

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

# 2019



# 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**

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

Ms. Aysha Ahmed

Mr. Ali Wahab Siddiqui

Mr. Hasan Ahmed

Mr. Saim Mustafa Zuberi

## **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

**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*

# Key Management Profile

## Imran Motiwala - Chief Executive Officer

Mr. Motiwala became the CEO of AKD Investment Management Limited in April 26, 2011 and has also been serving as the CEO of Golden Arrow Selected Stocks Fund Limited since April 26, 2011. Mr. Motiwala had been designated as the Chief Operating Officer when he joined AKD Investment Management Limited in 2006 besides serving on the board of the Company from 2007. While at AKD Investment Management Limited he has undertaken several executive roles instrumental in building the Company's business besides serving as an Investment Committee member for the funds under management of the Company. Mr. Motiwala has almost 25 years experience of the capital markets from securities broking to asset management. Mr. Motiwala has had the honor of working with several leading reputable companies from his career beginnings with Ali Hussain Rajabali to serving institutional clients at JP Morgan based in Karachi, Pakistan. Mr. Motiwala then moved over to the buy-side and joined ABAMCO Limited (JS Investments Limited) in 2002 as a fund manager and was assigned the launching and managing of a fixed income fund. He later then joined Crosby Asset Management (Pakistan) Limited in 2003 as Head of Fund Management undertaking the entire asset management business. Mr. Motiwala graduated with Marketing major from the Southeastern University (Karachi Campus) in 1994.

## Anum Dhedhi - Chief Investment Officer & Executive Director

Ms. Anum Dhedhi is currently working as a Chief Investment Officer at AKD Investment Management Limited. She has previously worked as an Economist at AKD Securities Limited and worked under various capacities of research. At a very young age she has attained significant accomplishments in her career. She is also serving as a Director on the Board of AKD Investment Management Limited and Golden Arrow Selected Stocks Fund Limited. She holds a B.Sc (Hon) in Financial Economics Degree from the City University of London, United Kingdom. She has also been certified by the Institute of Financial Markets of Pakistan for Fundamentals of Capital Markets, Pakistan's Market Regulations, and Mutual Fund Distributors.

## Nadeem Saulat Siddiqui - Director Corporate Sales

Mr. Nadeem Saulat Siddiqui is currently serving as Director Corporate Sales at AKD Investment Management Limited. He joined the company back in October 2009 as General Manager Marketing and Sales, a position that required him to be actively involved in the boosting up the company's sales along with focusing on its marketing strategies. Prior to joining AKD Investment Management Limited, Mr. Siddiqui led Shaukat Khanum Memorial Cancer Hospital & Research Centre's fund collection drive as he held the position of Incharge South - Manager Marketing & Resource Development there. Mr. Siddiqui holds an MBA in Marketing from College of Business Administration Lahore.

## Muhammad Yaqoob Sultan, CFA - Chief Operating Officer & Company Secretary

Mr. Muhammad Yaqoob Sultan is currently working as the Chief Operating Officer and Company Secretary at AKD Investment Management Limited. He joined AKD Investment in the year 2005 and has worked in various capacities including Research, Product Development, Business Development and Fund Management. He participated in the launch of AKD Index Tracker Fund, AKD Opportunity Fund and AKD Aggressive Income Fund (formerly AKD Income Fund). He also participated in the conversion of AKD Index Tracker Fund from a closed-end scheme to an open-end scheme. He holds a Masters in Business Administration majors in Finance and a CFA Charter Holder. He is also serving as a Director on the Board of BIAFO Industries Limited. He is also serving as a member of Audit Committee and Human Resource & Remuneration Committee at BIAFO Industries Limited. He has previously served as a Director on the Boards of Pak Datacom Limited and Golden Arrow Selected Stocks Fund Limited. He is a certified director from the Pakistan Institute Corporate Governance.

## Muhammad Munir Abdullah - Chief Financial Officer

Mr. Muhammad Munir Abdullah joined AKD Investment Management Limited in 2005 as Manager Accounts. He has vast experience of over Twenty years of working with reputable organizations in the area of accounting & finance. Currently he is working under capacity of Chief Financial Officer at AKD Investment Management Limited.

### **Rashid Ahmed - Head of Compliance**

Mr. Rashid Ahmed has more than 23 years of working experience in the financial sector. He has been associated with AKD Investment Management Limited since September 2004. Prior to taking over as the Head of Compliance, Mr. Ahmed was working in the Finance Department in the capacity of Senior Manager Accounts. His current duties include looking after pre and post compliance of all applicable rules and regulations, dealing with matters regarding taxation and application of new and existing laws to the Company. Mr. Rashid is a Commerce Graduate from the University of Karachi. He has also been certified by the Institute of Financial Markets of Pakistan for Fundamentals of Capital Markets and Pakistan's Market Regulations.

### **Carrow Michael - Head of Administration & Human Resource**

Mr. Carrow Michael started his career with AKD Investment Management Limited in 2006 as an Operations Officer and since then he has served at different positions in Operations Department, He has also served as Head of Risk Management and as member of Investment Committee. He is currently serving as Head of Administration & Human Resource. Mr. Michael holds a Master's Degree in Business Administration in Finance from Khadim Ali Shah Bukhari Institute of Technology, Karachi. His areas of expertise include system development, customer support and information technology. He has also been certified by the Institute of Financial Markets of Pakistan for Fundamentals of Capital Markets, Pakistan's Market Regulations, Mutual Fund Distributors and Risk Management.

# 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 annual report along with the Funds' Audited Financial Statements for the year ended June 30, 2019.

## FUNDS' FINANCIAL PERFORMANCE

### AKD Opportunity Fund (AKDOF)

For the FY19, the return of AKD Opportunity Fund stood at -20.33% compared to the benchmark KSE-100 Index return of -19.11%.

### AKD Index Tracker Fund (AKDITF)

For the FY19, the return of AKD Index Tracker Fund stood at -20.01% compared to the benchmark KSE-100 Index return of -19.11%.

### AKD Cash Fund (AKDCF)

For the FY19, the return of AKD Cash Fund stood at 7.89% compared to benchmark return of 8.66%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 3.75485 per unit to the unit holders during the year ended June 30, 2019.

### AKD Aggressive Income Fund (AKDAIF)

For the FY19, the return of AKD Aggressive Income Fund stood at 3.28% compared to benchmark return of 10.69%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 1.90303 per unit to the unit holders during the year ended June 30, 2019.

### AKD Islamic Income Fund (AKDISIF)

For the FY19, the return of AKD Islamic Income Fund stood at 8.43% compared to benchmark return of 3.68%.

The Chief Executive under the authority granted by the Board of Directors approved total distribution (including refund of element) of Rs. 4.06223 per unit to the unit holders during the year ended June 30, 2019.

### AKD Islamic Stock Fund (AKDISSF)

For the FY19, the return of AKD Islamic Stock Fund stood at -25.95% compared to the benchmark KMI-30 Index return of -23.84%.

## MACRO PERSPECTIVE

The PTI led Government adopted stringent measures to preserve the depleting FX reserves by reducing the imports to stabilize the Current Account Deficit (CAD) in FY19. However, the dampening GDP growth prospect (3.3% GDP growth rate forecasted by SBP for FY19 as compared to 5.5% in the corresponding period), worsening fiscal deficit, scrutiny from global money-laundering watchdog (FATF) over regulatory concerns, and delays in finalizing IMF bailout program kept the economy under pressure.

The Current Account Deficit (CAD) for FY19 stood at \$13.6 billion (4.8% of GDP) as compared to \$19.8 billion (6.3% of GDP) in the same period last year (SPLY), exhibiting a decline of 32% YoY. This improved performance was on the back of a decrease in imports of goods by 7% YoY to \$52.38 billion from \$56.59 billion, along with an increase in remittances of 10% YoY to \$21.84 billion. However, exports of goods could not pick up as anticipated, and remained flat at approximately the same at \$24.4 billion from \$24.77 billion in SPLY, while the increase in debt servicing weighed on the foreign exchange reserves at \$14.48 billion.

On the fiscal front, the Federal Bureau of Revenue (FBR) managed to collect around PKR 3.829 trillion during the FY19 as compared to PKR 3.842 trillion in the same period last year. The tax collection remained below the revised target of PKR 4.398 trillion (11.5 percent of GDP), making it difficult for the Government to execute development projects and spending. Moreover, the Government has set a revenue collection target of PKR 5.55 trillion for FY20, which appears ambitious keeping in view the current economic slowdown.

As per Pakistan Bureau of Statistics (PBS), the average Consumer Price Index (CPI) in FY19 was recorded at 7.34% YoY as compared to 3.92% YoY, SPLY. Core CPI calculated by excluding food and energy items clocked in at an alarming 8.24% compared to 5.44%, SPLY. Moreover, the State Bank of Pakistan (SBP) upward revised

its FY19 CPI target to remain between 6.5-7.5% YoY, above the annual target of 6%. This revision was on the back of increased international oil prices, recent PKR depreciation and increase in electricity and gas tariffs. Therefore, the higher expected inflation along with burgeoning twin deficits led SBP to increase the policy rate to 12.25% during FY19.

According to Economic Survey of FY19, the agriculture sector underperformed and missed its target budgeted target of 3.94%, registering a meager increase of only 0.85%. This was mainly due to the prevalent water crisis and drop in fertilizer off take (higher prices) which hampered agricultural output. Similarly, slowdown in the services sector, along with manufacturing sector, also caused the SBP to downward revise its real GDP growth target to approximately 3.5% for FY20.

The Large Scale Manufacturing (LSM) sector, which constitutes 70% of the total manufacturing and 10.2% of overall GDP, witnessed a decrease of 3.50% for 11MFY19 (July-May). Compared to May-2018, the majority of the sectors comprising the bulk of LSM weight recorded a decline in May2019. The leading underperformers during the month were Automobiles (-11.78% YoY), Coke & Petroleum Products (-8.35% YoY), Food, Beverages & Tobacco (-7.28% YoY) and Iron & Steel Products (-11.21% YoY). On the other hand, Fertilizers (+7.68% YoY) and Electronics (+12.53% YoY) recorded significant growth during the month.

Furthermore, Pakistan was able to attract only \$1.66 billion in Foreign Direct Investment (FDI) in FY19 which is around -51.98% lower than the corresponding period last year. This massive decrease was mainly due to uncertainty of the exchange rate and delays in finalization of IMF program, country's vulnerable external and fiscal position, downgrading of Pakistan's credit rating by Fitch in December 2018 and dampened investor confidence. On the other hand, during FY19 sectors including chemical, beverages, and automobile were on the investors' radar.

In our view, PKR-USD depreciation of approximately 34% in FY19, imposition of regulatory duties on various import items, and funds received through financial assistance from friendly countries provided some relief to the external deficit. Going forward, we believe CPEC investments will continue to play a vital role in attracting investment in Pakistan and stabilizing the currency to improve import led manufacturing. Overall, clarity about the economic policies and reforms of the current government will remain a key determinant of the country's macro performance.

## **EQUITY MARKET REVIEW**

During FY19, KSE-100 Index exhibited a decline of 19%, closing at 33,901.58 points at June end 2019. The equity market remained under pressure on the back of depressed market participation emanating from poor investor confidence, weak economic conditions (balance of payment crisis, currency depreciation, and widening fiscal deficit), accountability drive, regulatory tightening and continued foreign investor selling during the period (FIPI recorded net selling of \$415 million). On the other hand, the average traded volume stood at around 96 million shares as compared to 84 million shares in the SPLY showing an increase of 14.29% YoY.

Inflationary pressures continued to persist, primarily due to increase in food, housing and transport indices, which led the State Bank of Pakistan (SBP) to increase the policy rate by 575 bps to 12.25% during the FY19. This prompted investors to realign their portfolios from equity market to fixed income instruments (T-bills, National Savings Schemes, PIBs, and Bank Deposits etc.) in pursuit of attractive returns.

Going forward, an expected increase in international crude oil price will provide an upside to the oil sector, thereby improving earnings of Exploration & Production (E&P) sector (Contributing to around 14.42% in Index). On the other hand, rising interest rates would help the banking sector (Contributing to around 27.58% in Index) to regain its momentum, especially ones with the high current account portion and low PIB base.

However, improved liquidity emerging from renewed investor confidence would still be a major driver for the market. Furthermore, improvement in macro-indicators, IMF program deliverables and clearance from FATF would bring more clarity, and possibly recover the market sentiments. However, Indo-Pak tensions might keep the market in jitters.

In terms of valuations, currently the KSE -100 Index is trading at an attractive multiple of 5.5x, at a 58% discount in comparison to emerging markets (multiple 13.25x), offering potential upside for investors.

## MONEY MARKET REVIEW

During FY19, twenty-six T-Bill auctions were carried out by the SBP, where government successfully managed to raise PKR18.46 trillion. Weighted average yield on the 3-month and 6-month period were 9.73% and 10.23% respectively, as compared to 6.13%, and 6.13%, same period last year. There were no 12-month T-bill auctioned during the period.

To further address the need of liquidity, SBP conducted twelve auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR871.73 billion during FY19. The yields maintained an upward trend as weighted average maturity yield on 3-year, 5-year, and 10-year maturity rose to 9.98%, 8.10%, and 10.94%, as compared to 6.57%, 7.14%, and 8.06%, same period last year.

The government announced six Monetary Policy Statements (MPS) in FY19, during which it increased the policy rate by 575bps cumulatively, thus taking the policy rate to 12.25%. As per the auction calendar of the SBP, it will raise PKR300 billion by issuing 3 to 20-year tenor Pakistan Investment Bonds (PIBs) and PKR6.4 trillion by issuing 3 to 12-month tenor T-Bills to pay back the maturing debt of PKR6.46 trillion. In addition, SBP will raise another PKR300 billion through the auction of a 10-Year Floating PIB.

## STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- 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.
- Proper books of account of the Fund have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments.
- 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;
- The system of internal control is sound in design and has effectively implemented and monitored.
- There are no significant doubts upon the Funds' ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- The statement showing the attendance of Directors in BOD meetings and Audit Committee meetings is as under:

S.No.	Name of Director	MEETINGS ATTENDANCE					Attended	Leave
		19-Apr-19	22-Feb-19	28-Sep-18	27-Oct-18	06-July-18		
1	Mr. Abdul Karim	✓	✓	✓	✓	✓	5	0
2	Mr. Imran Motiwala	✓	✓	✓	✗	✓	5	0
3	Ms. Anum Dhedhi	✓	✓	✓	✗	✓	4	1
4	Mr. Saim Mustafa Zuberi	✓	✓	✓	✓	✓	4	1
5	Mr. Ali Wahab Siddiqui	✓	✓	✗	✓	✓	4	1
6	Mr. Hasan Ahmed	✓	✓	✓	✓	✓	5	0
7	Ms. Aysha Ahmed	✓	✓	✓	✓	✓	5	0

S.No.	Name of Director	MEETINGS ATTENDANCE				Attended	Leave
		27-Sep-18	27-Oct-18	22-Feb-19	26-Apr-19		
1	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
2	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
3	Mr. Saim Mustafa Zuberi	✓	✗	✓	✓	3	1

- (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)
<b>AKD Opportunity Fund</b>				
1	Mr. Abdul Karim	Director & Chairman	-	593.956
2	Mr. Imran Motiwala	CEO	53,633.96	23,455.45
3	Ms. Sehr Imran Motiwala	Spouse - CEO	1,719,763.92	1,608,525.34
4	Mr. Muhammad Yaqoob	COO & Company Secretary	7,568.24	13,240.96
5	Ms. Maliha	Spouse - COO & Company Secretary	1,615.30	-

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
<b>AKD Cash Fund</b>				
1	Mr. Imran Motiwala	CEO	36,503.36	36,503.36
2	Ms. Sehr Imran Motiwala	Spouse - CEO	2,440,353.94	2,440,353.94
3	Mr. Hasan Ahmed	Director	12.85	-

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
<b>AKD Islamic Income Fund</b>				
1	Mr. Imran Motiwala	CEO	16,314.52	16,292.57
2	Ms. Sehr Imran Motiwala	Spouse - CEO	625,376.33	408,924.19
3	Mr. Muhammad Yaqoob	COO & Company Secretary	2,032.34	645.52
4	Mr. Muhammad Munir	CFO	53.08	-

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
<b>AKD Islamic Stock Fund</b>				
1	Ms. Anum Dhedhi	CIO	14,223.30	-
2	Ms. Sehr Imran Motiwala	Spouse - CEO	14,794.39	14,794.39

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
<b>AKD Aggressive Income Fund</b>				
1	Mr. Muhammad Munir	CFO	-	12,282.76

#### 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, 2019.

#### RATING OF THE FUNDS

##### AKD OPPORTUNITY FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned AKD Opportunity Fund (AKDOF) performance ranking of "MFR-3 Star" in performance period of 1 year and 3 Year and "MFR-4 Star" in performance period of 5 year on February 28, 2019.

##### 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 30, 2019.

##### 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 30, 2019.

##### GOLDEN ARROW SELECTED STOCKS FUND LIMITED

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Golden Arrow Selected Stocks Fund Limited (GASSFL) performance ranking of "MFR-4 Star" in performance period of 1 year and "MFR-5 Star" in performance period of 3 year and 5 year on February 28, 2019.

## **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 (AKDIIF) on April 30, 2019.

### **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 A.F. Ferguson & Co. Chartered Accountants as the statutory auditors for AKD Aggressive Income Fund (AKDAIF) and AKD Cash Fund (AKDCF) for the year 2019-2020 as recommended by the Audit Committee.

The Board re-appointed M/s Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants as the statutory auditors for AKD Index Tracker Fund (AKDITF) and AKD Opportunity Fund (AKDOF) for the year 2019-2020 as recommended by the Audit Committee.

The Board reappointed M/s Deloitte Yousuf Adil, Chartered Accountants as statutory auditor the AKD Islamic Income Fund (AKDISIF) and AKD Islamic Stock Fund (AKDISSF) for the year 2019-2020 as recommended by the Audit Committee.

The Board re-appointed M/s Grant Thornton Anjum Rahman, Chartered Accountants as statutory auditors of AKD Investment Management Limited for the year 2019-2020 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**

Keeping in view the recent measures taken by the new Government in FY19, the economy is expected to move towards gradual stability in FY20. As CAD situation has relatively eased, the focus will be on disciplining the fiscal deficit as per IMF package through improved tax collection and documentation of businesses. However, in doing so, challenges will remain on the back of resistance from business community and public due to tougher tax and regulatory regime. The political situation might pose trouble due to the unpopular measures and aggressive accountability drive currently underway. Moreover, if simmering tensions with India persist, they might dampen the investor spirit in the market and create uncertainty.

Going forward, shifting towards less costly alternative for power production, currency devaluation (34% in FY19), and incentives provided to export oriented industries (reduced duties & Rebates) and deferred oil payment from Saudi Arabia (up to \$6 bn) is expected to improve the external account situation even more. Moreover, remittances are also expected to increase further owing to seasonal impact of Ramadhan and Eid, along with weakening currency which will further support the ailing economy. Furthermore, measures being taken to curb money laundering and hawala hundi system, will force the money to flow through official channels.

We believe a significant reversal in equity market is now due to attractive valuations (The KSE-100 index trading at an attractive (P/E) 5.5x). The investor confidence level and foreign participation will play a major role in this regard as the economy moves towards consolidation.

On the Fixed Income side, increase in interest rates has further led to an economic slowdown. Equity markets will have to offer more to entice investors to compete with other asset classes (Pakistan Investment Bonds, Income Funds, National Savings Certificates and Bank Deposits) which are beginning to offer very attractive yields.

For and on behalf of the Board

**Imran Motiwala**  
Chief Executive Officer

**Abdul Karim Memon**  
Chairman

Karachi: September 30, 2019

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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 Shahra-e-Faisal, Karachi.

## BANKERS

Allied Bank Limited  
Askari Bank 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.

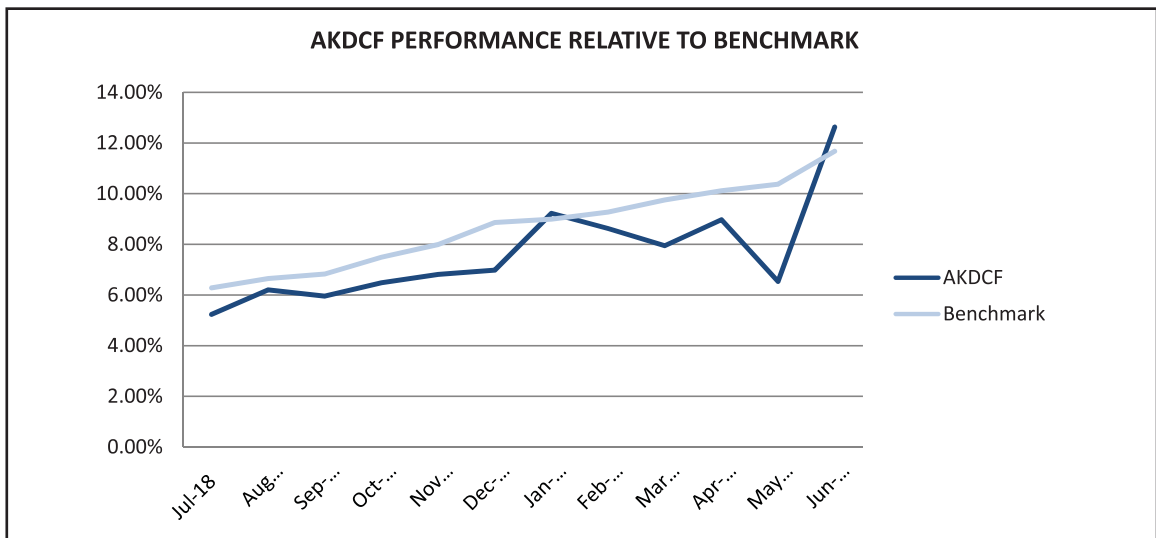
**iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:**

For the FY19, the return of AKD Cash Fund stood at 7.89% compared to benchmark return of 8.66%.

**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	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
<b>AKDCF</b>	5.23%	6.20%	5.95%	6.48%	6.81%	6.98%	9.22%	8.62%	7.94%	8.97%	6.53%	12.63%
<b>Benchmark</b>	6.28%	6.65%	6.83%	7.49%	7.99%	8.86%	8.99%	9.27%	9.75%	10.11%	10.37%	11.67%

**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):**

<b>Asset Allocation (% of Total Assets)</b>	<b>30-Jun-19</b>	<b>31-Mar-19</b>
<b>Cash and Cash Equivalents</b>	99.77%	91.00%
<b>Other Assets Including Receivables</b>	0.23%	9.00%

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

<b>FY19</b>	<b>7.89%</b>
<b>Benchmark</b>	<b>8.66%</b>

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

<b>Net Assets Value</b>		<b>Change in Net Assets</b>	<b>NAV Per Unit</b>	
<b>30-Jun-19</b>	<b>31-Mar-19</b>		<b>30-Jun-19</b>	<b>31-Mar-19</b>
<b>(Rupees in 000)</b>			<b>(Rupees)</b>	
<b>102,401</b>	<b>103,030</b>	<b>-0.61%</b>	<b>50.4876</b>	<b>52.9921</b>

- 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 PTI led Government adopted stringent measures to preserve the depleting FX reserves by reducing the imports to stabilize the Current Account Deficit (CAD) in FY19. However, the dampening GDP growth prospect (3.3% GDP growth rate forecasted by SBP for FY19 as compared to 5.5% in the corresponding period), worsening fiscal deficit, scrutiny from global money-laundering watchdog (FATF) over regulatory concerns, and delays in finalizing IMF bailout program kept the economy under pressure.

The Current Account Deficit (CAD) for FY19 stood at \$13.6 billion (4.8% of GDP) as compared to \$19.8 billion (6.3% of GDP) in the same period last year (SPLY), exhibiting a decline of 32% YoY. This improved performance was on the back of a decrease in imports of goods by 7% YoY to \$52.38 billion from \$56.59 billion, along with an increase in remittances of 10% YoY to \$21.84 billion. However, exports of goods could not pick up as anticipated, and remained flat at approximately the same at \$24.4 billion from \$24.77 billion in SPLY, while the increase in debt servicing weighed on the foreign exchange reserves at \$14.48 billion.

On the fiscal front, the Federal Bureau of Revenue (FBR) managed to collect around PKR 3.829 trillion during the FY19 as compared to PKR 3.842 trillion in the same period last year. The tax collection remained below the revised target of PKR 4.398 trillion (11.5 percent of GDP), making it difficult for the Government to execute development projects and spending. Moreover, the Government has set a revenue collection target of PKR 5.55 trillion for FY20, which appears ambitious keeping in view the current economic slowdown.

As per Pakistan Bureau of Statistics (PBS), the average Consumer Price Index (CPI) in FY19 was recorded at 7.34% YoY as compared to 3.92% YoY, SPLY. Core CPI calculated by excluding food and energy items clocked in at an alarming 8.24% compared to 5.44%, SPLY. Moreover, the State Bank of Pakistan (SBP) upward revised its FY19 CPI target to remain between 6.5-7.5% YoY, above the annual target of 6%. This revision was on the back of increased international oil prices, recent PKR depreciation and increase in electricity and gas tariffs. Therefore, the higher expected inflation along with burgeoning twin deficits led SBP to increase the policy rate to 12.25% during FY19.

According to Economic Survey of FY19, the agriculture sector underperformed and missed its target budgeted target of 3.94%, registering a meager increase of only 0.85%. This was mainly due to the

prevalent water crisis and drop in fertilizer off take (higher prices) which hampered agricultural output. Similarly, slowdown in the services sector, along with manufacturing sector, also caused the SBP to downward revise its real GDP growth target to approximately 3.5% for FY20. The Large Scale Manufacturing (LSM) sector, which constitutes 70% of the total manufacturing and 10.2% of overall GDP, witnessed a decrease of 3.50% for 11MFY19 (July-May). Compared to May-2018, the majority of the sectors comprising the bulk of LSM weight recorded a decline in May 2019. The leading underperformers during the month were Automobiles (-11.78% YoY), Coke & Petroleum Products (-8.35% YoY), Food, Beverages & Tobacco (-7.28% YoY) and Iron & Steel Products (-11.21% YoY). On the other hand, Fertilizers (+7.68% YoY) and Electronics (+12.53% YoY) recorded significant growth during the month.

Furthermore, Pakistan was able to attract only \$1.66 billion in Foreign Direct Investment (FDI) in FY19 which is around -51.98% lower than the corresponding period last year. This massive decrease was mainly due to uncertainty of the exchange rate and delays in finalization of IMF program, country's vulnerable external and fiscal position, downgrading of Pakistan's credit rating by Fitch in December 2018 and dampened investor confidence. On the other hand, during FY19 sectors including chemical, beverages, and automobile were on the investors' radar.

In our view, PKR-USD depreciation of approximately 34% in FY19, imposition of regulatory duties on various import items, and funds received through financial assistance from friendly countries provided some relief to the external deficit. Going forward, we believe CPEC investments will continue to play a vital role in attracting investment in Pakistan and stabilizing the currency to improve import led manufacturing. Overall, clarity about the economic policies and reforms of the current government will remain a key determinant of the country's macro performance.

## **MONEY MARKET REVIEW**

During FY19, twenty-six T-Bill auctions were carried out by the SBP, where government successfully managed to raise PKR18.46 trillion. Weighted average yield on the 3-month and 6-month period were 9.73% and 10.23% respectively, as compared to 6.13%, and 6.13%, same period last year. There were no 12-month T-bill auctioned during the period.

To further address the need of liquidity, SBP conducted twelve auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR871.73 billion during FY19. The yields maintained an upward trend as weighted average maturity yield on 3-year, 5-year, and 10-year maturity rose to 9.98%, 8.10%, and 10.94%, as compared to 6.57%, 7.14%, and 8.06%, same period last year.

The government announced six Monetary Policy Statements (MPS) in FY19, during which it increased the policy rate by 575bps cumulatively, thus taking the policy rate to 12.25%. As per the auction calendar of the SBP, it will raise PKR300 billion by issuing 3 to 20-year tenor Pakistan Investment Bonds (PIBs) and PKR6.4 trillion by issuing 3 to 12-month tenor T-Bills to pay back the maturing debt of PKR6.46 trillion. In addition, SBP will raise another PKR300 billion through the auction of a 10-Year Floating PIB.

## **FUTURE OUTLOOK**

Keeping in view the recent measures taken by the new Government in FY19, the economy is expected to move towards gradual stability in FY20. As CAD situation has relatively eased, the focus will be on disciplining the fiscal deficit as per IMF package through improved tax collection and documentation of businesses. However, in doing so, challenges will remain on the back of resistance from business community and public due to tougher tax and regulatory regime. The political situation might pose trouble due to the unpopular measures and aggressive accountability drive currently underway. Moreover, if simmering tensions with India persist, they might dampen the investor spirit in the market and create uncertainty.

Going forward, shifting towards less costly alternative for power production, currency devaluation (34% in FY19), and incentives provided to export oriented industries (reduced duties & Rebates) and deferred oil payment from Saudi Arabia (up to \$6 bn) is expected to improve the external account situation even more. Moreover, remittances are also expected to increase further owing to seasonal impact of Ramadhan and Eid, along with weakening currency which will further support the ailing economy. Furthermore, measures being taken to curb money laundering and hawala hundi system, will force the money to flow through official channels.

We believe a significant reversal in equity market is now due to attractive valuations (The KSE-100 index trading at an attractive (P/E) 5.5x). The investor confidence level and foreign participation will play a major role in this regard as the economy moves towards consolidation. On the Fixed Income side, increase in interest rates has further led to an economic slowdown. Equity markets will have to offer more to entice investors to compete with other asset classes (Pakistan Investment Bonds, Income Funds, National Savings Certificates and Bank Deposits) which are beginning to offer very attractive yields.

**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	243
10,000 - 49,999	13
50,000 - 99,999	4
100,000 - 499,999	6
500,000 and above	0
	266

**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.

## DETAILS OF PATTERN OF HOLDING (UNITS)

As at June 30, 2019

	No. of Unitholders	Units Held	% of Total
Associated Companies	-	-	-
Directors and CEO	1	126	0.01%
Individuals	251	1,242,069	61.24%
Insurance Companies	-	-	-
Banks/DFIs	-	-	-
Retirement funds	7	482,199	23.77%
Public Limited Companies	1	291,362	14.37%
Others	6	12,484	0.62%
	<b>266</b>	<b>2,028,240</b>	<b>100.00%</b>

## TRUSTEE REPORT TO THE UNIT HOLDERS

### AKD CASH FUND

#### **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 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 year ended June 30, 2019 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.

Karachi: September 30, 2019

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF AKD CASH FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of AKD Cash Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the 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, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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 is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Net Asset Value (NAV)</b></p> <p>(Refer notes 4 and 5 to the annexed financial statements)</p> <p>The bank balances and investments constitute the most significant component of the net asset value (NAV). The bank balances aggregated to Rs. 10.496 million and investments of the Fund as at June 30, 2019 amounted to Rs.94.45 million.</p> <p>The existence, proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2019 were considered high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>● tested the design and operating effectiveness of the key controls for valuation of investments;</li> <li>● obtained independent confirmations for verifying the existence of the bank balances and investment portfolio as at June 30, 2019 and reconciled them with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> <li>● re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> </ul>

S. No.	Key Audit Matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> <li>● obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

### Other Information

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 auditor's report thereon.

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 nothing to report in this regard.

### Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management 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 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 either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 the board of directors of the 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 the board of directors of the 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 the board of directors of the 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**

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**

Karachi: September 30, 2019

**A.F. Ferguson & Co.**  
Chartered Accountants

**STATEMENT OF ASSETS AND LIABILITIES**
**AS AT JUNE 30, 2019**

	Note	2019 ---- (Rupees in '000) ----	2018
<b>ASSETS</b>			
Bank balances	4	10,496	16,743
Investments	5	94,450	147,923
Profit receivable	6	49	50
Other receivable	7	191	190
<b>Total assets</b>		<b>105,186</b>	<b>164,906</b>
<b>LIABILITIES</b>			
Payable to AKD Investment Management Limited - Management Company	8	720	759
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	16	20
Payable to the Securities and Exchange Commission of Pakistan	10	127	93
Accrued expenses and other liabilities	11	1,922	821
<b>Total liabilities</b>		<b>2,785</b>	<b>1,693</b>
<b>NET ASSETS</b>		<b>102,401</b>	<b>163,213</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>102,401</b>	<b>163,213</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		
		---- (Number of units) ----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>2,028,240</b>	<b>3,103,325</b>
		(Rupees)	
<b>NET ASSET VALUE PER UNIT</b>		<b>50.4876</b>	<b>52.5930</b>
<b>FACE VALUE PER UNIT</b>		<b>50.0000</b>	<b>50.0000</b>

The annexed notes 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

## INCOME STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2019

	Note	For the year ended June 30, 2019	For the year ended June 30, 2018
(Rupees in '000)			
<b>INCOME</b>			
Capital loss on sale of investments		(206)	(31)
Unrealised deficit on re-measurement of financial asset classified as at fair value through profit or loss	5.1.1	(74)	(15)
Profit / mark-up on:			
- Government securities		13,593	6,974
- Bank balances		1,810	551
<b>Total income</b>		<b>15,123</b>	<b>7,479</b>
<b>EXPENSES</b>			
Remuneration of AKD Investment Management Limited - Management Company	8.2	677	499
Sindh sales tax on remuneration of the Management Company	8.3	88	65
Remuneration of Central Depository Company of Pakistan Limited- Trustee	9.1	254	187
Sindh sales tax on remuneration of the Trustee	9.2	33	24
Annual fee to the Securities and Exchange Commission of Pakistan	10	127	93
Allocated expenses	8.4	169	125
Brokerage and settlement charges		26	8
Legal and professional charges		265	141
Bank charges		29	37
Fees and subscriptions		35	34
Auditors' remuneration	13	443	307
Provision against Sindh Workers' Welfare Fund	11.1	258	117
Printing and related costs		88	120
<b>Total expenses</b>		<b>2,492</b>	<b>1,757</b>
<b>Net income for the year before taxation</b>		<b>12,631</b>	<b>5,722</b>
Taxation	14	-	-
<b>Net income for the year after taxation</b>		<b>12,631</b>	<b>5,722</b>
<b>Earnings per unit</b>	3.12		
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		12,631	5,722
Income already paid on units redeemed		(8,573)	(3,692)
		<b>4,058</b>	<b>2,030</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		4,058	2,030
		<b>4,058</b>	<b>2,030</b>

The annexed notes 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

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED JUNE 30, 2019

	For the year ended June 30, 2019	For the year ended June 30, 2018
	(Rupees in '000)	
<b>Net income for the year after taxation</b>	<b>12,631</b>	5,722
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>12,631</b>	<b>5,722</b>

The annexed notes 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, 2019

	For the year ended June 30, 2019	For the year ended June 30, 2018
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	12,631	5,722
<b>Adjustments for non-cash and other items</b>		
Unrealised deficit on re-measurement of investments at fair value through profit or loss - net	74	15
Capital loss on sale of investments - net	206	31
Provision against Sindh Workers' Welfare Fund	258	117
	<b>13,169</b>	<b>5,885</b>
<b>Decrease / (increase) in assets</b>		
Investments - net	(280)	(46)
Profit receivable	1	386
Other receivable	(1)	-
	<b>(280)</b>	<b>340</b>
<b>(Decrease) / increase in liabilities</b>		
Payable to AKD Investment Management Limited - Management Company	(39)	(261)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(4)	(60)
Payable to the Securities and Exchange Commission of Pakistan	34	(20)
Accrued expenses and other liabilities	843	(627)
	<b>834</b>	<b>(968)</b>
<b>Net cash flows generated from operating activities</b>	<b>13,723</b>	<b>5,257</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	868,259	526,626
Amount paid against redemption of units	(935,899)	(544,683)
Cash distributions paid during the year	(5,803)	-
<b>Net cash used in financing activities</b>	<b>(73,443)</b>	<b>(18,057)</b>
<b>Net decrease in cash and cash equivalents during the year</b>	<b>(59,720)</b>	<b>(12,800)</b>
Cash and cash equivalents at beginning of the year	164,666	177,466
<b>Cash and cash equivalents at end of the year</b>	<b>104,946</b>	<b>164,666</b>

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The annexed notes 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



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2019

#### 1 LEGAL STATUS AND NATURE OF BUSINESS

AKD Cash Fund (the Fund) was established under a 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 Initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012. The Fund commenced operations from January 21, 2012. In accordance with the Trust Deed, the first accounting period of the Fund commenced on the date on which the Fund property was first transferred to the Trustee i.e. January 19, 2012.

- 1.1 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.
- 1.2 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 to the Fund.
- 1.3 The principal activity of the Fund is to make investments in government securities, treasury bills, cash and near cash instruments, money market placements, bank deposits, certificate of deposits, certificate of musharakas, commercial papers, reverse repos. 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".
- 1.4 The Management Company has been assigned a quality rating of "AM3++" by Pakistan Credit Rating Agency Limited (PACRA) on February 8, 2019. The Fund has been given stability rating of 'AA+(f)' by PACRA on April 30, 2019.

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

## 2.2 Standards and amendments to published accounting and reporting standards that are effective in the current year

- (a) Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which 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 the ECL would be very minimal and hence, the same has not been accounted for in these 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 has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss 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.

- (b) 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 financial statements of the Fund.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

## 2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is 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.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification, valuation and impairment of financial assets (notes 3.2 and 5), provision for SWWF (note 11.1), provision for Federal Excise Duty (note 8.1) and provision for taxation (notes 3.6 and 14).

## 2.5 Accounting convention

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

## 2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented except for the change in accounting policy as explained in note 2.2 (a) above.

### 3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

### 3.2 Financial assets

#### 3.2.1 Classification and subsequent measurement

##### 3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

### 3.2.2 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

### 3.2.3 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on the management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

### 3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

### 3.2.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

### 3.2.6 Derecognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

### 3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

### 3.4 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 realise the assets and settle the liabilities simultaneously.

### 3.5 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 are regularly reviewed and adjusted to reflect the current best estimate.

### 3.6 Taxation

#### Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

#### Deferred

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that these will be available for set off against future taxable profits. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders in cash. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

### 3.7 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 duties, taxes, and charges on redemption, if applicable.

### 3.8 Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV 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 NAV 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.

### 3.9 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 assets of the Fund by the number of units in circulation at the year end.

**3.10 Revenue recognition**

- Gain or loss on sale of investment is accounted for in the income statement in the year in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the year in which it arises.
- Profit / mark-up on bank deposits is recognised on an accrual basis.
- Profit / mark-up on debt and government securities is recognised on accrual basis using the effective interest rate 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 the SECP are recorded on cash basis.

**3.11 Expenses**

All expenses including management fee and trustee fee are recognised in the income statement on an accrual basis.

**3.12 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.

	Note	2019	2018
---- (Rupees in '000) ----			
<b>4 BANK BALANCES</b>			
- In saving accounts	4.1	10,486	16,732
- In current accounts		10	11
		<u>10,496</u>	<u>16,743</u>

4.1 The rate of return on these accounts ranges from 10% to 10.5% per annum (June 30, 2018 : 4.5% to 6.00%)

	Note	2019	2018
---- (Rupees in '000) ----			
<b>5 INVESTMENTS</b>			
<b>Financial assets at fair value through profit or loss</b>			
- Government securities - Market treasury bills	5.1	94,450	147,923

**5.1.1 Government securities - Market treasury bills**

Tenor	Face Value				Balance as at June 30, 2019			Market value as a percentage of	
	At July 1, 2018	Purchased during the year	Sold / matured during the year	As at June 30, 2019	Carrying Value	Market value	Unrealised deficit as at June 30, 2019	Net assets	Investments
----- Rupees in '000 ----- % -----									
3 months	149,000	952,000	1,006,000	95,000	94,524	94,450	(74)	92%	100%
<b>Total - June 30, 2019</b>					<u>94,524</u>	<u>94,450</u>	<u>(74)</u>		
<b>Total - June 30, 2018</b>					<u>147,938</u>	<u>147,923</u>	<u>(15)</u>		

**5.1.1.1** The cost of investments as at June 30, 2019 amounts to Rs 93.069 million (2018: Rs 147.296 million). These carry profit at the rate of 10.9% to 12.46% (2018: 6.17% to 6.76%) per annum and will mature on July 18, 2019 (2018: July 19, 2018 to August 30, 2018).

	2019	2018
	---- (Rupees in '000) ----	
<b>6 PROFIT RECEIVABLE</b>		
Profit receivable on bank balances	49	50
<b>7 OTHER RECEIVABLE</b>		
Withholding Tax	191	190

**7.1** 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, withholding tax on profit on debt paid to the Fund has been 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 withholders. The tax withheld on profit on debt amounts to Rs. 0.191 million (2018: Rs. 0.190 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on profit on debt has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		2019	2018
<b>8 PAYABLE TO AKD INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	<b>Note</b>	---- (Rupees in '000) ----	
Federal excise duty and other related taxes payable on management remuneration	8.1	669	669
Management remuneration payable	8.2	36	49
Sindh sales tax payable on management remuneration	8.3	5	6
Payable against allocated expenses	8.4	10	35
		<b>720</b>	<b>759</b>

**8.1** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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.

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.

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, 2019 amounting to Rs 0.67 million (2018: Rs 0.67 million) is being retained in the 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 financial statements of the Fund, the net asset value of the Fund as at June 30, 2019 would have been higher by Re 0.3297 per unit (2018: Re 0.2155 per unit).

- 8.2** The Management Company has charged remuneration at the rate of 0.4% per annum of the average daily net assets. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.3** During the year, an amount of Rs. 0.088 million (2018: Rs 0.065 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2018: 13%).
- 8.4** Uptil 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. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for both the periods i.e. from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

	Note	2019 ---- (Rupees in '000) ----	2018
<b>9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee remuneration payable	9.1	14	18
Sindh Sales Tax payable on trustee remuneration	9.2	2	2
		<b>16</b>	<b>20</b>

- 9.1** Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears as per the following tariff structure. There has been no change in the tariff structure during the year.

Net Assets Value (NAV)	Tariff per annum
Up to Rs 1,000 million	0.15% per annum of Net Assets
On an amount exceeding Rs 1,000 million upto Rs 10,000 million	Rs 1.5 million plus 0.075% per annum of Net Assets exceeding Rs 1,000 million
On an amount exceeding Rs 10,000 million	Rs 8.25 million plus 0.06% per annum of Net Assets exceeding Rs 10,000 million

- 9.2** During the year, an amount of Rs 0.033 million (2018: Rs. 0.024 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

	2019	2018
	(Rupees in '000)	
<b>10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>		

Annual fee payable to the SECP	<u>127</u>	<u>93</u>
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- 10.1** In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as a Money Market Scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.075% of the average annual net assets of the Fund as annual fee.

	Note	2019	2018
		(Rupees in '000)	
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision against Sindh Workers' Welfare Fund	11.1	617	359
Withholding tax payable		463	31
Auditors' remuneration payable		281	211
Brokerage payable		2	2
Rating fee payable		155	141
Others		404	77
		<u>1,922</u>	<u>821</u>

- 11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (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).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Re 0.30 per unit (2018: Rs 0.12 per unit).

## **12 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at June 30, 2019 and June 30, 2018.

	2019	2018
	---- (Rupees in '000) ----	
<b>13 AUDITORS' REMUNERATION</b>		
Annual audit fee	147	147
Half yearly review fee	63	63
Other certification and services	100	69
Out of pocket expenses and others	133	28
	<u>443</u>	<u>307</u>

## 14 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 ninety percent 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. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute not less than 90% of the net accounting income other than capital gains 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. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been in these financial statements. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on Fund as per Section 4B of the Income Tax Ordinance, 2001.

	Note	2019 ---- (Rupees in '000) ----	2018
<b>15 CASH AND CASH EQUIVALENTS</b>			
Bank balances	4	10,496	16,743
Market treasury bills (with original maturity of three months or less)	5.1.1	94,450	147,923
		<b>104,946</b>	<b>164,666</b>

## 16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 1.47% which includes 0.3% representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations.

## 17 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, 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.

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 at the year end are as follows:

**17.1 Details of transactions with related parties / connected persons during the year**

	2019	2018
	----- (Rupees in '000) -----	
<b>AKD Investment Management Limited - Management Company</b>		
Issue of 844 units (2018: 66,049 units)	43	3,369
Redemption of 19,754 units (2018: 225,777 units)	995	11,383
Management remuneration	677	499
Sindh sales tax on management remuneration	88	65
Allocated expenses	169	125
Dividend paid	9	-
Refund of capital 691 units (2018: Nil)	35	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	254	187
Sindh sales tax on trustee remuneration	33	24
<b>AKD Investment Management Limited - Staff Provident Fund</b>		
Issue of units 97,517 units (2018: 289,538 units)	5,029	14,723
Redemption of 106,139 units (2018: 280,916 units)	5,548	14,292
Dividend paid	1	-
Refund of capital 372 units (2018: Nil)	19	-
<b>Hasan Ahmed - Director of the Management Company</b>		
Issue of 12 units (2018:114 units)	1	6
Dividend paid	-	-
Refund of capital 2 units (2018: Nil units)	92	-
<b>Imran Motiwala- CEO &amp; Director of the Management Company</b>		
Issue of 36,503 units (2018: Nil units)	1,883	-
Redemption of 36,503 units (2018: Nil units)	1,889	-
<b>Sehr Imran Motiwala - Spouse of Director of the Management Company</b>		
Issue of 2,440,354 units	125,962	-
Redemption of 2,440,354 units	126,051	-
<b>Unit holders holding 10% or more of the units in issue</b>		
<b>Sajjad Hussain**</b>		
Issue of units: 108,332 (2018: Nil units)	5,446	-
Dividend paid	886	-
Refund of capital of 1,995 units (2018: Nil units)	101	-
<b>Amir Ali Kamruddin / Abdul Sultan Merchant**</b>		
Issue of units: 654,340 (2018: Nil units)	34,473	-
Redemption of units: 380,940 (2018: Nil units)	19,970	-
Dividend paid	75	-
Refund of capital of 17,971 units (2018: Nil units)	907	-
<b>Hum Network Limited Employees Provident Fund**</b>		
Issue of 203,922 units (2018: Nil units)	10,714	-
Dividend paid	262	-
Refund of capital of 8,950 units (2018: Nil units)	452	-

	2019	2018
	----- (Rupees in '000) -----	
<b>Murree Brewery Company Limited**</b>		
Issue of 6,089 units (2018: Nil units)	307	-
Dividend paid	1,449	-
Refund of capital of 6,089 units (2018: Nil Units)	307	-
<b>Zeba Rashid Faruqi**</b>		
Issue of 1,140,230 units (2018: Nil units)	59,267	-
Redemption of 788,114 units (2018: Nil units)	40,610	-
Dividend paid	204	-
Refund of capital of 20,404 units (2018: Nil units)	1,027	-
<b>KAPCO Employees Provident Fund Trust*</b>		
Issue of Nil units (2018: 1,089,601 Units)	-	56,312
Redemption of Nil units (2018: 595,405 Units)	-	31,312
<b>Fauji Fertilizer Bin Qasim Limited*</b>		
Issue of Nil units (2018: 958,405 Units)	-	50,000
<b>PNSC Employees Contributory Provident Fund*</b>		
Issue of Nil units (2018: 380,373 Units)	-	20,000
<b>17.2 Details of balances with related parties / connected persons as at year end</b>		
<b>AKD Investment Management Limited - Management Company</b>		
Management remuneration payable	36	49
Federal excise duty payable on management remuneration	669	669
Sindh Sales tax payable on management remuneration	5	6
Payable against allocated expenses	10	35
Units held: Nil (2018: 18,910 units)	-	995
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	14	18
Sindh Sales Tax payable on trustee remuneration	2	2
<b>AKD Investment Management Limited - Staff Provident Fund</b>		
Units held Nil (2018: 8,622)	-	453
<b>Hasan Ahmed - Director of the Management Company**</b>		
Units held 126 (2018: 114 Units)	6	6
<b>Unit holders holding 10% or more of the units in issue</b>		
<b>Sajjad Hussain**</b>		
Units held 212,192 (2018: Nil units)	10,713	-
<b>Amir Ali Kamruddin / Abdul Sultan Merchant**</b>		
Units held 276,767 (2018: Nil units)	13,973	-
<b>Hum Network Limited Employees Provident Fund**</b>		
Units held 203,922 units (2018: Nil units)	10,296	-

	2019 ----- (Rupees in '000) -----	2018
<b>Murree Brewery Company Limited**</b> Units held 291,362 units (2018: Nil units)	14,710	-
<b>Zeba Rashid Faruqi**</b> Units held 352,115 (2018: Nil units)	17,777	-
<b>KAPCO Employees Provident Fund Trust*</b> Units held Nil (2018: 595,405)	-	31,314
<b>Fauji Fertilizer Bin Qasim Limited*</b> Units held Nil (2018: 958,405)	-	50,405
<b>PNSC Employees Contributory Provident Fund*</b> Units held Nil (2018: 380,373)	-	20,005

\* Prior year connected party, current year figures not shown

\*\* Current year connected party, Prior year figures not shown

**17.3** This reflects the position of related party / connected persons status as at June 30, 2019.

## **18 FINANCIAL INSTRUMENTS BY CATEGORY**

As at June 30, 2019, 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, 2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees in '000) -----		
<b>Financial assets</b>			
Bank balances	10,496	-	10,496
Investments	-	94,450	94,450
Profit receivable	49	-	49
	10,545	94,450	104,995

Particulars	As at June 30, 2019		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----		
<b>Financial liabilities</b>			
Payable to AKD Investment Management Limited - Management Company	-	720	720
Payable to the Central Depository Company of Pakistan Limited -Trustee	-	16	16
Accrued expenses and other liabilities	-	842	842
	-	1,578	1,578

Particulars	As at June 30, 2018		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----			
<b>Financial assets</b>			
Bank balances	16,743	-	16,743
Investments	-	147,923	147,923
Profit receivable	50	-	50
	<u>16,793</u>	<u>147,923</u>	<u>164,716</u>

Particulars	As at June 30, 2018		
	At fair value through profit or loss	At amortised cost	Total
----- (Rupees in '000) -----			
<b>Financial liabilities</b>			
Payable to AKD Investment Management Limited - Management Company	-	759	759
Payable to the Central Depository Company of Pakistan Limited -Trustee	-	20	20
Payable against redemption of units	-	431	431
	<u>-</u>	<u>1,210</u>	<u>1,210</u>

## 19 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

### 19.1 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 on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

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

#### 19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

#### 19.1.2 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. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	2019	2018
	---- (Rupees in '000) ----	
<b>Variable rate instrument (financial asset)</b>		
- Bank balances	<b>10,486</b>	16,732
<b>Fixed rate instruments (financial assets)</b>		
- Government securities - Market treasury bills	<b>94,450</b>	147,923

**a) Sensitivity analysis for variable rate instrument**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the Income Statement and Statement of Comprehensive Income by Rs 0.10486 million (2018: Rs 0.16732 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) Fair value sensitivity analysis for fixed rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.945 million (2018: Rs 1.479 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 may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield 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 financial instruments is based on settlement date.

As at June 30, 2019						
Effective rate of mark-up / return	Exposed to yield / Interest risk			Not exposed to yield / interest risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
%	----- (Rupees in '000) -----					
<b>On-balance sheet financial instruments</b>						
<b>Financial Assets</b>						
Bank balances	10% to 10.5%	10,486	-	-	10	10,496
Investments	10.9% - 12.46%	94,450	-	-	-	94,450
Profit receivable		-	-	-	49	49
		104,936	-	-	59	104,995
<b>Financial Liabilities</b>						
Payable to AKD Investment Management Limited - Management Company		-	-	-	720	720
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	16	16
Accrued expenses and other liabilities		-	-	-	842	842
		-	-	-	1,578	1,578
<b>On-balance sheet gap (a)</b>		104,936	-	-	(1,519)	103,417
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		104,936	-	-		
<b>Cumulative interest rate sensitivity gap</b>		104,936	104,936	104,936		

As at June 30, 2018						
Effective rate of mark-up / return	Exposed to yield / Interest risk			Not exposed to yield / interest risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
%	----- (Rupees in '000) -----					
<b>On-balance sheet financial instruments</b>						
<b>Financial Assets</b>						
Bank balances	4.5% - 6.00%	16,732	-	-	11	16,743
Investments	6.17% - 6.76%	147,923	-	-	-	147,923
Profit receivable		-	-	-	50	50
		164,655	-	-	61	164,716
<b>Financial Liabilities</b>						
Payable to AKD Investment Management Limited - Management Company		-	-	-	759	759
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	20	20
Payable against redemption of units		-	-	-	431	431
		-	-	-	1,210	1,210
<b>On-balance sheet gap (a)</b>		164,655	-	-	(1,149)	163,506
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		164,655	-	-		
<b>Cumulative interest rate sensitivity gap</b>		164,655	164,655	164,655		

**19.1.3 Price risk**

Price 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 prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at the reporting date, the Fund is not exposed to price risk as no equity securities are held by the Fund.

**19.2 Credit risk**

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit receivable and deposit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

**19.2.1 Exposure to credit risk**

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	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	10,496	10,496	16,743	16,743
Investments	94,450	-	147,923	-
Profit receivable	49	49	50	50
	<b>104,995</b>	<b>10,545</b>	<b>164,716</b>	<b>16,793</b>

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 94.45 million (2018: Rs 147.923 million) is not exposed to credit risk.

**19.2.2 Bank balances**

The Fund held bank balances at June 30, 2019 and June 30, 2018 with banks having following credit ratings:

Rating	2019		2018	
	Rupees in '000	%	Rupees in '000	%
AAA	105	1%	-	-
AA+	9,811	96%	-	-
AA	278	3%	-	-
A1+	-	-	16,743	100.00%
	<b>10,194</b>	<b>100%</b>	<b>16,743</b>	<b>100.00%</b>

Above ratings are on the basis of available ratings assigned by PACRA as of June 30, 2019.

## 19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. 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. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also 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. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groups is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity group of one month.

Particulars	As at June 30, 2019				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees in '000) -----					
<b>Financial Assets</b>					
Bank balances	10,496	-	-	-	10,496
Investments	-	94,450	-	-	94,450
Profit receivable	49	-	-	-	49
	10,545	94,450	-	-	104,995
<b>Financial Liabilities</b>					
Payable to AKD Investment Management Limited - Management Company	720	-	-	-	720
Payable to the Central Depository Company of Pakistan Limited -Trustee	16	-	-	-	16
Accrued expenses and other liabilities	842	-	-	-	842
	1,578	-	-	-	1,578
<b>Net assets</b>	<b>8,967</b>	<b>94,450</b>	<b>-</b>	<b>-</b>	<b>103,417</b>

Particulars	As at June 30, 2018				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees in '000) -----					
<b>Financial Assets</b>					
Bank balances	16,743	-	-	-	16,743
Investments	71,762	76,161	-	-	147,923
Profit receivable	50	-	-	-	50
	88,555	76,161	-	-	164,716
<b>Financial Liabilities</b>					
Payable to AKD Investment Management Limited - Management Company	759	-	-	-	759
Payable to the Central Depository Company of Pakistan Limited -Trustee	20	-	-	-	20
Payable against redemption of units	431	-	-	-	431
	1,210	-	-	-	1,210
<b>Net assets</b>	<b>87,345</b>	<b>76,161</b>	<b>-</b>	<b>-</b>	<b>163,506</b>

## 20 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.

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.

### Fair value hierarchy

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

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the Fund 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).

	June 30, 2019			
	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>	------(Rupees in '000)-----			
Government securities- Market treasury bills	-	94,450	-	94,450
	-	94,450	-	94,450

	June 30, 2018			
	Level 1	Level 2	Level 3	Total
<b>At fair value through profit or loss</b>	------(Rupees in '000)-----			
Government securities- Market treasury bills	-	147,923	-	147,923
	-	147,923	-	147,923

## 21 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders, to maintain a strong base of assets to meet unexpected losses or opportunities and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

## 22 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

### 22.1 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	25
2	Mr. Muhammad Yaqoob	Chief Operating Officer and Company Secretary	MBA, CFA	15
3	Ms. Anum Dhedhi	Chief Investment Officer	BSc	8
4	Mr. Nadeem Saulat Siddiqui	Director Corporate Sales	MBA	26
5	Mr. Bilal Shuja Zaidi	Portfolio Manager	BS, CFA II	1
6	Ms. Laraib Mohib	Fund Manager	BBA, CFA II	5
7	Mr. Muhammad Taha Siddiqui	Risk Manager	ACCA	4
8	Mr. Danish Aslam Peter	Fund Manager	BS, CFA I	1
9	Mr. Ambrat Khemani	Head of Research	MBA, CFA	4

**22.2** Mr. Danish Aslam is the Manager of the Fund. He is also managing AKD Aggressive Income Fund.

### **23 TRANSACTIONS WITH BROKERS / DEALERS**

List of brokers by percentage of commission charged during the year ended June 30, 2019.

S. No.	Particulars	Percentage
1	Arif Habib Limited	79%
2	Vector Capital (Private) Limited	20%
3	Invest One Markets Limited	1%

List of brokers by percentage of commission charged during the year ended June 30, 2018.

S. No.	Particulars	Percentage
1	Arif Habib Limited	82%
2	Next Capital Limited	13%
3	Magenta Capital (Private) Limited	5%

The Fund has traded with only the above mentioned 3 brokers / dealers during the year ended June 30, 2019 (2018: 3 brokers / dealers)

### **24 PATTERN OF UNIT HOLDINGS**

	As at June 30, 2019		
	Number of unit holders	Investment amount	Percentage of investment
		Rupees in 000	%
Individuals	251	62,709	61.24%
Retirement funds	7	24,345	23.77%
Corporates	2	14,994	14.64%
Director	1	6	0.01%
Others	5	347	0.34%
	<u>266</u>	<u>102,401</u>	<u>100%</u>

	As at June 30, 2018		
	Number of unit holders	Investment amount	Percentage of investment
		Rupees in 000	%
Individuals	260	30,813	18.88%
Associate company	1	995	0.61%
Retirement funds	8	65,363	40.05%
Corporates	4	65,710	40.26%
Director	1	6	0.00%
Others	5	326	0.20%
	<u>279</u>	<u>163,213</u>	<u>100%</u>

## 25 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

During the year 76th, 77th, 78th, 79th and 80th board meetings were held on July 06, 2018, September 28, 2018, October 27, 2018, February 22, 2019 and April 27, 2019 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	5	5	-	-
Mr. Imran Motiwala	5	5	-	-
Mr. Ali Wahab Siddiqui	5	4	1	77th
Ms. Anum Dhedhi	5	4	1	78th
Ms. Aysa Ahmed	5	5	-	-
Mr. Hasan Ahmed	5	5	-	-
Mr. Saim Mustafa Zuberi	5	4	1	78th

## 26 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

## 27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 30, 2019 by the Board of Directors of the Management Company.

## 28 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

**Imran Motiwala**  
Chief Executive Officer

**Muhammad Munir Abdullah**  
Chief Financial Officer

**Anum Dhedhi**  
Director

## PERFORMANCE TABLE

	2019	2018	2017	2016	2015	2014
Total net assets value (Rs '000)*	<b>102,401</b>	162,235	165,793	262,647	213,268	511,036
Net assets value per unit - (Rs)*	<b>50.4876</b>	50.2765	50.2391	50.1283	50.1119	50.0667
Selling price as at June 30 (Rs)*	<b>50.4876</b>	50.2765	50.2391	50.1283	50.1119	50.0667
Repurchase price as at June 30 (Rs)*	<b>50.4876</b>	50.2765	50.2391	50.1283	50.1119	50.0667
Highest selling price (Rs)	<b>54.2019</b>	52.5896	53.2406	52.7911	54.3202	50.4605
Lowest selling price (Rs)	<b>50.3494</b>	50.2580	50.1359	50.0861	50.0788	50.0288
Highest repurchase price (Rs)	<b>54.2019</b>	52.5896	53.2406	52.7911	54.3202	50.4605
Lowest repurchase price (Rs)	<b>50.3494</b>	50.2580	50.1359	50.0861	50.0788	50.0288
<b>Return of the Fund</b>						
- capital growth (Rs '000)	<b>(60,812)</b>	(3,558)	(96,854)	49,379	(297,768)	12,990
- income distribution (including refund of capital) (Rs '000)*	<b>7,238</b>	7,189	6,063	5,441	13,780	40,655
<b>Distribution per unit</b>						
Interim						
- Gross (2019: Announced on June 28, 2019) (Rs)	<b>3.7548</b>	-	3.0628	2.7200	4.2500	4.1516
- Gross (2017: Announced on June 19, 2017) (Rs)						
- Gross (2016: Announced on June 22, 2016) (Rs)						
- Gross (2015: Announced on June 26, 2015) (Rs)						
- Gross (2014: Announced on June 26, 2014) (Rs)***						
<b>Final</b>						
- Gross (2018: Announced on July 6, 2018,	-	2.3165	-	-	-	-
- 2013: Announced on July 8, 2013, 2012:						
Announced on July 9, 2012) (Rs)						
<b>Average Annual Return</b>						
- Last one year	<b>7.89</b>	4.69	6.34	5.45	8.59	8.77
- Last two years	<b>6.08</b>	5.45	5.88	6.84	8.68	9.17
- Last three years	<b>6.17</b>	5.45	6.67	7.43	8.97	-
- Last Four years	<b>5.98</b>	6.11	7.14	7.92	-	-
- Last Five years	<b>6.43</b>	6.57	7.57	-	-	-
Weighted Average Portfolio Duration	<b>17</b>	36	29	24	21	35

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

\*\*\* Interim Distribution has been made as per Clause 11 of the Fund's Trust Deed

Note: The portfolio composition of the fund has been disclosed in note 5 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.

## بینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

انویسٹمنٹ بینجمنٹ لمیٹڈ (AKDIML)، بینجمنٹ کمپنی برائے، AKD اپرچوٹی فنڈ (AKDOF)، AKD انڈیکس ٹریڈر فنڈ (AKDITF)، AKD کیش فنڈ (AKDCF)، AKD ایگریسیو انکم فنڈ (AKDAIF)، AKD اسلامک انکم فنڈ (AKDISIF) اور AKD اسلامک اسٹاک فنڈ (AKDISSF) کے بورڈ آف ڈائریکٹرز 30 جون 2019 کو اختتام پذیر سال پر اپنی سالانہ رپورٹ بمع فنڈ کے آڈٹ کی ہوئی مالیاتی دستاویزات پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

### فنڈ کی مالیاتی کارکردگی

#### AKD اپرچوٹی فنڈ (AKDOF)

مالیاتی سال 2019 کے لیے KSE-100 انڈیکس کی آمدنی کے معیار (benchmark) منفی 19.11 فیصد آمدنی کے مقابلے میں AKD اپرچوٹی فنڈ (AKDOF) کی آمدنی منفی 20.33 فیصد رہی۔

#### AKD انڈیکس ٹریڈر فنڈ (AKDITF)

مالیاتی سال 2019 کے لیے KSE-100 انڈیکس کی آمدنی کے معیار (benchmark) منفی 19.11 فیصد آمدنی کے مقابلے میں AKD انڈیکس ٹریڈر فنڈ (AKDITF) کی آمدنی منفی 20.01 فیصد رہی۔

#### AKD کیش فنڈ (AKDCF)

مالیاتی سال 2019 کے معیار (benchmark) 8.66 فیصد آمدنی کے مقابلے میں AKD کیش فنڈ (AKDCF) کی آمدنی 7.89 فیصد رہی۔ بورڈ آف ڈائریکٹرز کی تفویض کردہ اختیار کے تحت چیف ایگزیکٹو نے 30 جون 2019 کو اختتام پذیر سال کے لیے یونٹ کنندگان کو 3.75485 روپے فی یونٹ کی کل تقسیم (بشمول ایلیمینٹ کی واپسی) کی منظوری دی ہے۔

#### AKD ایگریسیو انکم فنڈ (AKDAIF)

مالیاتی سال 2019 کے لیے آمدنی کے معیار (benchmark) 10.69 فیصد آمدنی کے مقابلے میں AKD ایگریسیو انکم فنڈ (AKDAIF) کی آمدنی 3.28 فیصد رہی۔

بورڈ آف ڈائریکٹرز کی تفویض کردہ اختیار کے تحت چیف ایگزیکٹو نے 30 جون 2019 کو اختتام پذیر سال کے لیے یونٹ کنندگان کو 1.90303 روپے فی یونٹ کی کل تقسیم (بشمول ایلیمینٹ کی واپسی) کی منظوری دی ہے۔

## AKD اسلامک انکم فنڈ (AKDISIF)

مالیاتی سال 2019 کے لپیا آمدنی کے معیار (benchmark) 3.68 فیصد آمدنی کے مقابلے میں AKD اسلامک انکم فنڈ (AKDISIF) کی آمدنی 8.43 فیصد رہی۔

بورڈ آف ڈائریکٹرز کی تفویض کردہ اختیار کے تحت چیف ایگزیکٹو نے 30 جون 2019 کو اختتام پذیر سال کے لیے یونٹ کنندگان کو 4.06223 روپے فی یونٹ کی کل تقسیم (بشمول ایلیمینٹ کی واپسی) کی منظوری دی ہے۔

## AKD اسلامک اسٹاک فنڈ (AKDISSF)

مالیاتی سال 2019 کے لیے KMI-30 انڈیکس کے معیار (benchmark) منفی 23.84 فیصد آمدنی کے مقابلے میں AKD اسلامک اسٹاک فنڈ (AKDISSF) آمدنی منفی 25.95 فیصد رہی۔

## وسیع پس منظر

پی ٹی آئی کی حکومت کم ہوتے ہوئے غیر ملکی زرمبادلہ کے ذخائر کے تحفظ کے لیے سخت اقدامات لیے جس کے لیے درآمدات میں کمی کی گئی تاکہ مالیاتی سال 2019 کی جاری کھاتے کا خسارے میں کمی آئے۔ تاہم مجموعی قومی پیداوار (GDP) نمو کے مہم امکانات (بینک دولت پاکستان کا مالیاتی سال 2019 کے لیے مجموعی قومی پیداوار 3.36 فیصد تخمینہ تھا جبکہ گذشتہ سال اسی مدت کے دوران 5.5 فیصد تھا)، بدتر ہوتا ہوا مالیاتی خسارہ، انضباطی مسائل کے بارے میں سیاہ دھن کو سفید کرنے کے عمل کی نگرانی کرنے والے عالمی ادارے (FATF) کی جانب سے جانچ پڑتال اور IMF کے بچاؤ کے پروگرام کے فیصلہ کرنے میں تاخیر نے معیشت کو دباؤ میں رکھا۔

مالیاتی سال 2019 میں جاری کھاتے کا خسارہ گذشتہ سال کے اسی مدت میں 19.8 ارب امریکی ڈالر (مجموعی قومی پیداوار کا 6.36 فیصد) کے مقابلے میں 13.6 ارب امریکی ڈالر (مجموعی قومی پیداوار کا 4.86 فیصد) رہا جو سال بہ سال کی بنیاد پر 32 فیصد کمی ظاہر کر رہی ہے۔ یہ بہتر کارکردگی سال بہ سال کی بنیاد پر اشیاء کی درآمدات میں 56.59 ارب امریکی ڈالر میں 7 فیصد کمی کی بعد 52.38 ارب امریکی ڈالر ہیں اور اس کیساتھ ترسیل زر میں سال بہ سال کی بنیاد پر 10 فیصد اضافے کے ساتھ 21.84 ارب امریکی ڈالر رہی۔ تاہم، اشیاء کی درآمدات میں متوقع اضافہ نا ہوسکا اور گذشتہ سال اسی مدت کے 24.77 ارب امریکی ڈالر کے مقابلے میں اس سال 24.4 ارب امریکی ڈالر ہیں جو تقریباً ساٹھ رہیں جبکہ غیر ملکی زرمبادلہ کے ذخائر پر قرضہ جات کی ادائیگی کا بوجھ 14.48 ارب امریکی ڈالر رہا۔

مالیاتی محاذ پر فیڈرل بیورو آف ریونیو (FBR) مالیاتی سال 2019 میں 3.828 ٹریلین روپے جمع کرسکا جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 3.842 ٹریلین تھی۔ ٹیکسوں کی وصولی 4.398 ٹریلین روپے کے نظر ثانی شدہ ہدف حاصل کرنے میں ناکام رہا جس کی وجہ سے حکومت کے ترقیاتی منصوبوں پر عملدرآمد اور اخراجات کے سلسلے میں مشکل پیش آرہی ہے۔ علاوہ ازیں مالیاتی سال 2010 کے لیے گورنمنٹ نے موجودہ معاشی سست

روی کے پس منظر میں 5.55 ٹریلین روپے ریونیو کی وصولی کا جرات مندانہ ہدف رکھا ہے  
3.842 ٹریلین روپے کے نظر ثانی شدہ ہدف (4.398 ٹریلین) حاصل کرنے میں ناکام رہا جس میں تقریباً 477 ارب روپے کی کمی رہی جس کی وجہ  
سے حکومت کے ترقیاتی منصوبوں پر عملدرآمد کرنے اور اخراجات کے سلسلے میں مشکل پیش آرہی ہے۔

پاکستان کے شماریات کے بیورو کے مطابق مالیاتی سال 2019 کے لئے صارف کی قیمتوں کا انڈیکس (CPI)، سال بہ سال کی بنیاد پر 7.34 فیصد کا  
اندراج کیا جبکہ اس کی مقابلے میں گذشتہ سال اسی مدت میں 3.92 فیصد تھا۔ مرکزی CPI میں سے غذا اور توانائی کی اشیاء کا نکال کر اس کی قدر  
خطرے کی گھنٹی بجاتی ہوئی 8.24 فیصد رہی جبکہ گذشتہ سال اسی مدت میں یہ 5.44 فیصد تھی۔ علاوہ ازیں، بینک دولت پاکستان (SBP) کی 6 فیصد کے  
سالانہ ہدف، سال بہ سال کی بنیاد پر مالیاتی سال 2019 کے لیے CPI کا نظر ثانی شدہ ہدف 6.5-7.5 فیصد کے درمیان رکھا۔ یہ نظر ثانی تیل کی  
عالمی بڑھی ہوئی قیمتیں، حالیہ پاکستانی روپے کی فرسودگی اور بجلی اور گیس کے نرخوں میں اضافوں کے پس منظر میں کیا تھا۔ اس لیے متوقع بلند تر افراط زر  
کے ساتھ بڑھتا ہوا جڑواں خسارے کی وجہ سے SBP نے مالیاتی سال 2019 کے دوران پالیسی نرخ بڑھا کر 12.25 فیصد کر دیا۔

مالیاتی سال 2019 کے اقتصادی سروے کے مطابق، زرعی شعبے کی کارکردگی کم رہی اور اپنے 3.94 فیصد کے تخمینہ شدہ ہدف حاصل نہ کر سکا اور صرف 0.85  
فیصد اضافے کا اندراج دکھایا۔ اس کی وجہ موجودہ پانی کی قلت اور کھاد کی بلند تر قیمتوں کی وجہ سے اس کی خریداری میں کمی ہوئی جس نے زرعی پیداوار  
میں رکاوٹ ڈالی۔ اسی طرح سے، خدمات کے ساتھ پیداواری شعبوں کی سست روی کی وجہ سے SBP کو مالیاتی سال 2020 کے لیے اپنی حقیقی مجموعی قومی  
پیداوار کی نمو کا کم ہوتا ہوا نظر ثانی ہدف کو تقریباً 3.5 فیصد کر دیا ہے۔

بڑے پیمانے کے پیداواری صنعتی شعبہ جو کل صنعتی پیداوار کا 70 فیصد اور مجموعی قومی پیداوار کا 10.2 فیصد ہے، میں مالیاتی سال 2019 کے 11 ماہ  
جولائی تا مئی) میں 3.50 فیصد کمی دکھائی۔ مئی 2018 کے مقابلے میں مئی 2019 زیادہ تر شعبے جس میں بڑی تعداد میں LSM پر مشتمل ہے اس نے  
کمی کا اندراج کیا۔ مہینے میں نمایاں کم کارکردگی دکھانے والوں میں شامل ہیں گاڑیاں (سال بہ سال منفی 11.78 فیصد)، کوک اور خام تیل کی  
مصنوعات (سال بہ سال منفی 8.35 فیصد)، خوراک، مشروبات اور تمباکو (سال بہ سال منفی 7.28 فیصد) اور آئرن اور اسٹیل کی مصنوعات (سال بہ سال منفی  
11.21 فیصد)۔ جبکہ دوسری جانب اسی ماہ میں کھاد (سال بہ سال مثبت 7.68 فیصد) اور الیکٹرانکس (سال بہ سال مثبت 12.53 فیصد) نے خاصی نمو  
دکھائی مزید یہ کہ مالیاتی سال 2019 میں پاکستان منفی 1.66 ارب امریکی ڈالر کی براہ راست غیر ملکی سرمایہ کاری لاسکا جبکہ گذشتہ سال اسی مدت کی  
سرمایہ کاری کے مقابلے میں 51.98 فیصد کم تھی۔ یہ بہت زیادہ کمی کی اصل وجہ شرح مبادلہ کی غیر یقینی صورتحال، IMF کے پروگرام کی تکمیل میں  
تاخیر، ملک کی زود پذیری کے بیرونی اور مالیاتی صورتحال، دسمبر 2018 میں فٹچ (Fitch) کی جانب سے پاکستان کی کریڈٹ درجہ بندی میں گراؤٹ اور  
سرمایہ کاروں کے اعتماد میں کمی جیسے عوامل ہیں۔ دوسری جانب مالیاتی سال 2019 میں کیمیکل، مشروبات اور گاڑیوں کے شعبہ جات پر سرمایہ کاروں کی نظر  
ہے۔

ہمارے خیال میں، مالیاتی سال 2019 میں امریکی ڈالر کے مقابلے روپے کی قدر میں 34 فیصد کمی، متعدد درآمدی اشیاء پر انضباطی ڈیوٹیوں کا نفاذ اور دوست ممالک کی جانب سے مالی معاونت کے لیے فراہم کردہ رقم سے بیرونی خسارہ کے مد میں کچھ سہولت ہوگی۔ آئیو الے دنوں میں، ہمارا خیال ہے کہ CPEC کی سرمایہ کاری پاکستان میں سرمایہ کاری لانے میں انتہائی اہم کردار ادا کرتی رہے گی اور کرنسی کو مستحکم کرے گی تاکہ درآمدی پیداوار میں بہتری ہو۔ موجودہ گورنمنٹ کا معاشی پالیسیوں اور اصلاحات کے بارے میں مجموعی واضح موقف، ملک کی بڑے پیمانے کی کارکردگی کے تعین کنندہ ہوں گے۔

### ایکویٹی (Equity) مارکیٹ کا جائزہ

مالیاتی سال 2019 کے دوران KSE-100 انڈیکس میں 19 فیصد کمی ظاہر کی اور جون 2019 کے اختتام پر 33,901.58 پوائنٹس پر بند ہوا۔ سرمایہ کاروں کے اعتماد میں کمی، کمزور معاشی صورتحال (ادائیگی کے توازن کا بحران، کرنسی کی قدر میں کمی اور بڑھتا ہوا مالیاتی خسارہ)، احتساب کی مہم، انضباطی سختی اور اس مدت میں غیر ملکی سرمایہ کاروں کی فروخت (FPI نے 415 ملین امریکی ڈالر کی خالص فروخت ہوئی) دوسری جانب، تجارت کا، سال بہ سال کی بنیاد پر، گذشتہ سال کی اسی مدت کے 84 ملین کچھ حصص کے لین دین کیا وسط حجم کے مقابلے میں یہ اوسط تقریباً 96 ملین حصص رہا۔

افراطی دباؤ موجود اور جاری ہے، بنیادی طور پر اس کی وجہ خوراک، گھر وں کی تعمیرات اور زرائع نقل و حمل کے انڈیکس ہیں، جس نے، مالیاتی سال 2019 میں، بینک دولت پاکستان کو مجبور کیا کہ پالیسی کے نرخ میں 475 پیسے پوائنٹس کے اضافے سے 12.25 فیصد کر دیا۔ اس عمل نے سرمایہ کاروں کو ترغیب دی کہ زیادہ منافع کے لیے وہ اپنے پورٹ فولیوز کو ملکیتی سرمایہ سے غیر لچکدار (fixed) آمدنی کی دستاویزات (ٹی بلز، قومی بچت کی اسکیمیں، پی آئی اور بینک ڈپازٹس وغیرہ) سے ہم آہنگ کرے۔

آنے والے دنوں میں، ایک متوقع عالمی تیل کی قیمتوں میں اضافہ، تیل کے سیکٹر کو فائدہ پہنچائے گا اور اس طرح سے تیل کی تلاش اور پیداوار کے سیکٹر کے منافع میں بہتری آئے گی (جس کا انڈیکس میں تقریباً 14.42 فیصد حصہ ہے)۔ دوسری جانب، بڑھتے ہوئے سودی نرخ بینکاری کے سیکٹر کی معاونت کرے گا (جس کا انڈیکس میں تقریباً 27.58 فیصد حصہ ہے) تاکہ وہ دوبارہ قوت حاصل کر سکے، خاص طور پر ان کے لیے جو بلند جاری کھاتے کا حصہ اور کم پی آئی بی کی بنیاد کے لیے۔

تاہم، سرمایہ کاروں کے اعتماد کی دوبارہ بحالی سے پیدا ہونے والی بہتر ہونے والی سیالیت اب بھی منڈی کے لیے ایک بڑا محرک ہوگا۔ علاوہ ازیں، معیشت کے بڑے اشارے، IMF پروگرام کے قابل حصول نتائج اور FATF کی جانب سے صفائی کا عمل سے زیادہ واضح ہوں گے اور امکانی طور پر منڈی کے احساسات کی بحالی ہوگی۔ تاہم پاک۔ بھارت تناؤ ہو سکتا ہے منڈی میں بے چینی پیدا کرے۔

قدر کی مد میں، KSE-100 انڈیکس فی الوقت پر کشش  $5.5 \times$  کے حاصل ضرب 58 فیصد رعایت (discount) پر متعدد لین دین کر رہا ہے اس کے مقابلے میں ابھرتی ہوئی منڈیوں ( $13.25 \times$  کے حاصل ضرب) سرمایہ کاروں کو امکانی اوپری سطح پیش کر رہا ہے۔

### زر کی منڈی کا جائزہ

مالیاتی سال 2019 کے دوران SBP نے چھیس ٹی۔ بلز کی نیلامی کی جس سے گورنمنٹ نے کامیابی سے 18.46 کھرب روپے کا اضافہ کیا۔ 3 ماہ اور 6 ماہ کی مدت کے لیپوزنی اوسط منافع (yield) بالترتیب 9.73 فیصد اور 10.23 فیصد رہا اور اس کے مقابلے گذشتہ سال اسی مدت یہ 6.13 فیصد اور 6.13 فیصد تھیں۔ اس مدت میں 12 ماہ کے ٹی بل کی نیلامی نہیں ہوئی۔

سیالیت کی ضرورت کے مزید سدباب کے لیے، SBP بارہ پاکستان سرمایہ کاری بونڈز (PIBs) کی نیلامیاں کیں اور مالی سال 19- میں کامیابی سے 871.73 ارب روپے کا اضافہ کیا۔ منافع نے اضافے کا رجحان برقرار رکھا جیسا کہ 3 سال، 5 سال اور 10 سال کی تکمیلی وزنی اوسط کا منافع بڑھ کر بالترتیب 9.98 فیصد، 8.10 فیصد اور 10.94 فیصد ہو گئے جبکہ اس کے مقابلے گذشتہ سال اسی مدت میں یہ 6.57 فیصد، 7.14 فیصد اور 8.06 فیصد تھی۔

مالیاتی سال 2019 میں گورنمنٹ مالیاتی پالیسی بیان کا اعلان کیا، جس میں اس میں اس نے پالیسی نرخ میں مجموعی طور پر 475 پیسے پوائنٹس کا اضافہ کیا اور اس طرح سے پالیسی نرخ 12.25 فیصد ہو گیا۔ SBP کینیڈا کی کلینڈر کی مطابقت، وہ 3 تا 20 سال کی مدت کے پاکستان سرمایہ کاری بونڈز (PIBs) کے اجراء کے لیے 300 ارب روپے حاصل کرے گا اور 3 تا 12 ماہ کی مدت کے ٹی بلز کے اجراء کے ذریعے سے 6.4 کھرب روپے حاصل کرے گا تاکہ 6.46 کھرب روپے کے قرضہ جات کی ادائیگی کی جاسکے۔ اس کے علاوہ SBP 10 سال کے فلوئنگ PIBs کی نیلامی کے ذریعے سے مزید 300 ارب روپے حاصل کرے گا۔

### ادارتی اور مالیاتی ڈھانچے (framework) کا بیان

- مینجمنٹ کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے فنڈز کے معاملات کی صورتحال، عملی امور کے نتائج، کیش فلو اور فنڈز کی اکائی رکھنے والوں کی نقل و حرکت بہتر طور پر پیش کرتے ہیں۔
- کمپنی نے موزوں کھاتوں کی کتابیں (AccountsofBooks) قائم رکھی ہوئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب عملی یکساں طور پر اپنائی گئی ہے اور اکاؤنٹنگ تخمینوں کی بنیاد معقول اور محتاط پر رکھی ہے۔
- پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیار پر عمل کرتے ہوئے مالیاتی دستاویزات تیار کئے گئے ہیں اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے اور وضاحت کی گئی ہے۔

- (e) اندرونی کنٹرول کا نظام کاڈیزائن مضبوط ہے اور اسکی موثر نفاذ اور نگرانی کی گئی ہے۔
- (f) کمپنی کی ایک جاری رہنے والے ادارے کے طور پر چلتے رہنے میں کوئی شبہ نہیں ہے۔
- (g) لسٹنگ ضوابط میں اداراتی نظم و ضبط کی دی گئی تفصیلات کی بہترین مشقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- (h) محصولات، ڈیویڈنڈ، لیویز اور اخراجات، اگر کوئی ہے تو، کی مد میں دستوری ادائیگیوں کے بقایا جات کو مالیاتی دستاویزات میں پوری طرح ظاہر کیا گیا ہے۔
- (i) ڈائریکٹرز کی بورڈ آف ڈائریکٹرز کے اجلاس اور آڈٹ کمیٹی کے اجلاس میں حاضری کا بیان درج ذیل ہے۔

بورڈ اجلاس کی حاضری

ڈائریکٹر کا نام	27 اپریل 19	22 فروری 19	28 ستمبر 18	27 اکتوبر 18	6 جولائی 18	شرکت	رخصت
1 جناب عبدال کریم	حاضر	حاضر	حاضر	حاضر	حاضر	5	0
2 جناب عمران موتی والا	حاضر	حاضر	حاضر	حاضر	حاضر	5	0
3 محترمہ انعم ڈھیڈی	حاضر	حاضر	حاضر	غیر حاضر	حاضر	4	1
4 جناب صائم مصطفیٰ زبیری	حاضر	حاضر	حاضر	غیر حاضر	حاضر	4	1
5 جناب علی وہاب صدیقی	حاضر	حاضر	غیر حاضر	حاضر	حاضر	4	1
6 جناب حسن احمد	حاضر	حاضر	حاضر	حاضر	حاضر	5	0
7 محترمہ عائشہ احمد	حاضر	حاضر	حاضر	حاضر	حاضر	5	0

آڈٹ کمیٹی اجلاس کی حاضری

ڈائریکٹر کا نام	27 ستمبر 18	27 اکتوبر 18	22 فروری 19	26 اپریل 19	شرکت	رخصت
1 جناب علی وہاب صدیقی	حاضر	حاضر	حاضر	حاضر	4	0
2 جناب حسن احمد	حاضر	حاضر	حاضر	حاضر	4	0
3 جناب صائم مصطفیٰ زبیری	حاضر	غیر حاضر	حاضر	حاضر	3	1

- (a) مینجمنٹ کمپنی کے ڈائریکٹرز، سی ای او، سی ایف او، سی آئی او، سی او او، کمپنی سیکریٹری اور ان کے شرکاء حیات اور نابالغ بچوں کے پاس جو فنڈز کا کوئی لین دین نہیں ہوا ماسوائے مالیاتی دستاویزات کے نوٹ میں درج ذیل ہے۔

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (یونٹ کی تعداد)	تلافی (یونٹ کی تعداد)
<b>AKD اپرچونٹی فنڈ</b>				
1	جناب عبدالکریم	ڈائریکٹر اور چیئر مین	-	593.956
2	جناب عمران موتی والا	سی ای او	53,633.69	23,455.45
3	محترمہ سحر عمران موتی والا	زوجہ سی ای او	1,719,763.92	1,608,525.34
4	جناب محمد یعقوب	سی او او اور کمپنی سیکریٹری	7,568.24	13,240.96
5	محترمہ ملیحہ	زوجہ سی او او اور کمپنی سیکریٹری	1,615.30	-

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (یونٹ کی تعداد)	تلافی (یونٹ کی تعداد)
<b>AKD کیش فنڈ</b>				
1	جناب عمران موتی والا	سی ای او	36,503.36	36,503.36
2	محترمہ سحر عمران موتی والا	زوجہ سی ای او	2,440,353.94	2,440,353.94
3	جناب حسن احمد	ڈائریکٹر	12.8517	

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (یونٹ کی تعداد)	تلافی (یونٹ کی تعداد)
<b>AKD اسلامک انکم فنڈ</b>				
1	جناب عمران موتی والا	سی ای او	16,314.52	16,292.57
2	محترمہ سحر عمران موتی والا	زوجہ سی ای او	625,376.33	408,924.19
3	جناب محمد یعقوب	سی او او اور کمپنی سیکریٹری	2,032.34	645.5219
4	جناب محمد منیر	سی ایف او	53.0841	-

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (یونٹ کی تعداد)	تلافی (یونٹ کی تعداد)
<b>AKD اسلامک اسٹاک فنڈ</b>				
1	محترمہ انعم ڈھیڈی	سی آئی او	14,223.30	-
2	محترمہ سحر عمران موتی والا	زوجہ سی ای او	14,794.39	14,794.39

نمبر شمار	لین دین کرنے والے	عہدہ	سرمایہ کاری (یونٹ کی تعداد)	تلافی (یونٹ کی تعداد)
<b>AKD اگریسیو انکم فنڈ</b>				
1	جناب محمد منیر	سی ایف او	-	12,282.76

#### مینجمنٹ کمپنی کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے 8 فروری 2019 کو AKD انویسٹمنٹ مینجمنٹ لمیٹڈ (AKDIML) کو اثاثہ جات مینجمنٹ AM3++ (AM تین مثبت) کی درجہ بندی تفویض کر چکی ہے۔

#### فنڈز کی درجہ بندی

##### AKD اپرچوٹیٹی فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے 28 فروری 2019 کو AKD اپرچوٹیٹی فنڈ (AKDOF) کے لیے درجہ بندی 1 سال اور 3 سال کی کارکردگی کی مدت کے لیے "MFR-3" اور 5 سال کی کارکردگی کی مدت کے لیے "MFR-15" اشارہ کارکردگی کا درجہ تفویض کر چکی ہے۔

#### AKD کیش فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے 30 اپریل 2019 کو AKD کیش فنڈ (AKDCF) کو استحکام کی AA+' (f) (دو A مثبت) درجہ بندی تفویض کر چکی ہے۔

## AKD اگریسیو انکم فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) 30 اپریل 2019 کو AKD اگریسیو انکم فنڈ (AKDAIF) کو استحکام کی "A-(f)" (منفی A) درجہ بندی تفویض کر چکی ہے۔

## گولڈن ایرو سلیکٹڈ اسٹاک فنڈ لمیٹڈ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے 28 فروری 2019 کو گولڈن ایرو سلیکٹڈ اسٹاکس فنڈ لمیٹڈ (GASSFL) کے لیپا ترتیب 1 سال کی کارکردگی مدت کے لیے MFR-4 اور 3 سال اور 5 سال کی کارکردگی مدت کے لیے MFR-5 اشارہ کارکردگی کا درجہ تفویض کر چکی ہے۔

## AKD اسلامک انکم فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) 30 اپریل 2019 کو AKD اسلامک انکم فنڈ (AKDIIF) کو استحکام کی "A+(f)" (مثبت A) درجہ بندی تفویض کر چکی ہے۔

## ہولڈنگ کمپنی

AKD انویسٹمنٹ کمپنی لمیٹڈ کی ہولڈنگ کمپنی عقیل کریم ڈھیڈی سکیورٹیز (پرائیویٹ) لمیٹڈ ہے جس کے پاس کمپنی کے 99.97 فیصد عام حصص ہیں۔

## آڈیٹرز کا انتخاب

بورڈ نے آڈٹ کمیٹی کی تجویز پر میسرز اے۔ ایف فرگن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کو AKD اگریسیو انکم فنڈ (AKDAIF) اور AKD کیش فنڈ (AKDCF) کے لیے سال 2019-2020 کے لیے دستوری آڈیٹرز کا دوبارہ انتخاب کر دیا ہے۔

بورڈ نے آڈٹ کمیٹی کی تجویز پر میسرز نوید ظفر جعفری اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کو AKD انڈیکس ٹریڈر فنڈ (AKDITF) اور AKD اپرچونٹیٹی فنڈ (AKDOF) کے لیے سال 2019-2020 کے لیے دستوری آڈیٹرز کا دوبارہ انتخاب کر دیا ہے۔

بورڈ نے آڈٹ کمیٹی کی تجویز پر میسرز ڈیلونٹ یوسف عادل، چارٹرڈ اکاؤنٹینٹس کو AKD اسلامک انکم فنڈ (AKDISIF) اور AKD اسلامک اسٹاک فنڈ (AKDISSF) کے لیے سال 2019-2020 کے لیے دستوری آڈیٹرز کا دوبارہ انتخاب کر دیا ہے۔

بورڈ نے آڈٹ کمیٹی کی تجویز پر میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹینٹس کو AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کے لیے سال 2019-2020 کے

لیے دستوری آڈیٹرز کا دوبارہ انتخاب کر دیا ہے۔

## اعتراف

ڈائریکٹرز اس موقع کا فائدہ اٹھاتے ہوئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، وزارت مالیات، بینک دولت پاکستان اور اسٹاک ایکسچینج کی انتظامیہ کا ان کی مجموعی طور پر پورے میوچل فنڈ کی صنعت کی جانب سے شکریہ ادا کرنا چاہتا ہوں اور ہمارے محافظ، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے تعاون کا شکریہ ادا کرنا چاہتے ہیں۔ AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کے عملہ اور افسران مخلصانہ کارکردگی کو سراہتا ہے۔ بورڈ اپنے سرمایہ کاروں کے کمپنی پر اعتماد اور مسلسل حمایت اور رہنمائی کا بھی شکریہ ادا کرنا چاہتا ہے۔

## مستقبل کا منظر نامہ

مالیاتی سال 2019 میں نئی گورنمنٹ کے لیے جانے والے حالیہ اقدامات کو مد نظر رکھتے ہوئے توقع ہے کہ مالیاتی سال 2020 میں معیشت بتدریج استحکام کی جانب جائے گی۔ جیسا کہ جاری کھاتے کا خسارے (CAD) کی صورتحال نسبتاً سہل ہوئی ہے، اور توجہ IMF کے مطابق بہتر محصول کی وصولی اور کاروبار کو دستاویزی کرنے کے ذریعے سے مالیاتی نظم و ضبط کرنے پر رہے گی۔ تاہم، ایسا کرنے میں، سخت محصول اور انضباطی نظام کے سبب کاروباری طبقے اور عوام کی جانب سے مزاحمت کے پس منظر میں مشکلات کا سامنا رہے گا۔ ہو سکتا ہے کہ سیاسی صورتحال مشکلات پیدا کریں جس کی وجہ غیر مقبول اقدامات اور حالیہ جاری جارحانہ احتساب کی مہم ہو سکتی ہیں۔ علاوہ ازیں، اگر بھارت کے ساتھ تناؤ کا اہمال برقرار رہتا ہے، وہ منڈی میں سرمایہ کار کے جذبے پر اس ڈال دے گا اور غیر یقینی پیدا کرے گا۔

آگے بڑھتے ہوئے، کم لاگت کی متبادل توانائی کی پیداوار، کرنسی کی قدر میں کمی (مالیاتی سال 2019 میں 15.66 فیصد) برآمدات کرنے والی صنعتوں کو فراہم کردہ ترغیبات (کم کی گئی ڈیویڈنڈ اور ریٹینس) اور سعودی عرب کی جانب سے تیل کی قیمت کی موخر شدہ ادائیگی (6 ارب امریکی ڈالر تک) سے توقع ہے کہ بیرونی کھاتے کی صورتحال میں بہتری آئے گی۔ علاوہ ازیں، رمضان اور عید کے موسمی اثرات کی وجہ کے ساتھ ساتھ کمزور ہوتی ہوئی کرنسی کے پس منظر میں ترسیل زر میں اضافہ ہوگا اور یہ عمل بیمار ہوتی ہوئی معیشت کی معاونت کرے گا۔ مزید یہ کہ سیاہ دھن کو سفید کرنے اور "حوالہ ہنڈی نظام" کو لگام دینے کے لیے کئے جانے والے اقدامات کے سبب رقوم کی باضابطہ ذرائع سے آئیں گی۔

ہمارا خیال ہے کہ ملکیتی سرمایہ کی خاصی حد تک واپسی کی وجہ اس وقت پرکشش قدر (KSE-100 انڈیکس کا لین دین پرکشش  $5.5 \times (E/P)$ ) ہے۔ جیسے جیسے معیشت استحکام کی جانب بڑھے گی سرمایہ کاروں کا اعتماد کی سطح اور غیر ملکی شراکت اس سلسلے میں اہم کردار ادا کریں گے۔

غیر لچکدار آمدنی کے سلسلے میں سودی شرح میں اضافہ معیشت کی رفتار میں کمی کا سبب ہوگا۔ ملکیتی سرمایہ کی منڈی کو سرمایہ کاروں کو پھسلانہ ہوگا تاکہ وہ دیگر

اناشہ کے درجات (پاکستان سرمایہ کاری بونڈز، آمدنی فنڈز، قومی بچت سٹریٹجیکٹ اور بینک ڈپازٹس) سے مسابقت کر سکے جنھوں نے پرکشش منافع پیش کرنا شروع کر دیا ہے۔

برائے ومنجانب بورڈ

عمران موتی والا  
چیف ایگزیکٹو آفیسر

عبدل کریم میمن  
چیرمین








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