

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

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

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

AKD Cash Fund - Half Yearly Report December 2018

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
	Note	---- (Rupees in '000) ----	
4 BANK BALANCES			
- In saving accounts	4.1	46,464	16,732
- In current accounts		10	11
		46,474	16,743
4.1 The rate of return on these accounts ranges from 8% to 10.00% per annum (June 30, 2018 : 4.5% to 6.00%)			
		(Unaudited) December 31, 2018	(Audited) June 30, 2018
		---- (Rupees in '000) ----	
4.2 CASH AND CASH EQUIVALENTS			
Bank balances	4	46,474	16,743
Market Treasury Bills	5.1.1	265,654	147,923
		312,128	164,666
5 INVESTMENTS			
Financial assets at fair value through profit or loss			
- Government securities - Market Treasury Bills	5.1	265,654	147,923

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

5.1.1 Government securities - Market Treasury Bills

Tenor	Face Value				Balance as at December 31, 2018			Market value as a percentage of net assets	Market value as a percentage of investments
	At July 1, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying Value	Market value	Unrealised (diminution) / appreciation as at December 31, 2018		
	----- Rupees in '000 '-----							----- % -----	
3 months	149,000	585,000	464,000	270,000	265,681	265,654	(27)	73%	100%
	149,000	585,000	464,000	270,000	265,681	265,654	(27)		
Total - December 31, 2018					265,681	265,654	(27)		
Total - June 30, 2018					147,938	147,923	(15)		

5.1.1.1 These carry profit at the rate of 10.28% to 10.32% (June 30, 2018: 6.17% to 6.76%) per annum and will mature on February 28, 2019 (June 30, 2018: July 19, 2018 to August 30, 2018).

AKD Cash Fund - Half Yearly Report December 2018

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
6 PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	---- (Rupees in '000) ----	
Federal excise duty and other related taxes payable on management remuneration	6.1	669	669
Management remuneration payable	6.2	114	49
Sindh sales tax payable on management remuneration	6.3	15	6
Payable against allocated expenses	6.4	30	35
		828	759

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

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

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

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

In view of the above, the Fund discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2018 amounting to Rs 0.67 million (June 30, 2018: Rs 0.67 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.095 (June 30, 2018: Re 0.2155) per unit.

- 6.2** The Management Company has charged remuneration of an amount not exceeding 0.4% per annum of the average daily net assets. The remuneration is paid to the Management Company on a monthly basis in arrears.

AKD Cash Fund - Half Yearly Report December 2018

- 6.3** During the period, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (June 30, 2018: 13%).
- 6.4** In accordance with the provisions of the NBFC Regulations (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund up to a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. 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 the Fund for the period.

7 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	(Unaudited) December 31, 2018	(Audited) June 30, 2018
		---- (Rupees in '000) ----	
Trustee remuneration payable	7.1	43	18
Sindh Sales Tax payable on trustee remuneration	7.2	5	2
		48	20

- 7.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the average annual net assets of the Fund. In the current period the Management Company has charged trustee fee at the rate of 0.15 percent per annum, of the average annual net assets of the Fund.

- 7.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the trustee fee through the Sindh Sales Tax on Services Act, 2011.

8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075 percent of the average annual net assets of the Fund.

9 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Unaudited) December 31, 2018	Audited June 30, 2018
		---- (Rupees in '000) ----	
Provision against Sindh Workers' Welfare Fund	9.1	483	359
Withholding tax payable (deducted on capital gains)		20	31
Auditors' remuneration payable		179	211
Brokerage payable		8	2
Rating fee payable		78	141
Others		103	77
		871	821

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

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

Had the SWWF not been provided, the NAV per unit would have been higher by Re 0.068 (June 30, 2018: Re 0.12).

10 CONTINGENCIES AND COMMITMENTS

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

11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended December 31, 2018 is 1.46% (annualised) which includes 0.28% (annualised) representing government levy, Sindh Workers' Welfare Fund and SECP fee. This ratio is within the limit of 2% prescribed under the NBFC Regulations.

12 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

12.1 Details of transactions with related parties / connected persons during the period

	(Un-audited) For the half year ended December 31,	
	2018	2017
	(Rupees in '000)	
AKD Investment Management Limited - Management Company		
Issue of 844 units (2017: 47,140 units)	43	2,383
Redemption of 19,754 units (2017: 225,777 units)	995	11,383
Management remuneration	379	244
Sindh sales tax on management remuneration	49	32
Allocated expenses	95	61
Dividend paid	9	-
Refund of capital of 691 units (2017: Nil units)	35	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	142	92
Sindh sales tax on trustee remuneration	18	12
AKD Investment Management Limited - Staff Provident Fund		
Issue of 97,517 units (2017: 190,627 units)	5,030	9,623
Redemption of 67,078 units (2017: 190,627 units)	3,461	9,642
Dividend paid	1	-
Refund of capital of 372 units (2017: Nil units)	19	-
Hasan Ahmed - Director of the Management Company		
Issue of 4 units (2017: 114 units)	-	6
Imran Motiwala - CEO of the Management Company		
Issue of 36,503 units (2017: Nil units)	1,883	-
Redemption of 36,503 units (2017: Nil units)	1,889	-
Sehr Imran Motiwala - Spouse of CEO of the Management Company		
Issue of 2,440,354 units (2017: Nil units)	125,962	-
Redemption of 2,440,354 units (2017: Nil units)	126,051	-
Unit holders holding 10% or more of the units in issue		
KAPCO Employees Provident Fund Trust		
Issue of 27,433 units (2017: 494,196 units)	1,379	25,000
Dividend paid	2	-
Refund of capital of 27,394 units (2017: Nil units)	1,377	-

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	(Un-audited) For the half year ended December 31,	
	2018	2017
	(Rupees in '000)	
Murree Brewery Company Limited*		
Issue of Nil units (2017: 285,273 units)	-	14,643
Fauji Fertilizer Bin Qasim Limited**		
Issue of 42,969 units (2017: Nil units)	2,160	-
Dividend paid	339	-
Refund of capital of 36,224 units (2017: Nil units)	1,821	-
Syed Masood UI Hasan**		
Issue of 1,794,138 units (2017: Nil units)	92,550	-
Redemption of 775,408 units (2017: Nil units)	39,999	-
PNSC Employees Contributory Provident Fund**		
Issue of 1,058,704 (2017: Nil units)	54,876	-
Redemption of 397,802 units (2017: Nil units)	20,328	-
Dividend paid	5	-
Refund of capital of 17,429 units (2017: Nil units)	876	-
	(Unaudited) December 31, 2018	(Audited) June 30, 2018
	(Rupees in '000)	
12.2 Details of balances with related parties / connected persons as at period end		
AKD Investment Management Limited - Management Company		
Management remuneration payable	114	49
Federal excise duty payable on management remuneration	669	669
Sindh Sales tax payable on management remuneration	15	6
Payable against allocated expenses	30	35
Units held Nil (June 30, 2018: 18,910)	-	995
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	43	18
Sindh Sales Tax payable on trustee remuneration	5	2
AKD Investment Management Limited - Staff Provident Fund		
Units held 39,061 (June 30, 2018: 8,622)	2,027	453
Hasan Ahmed - Director of the Management Company		
Units held 118 (June 30, 2018: 114)	6	6
Unit holders holding 10% or more of the units in issue		
KAPCO Employees Provident Fund Trust*		
June 30, 2018: 595,405 Units	-	31,314
Syed Masood UI Hasan**		
Units held 1,018,730 (June 30, 2018: Nil)	52,856	-

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	(Unaudited) December 31, 2018	(Audited) June 30, 2018
	(Rupees in '000)	
Fauji Fertilizer Bin Qasim Limited		
Units held 1,001,374 (June 30, 2018: 958,405)	51,956	50,405
PNSC Employees Contributory Provident Fund		
Units held 1,041,275 (June 30, 2018: 380,373)	54,026	20,005

* Prior period connected party, current period figures not shown

** Current period connected party, prior period figures not shown

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2019 as reduced by capital gains (whether realised or unrealised) to the unit holders.

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

14 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

AKD Cash Fund - Half Yearly Report December 2018

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

December 31, 2018				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Government securities- Market Treasury Bills	-	265,654	-	265,654
June 30, 2018				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Government securities- Market Treasury Bills	-	147,923	-	147,923

15. GENERAL

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

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

16. DATE OF AUTHORISATION

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

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director



**AKD Investment
Management Ltd.**

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