

Funds Managed by:
AKD Investment Management Ltd.

Quarterly Report
March 31, 2020
(Un-audited)



quarterly report



Partner with AKD
Profit from the Experience



**AKD Investment
Management Ltd.**

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MANAGEMENT COMPANY

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

**BOARD OF DIRECTORS
OF THE MANAGEMENT COMPANY**

Chairman
Mr. Abdul Karim

Director & Chief Executive Officer
Mr. Imran Motiwala

Director
Ms. Anum Dhedhi
Ms. Aysha Ahmed
Mr. Ali Wahab Siddiqui
Mr. Hasan Ahmed
Mr. Saim Mustafa Zuberi

**HEAD OF INTERNAL AUDIT
OF THE MANAGEMENT COMPANY**

Ms. Tayyaba Masoom Ali

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

Mr. Muhammad Yaqoob Sultan, CFA

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)
Mr. Hasan Ahmed (Member)
Mr. Saim Mustafa Zuberi (Member)
Ms. Tayyaba Masoom Ali (Secretary)

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

Ms. Aysha Ahmed (Chairman)
Mr. Abdul Karim (Member)
Mr. Imran Motiwala (Member)
Ms. Anum Dhedhi (Member)
Mr. Saim Mustafa Zuberi (Member)
Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

RATING

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

**CORPORATION
INFORMATION**

Vision

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

Mission Statement

AKD Fund shall continuously strive to:

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

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 Shahr-e-Faisal, Karachi.

BANKERS

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

AUDITORS

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

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
Investomate (Pvt.) Limited
Investlink Advisor (Private) Limited
Metro Capital (Private) Limited

RATING

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

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), AKD Islamic Stock Fund (AKDISSF), and Golden Arrow Stock Fund (GASF) - (Formerly: Golden Arrow Selected Stocks Fund Limited) is pleased to present its nine months report along with the Funds' reviewed financial statements for the period ended March 31, 2020.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the 9MFY20, the return of AKD Opportunity Fund stood at -18.07% compared to the benchmark KSE-100 Index return of -13.78%.

AKD Index Tracker Fund (AKDITF)

For the 9MFY20, the return of AKD Index Tracker Fund stood at -14.65% compared to the benchmark KSE-100 Index return of -13.78%.

AKD Cash Fund (AKDCF)

For the 9MFY20, the annualized return of AKD Cash Fund stood at 12.80% compared to benchmark return of 12.62%.

AKD Aggressive Income Fund (AKDAIF)

For the 9MFY20, the annualized return of AKD Aggressive Income Fund stood at 14.14% compared to benchmark return of 13.58%.

AKD Islamic Income Fund (AKDISIF)

For the 9MFY20, the annualized return of AKD Islamic Income Fund stood at 12.42% compared to benchmark return of 6.33%.

AKD Islamic Stock Fund (AKDISSF)

For the 9MFY20, the return of AKD Islamic Stock Fund stood at -19.70% compared to the benchmark KMI-30 Index return of -16.75%.

Golden Arrow Stock Fund (GASF) - (Formerly: Golden Arrow Selected Stocks Fund Limited)

For the 9MFY20, the return of Golden Arrow Stock Fund (Formerly: Golden Arrow Selected Stocks Fund Limited) stood at -21.41% compared to the benchmark KSE-100 Index return of -13.78%.

MACRO PERSPECTIVE:

The Current Account Deficit (CAD) for 9MFY20 stood at \$2.768 billion (1.3% of GDP) as compared to \$10.284 billion (4.7% of GDP) in the same period last year (SPLY), exhibiting a significant decline of 73.08% YoY. The considerable improved performance was on the back of a decline in import of goods and services by 16.35% YoY to \$39.624 billion from \$47.366 billion while exports of goods illustrated a modest increase of 1.14% YoY to \$18.256 billion during the 9MFY20. In addition, overseas Pakistanis also supported the CAD by remitting \$16.991 billion as compared to \$16.032 billion SPLY, up by 5.98%.

On the fiscal front, the Federal Board of Revenue (FBR) managed to collect PKR 3.050 trillion during the 9MFY20. The FBR missed tax revenue targets by a whopping PKR 470 billion during 9MFY20 against the revised target of 3.520tr. During the month of March, FBR collection fell by 12%YoY to 325 billion due to stalled economic activity amid lockdown precautions to arrest the spread of COVID-19 virus in the country. The Economic slowdown due to the Pandemic has further damped the prospects of the FBR to achieve its targets or any other relevant economic target for that matter. As per reports FBR expects to collect PKR 4.70 trillion by year end against its revised target of PKR 5.238 trillion.

As per the Pakistan Bureau of Statistics (PBS), National Consumer Price Index (NCPI) for the month of March 2020 stood at 10.24% YoY which denotes the average inflation for 9MFY20 to 11.53% as compared to 6.31% SPLY. This significant increase in monthly inflation was primarily led by an increase in prices of Food and non- alcoholic beverages (weight 34.58%) by 14.69% YoY. Average Core Inflation (Non Food Non Energy) for Urban and Rural clocked in at 7.4% and 9.4% respectively in March 2020. In order to cushion the growth hampered by slowdown in economic activities, the State Bank of Pakistan (SBP) slashed the Target Policy Rate by 225 bps to 11 percent. Moreover the gap between Reverse repo rate and Target Policy rate has widened by 50bps to 100bps.

The Large Scale Manufacturing (LSM) witnessed a decline of 3.37% cumulatively for the 7MFY20 (July-January). Major decline was witnessed in sectors such as Automobiles (-36.07%), Coke & petroleum products (-10.59%), Pharmaceuticals (-5.77%), Iron & Steel products (-9.25%), and Electronics (-8.50%) during the period. On the other hand, there were some LSM related sectors that exhibited major positive growth which were Leather Products (11.15%), Fertilizers (4.53%), Paper & Board (6.77%), and Wood Products (25.07%).

During the 9MFY20, Pakistan was able to attract \$2.148 billion in Foreign Direct Investment (FDI) as compared to \$0.905 billion in the SPLY, exhibiting an increase of 137.34% YoY. Portfolio Investment in Pakistan's debt securities for 9MFY20 stood at \$331 million, which has shown an unprecedented increase due to attractive risk free yields offered during the period. During 3QFY20, the Pak rupee devalued against the US dollar by 6.84% to PKR 166.25 at the end of March against PKR 154.88 at the start of the year which was prompted by Net outflow from SCRA account. During March 2020, Pakistan witnessed a cumulative net outflow of \$1.872 billion from SCRA account as foreign investors squared their positions mainly from short term government securities it would seem on the back of expectations of a devaluation of the local currency following prospects of monetary easing.

The total liquid foreign exchange reserves of Pakistan stood at \$17.388 billion (\$6.202 billion net reserves with banks and \$11.186 billion net reserves with State Bank of Pakistan) as compared to \$17.417 billion SPLY. As per news reports the IMF in its support during the global pandemic has decided to provide one-year relief to support the country in its fight against spreading of the virus. The IMF Executive board has also approved the disbursement of \$1.386 billion to address COVID-19 Pandemic under a rapid financing instrument besides the facility already undertaken by Pakistan, which is expected to address fiscal/budget emergencies in the immediate term and shall not be subject to a comprehensive country wise reform program that undergoes reviews.

EQUITY REVIEW:

As expected the equity markets witnessed an extreme volatile period where the index after a prolonged bearish spell preceding the last two years reversed its negative trend during 1HFY20 after bottoming out at its five year low of 28,765pts during August 2019. The KSE-100 index provided 20.2% return during 1HFY20 where the index touched its 6 months high of 43,468 in mid of Jan 2020 on compelling valuations and much improved prospects of an economic recovery, supported by unprecedented interest by foreigners in the government securities debt market. However, the KSE-100 index succumbed to selling pressure as volatility over stalled economic activity and hefty dollar outflows, as foreign institutions exited both the equity and debt markets. The stock market ended on a depressed note with the index sliding down by 28.24% during 3QFY20 eroding all the gains of 1HFY20 and taking the cumulative 9MFY20 loss to 13.78%.

Encouraging participation was witnessed during the period with average daily traded volumes rising 19.66%YoY for 9MFY20 to 194.1 million shares as compared to 162.2 million witnessed during 9MFY19. Investors flocked to main board or index heavyweights companies where the share of KSE-100 volumes in overall market volumes averaged to 69.5% during 9MFY20 as compared to 59.5% witnessed during SPLY. Higher participation in the main board stocks would suggest improved investor confidence and overall optimism of the economy, which was primarily led by the positive sentiments from Aug-Jan 2020. However, during 3QFY20 average daily turnover decreased by 20.27% QoQ to 211 million shares as investors remained sidelined due to uncertainty over revival of economic activity following wide country lockdowns to contain the virus after the first case was reported in late February.

Significant sectors hampering the index down during 9MFY20 included: 1) Commercial Banks (-21.67%), 2) Oil and Gas Exploration Companies (-35.87%), 3) Power Generation and Distribution (-18.53%), 4) Oil Marketing Companies (-24.93%) and 5) Tobacco (-37.97%). Commercial Banks and Exploration sectors remained in limelight due to monetary easing and declining international Oil Prices (Brent: \$22.74/bbl., FYTD: -65.1%). Moreover, some of the losses were compensated due to positive contribution from Cement (+8.50%), Pharmaceuticals (6.12%) and Leather and Tanneries (62.87%).

Foreign Portfolio Investors were net seller during the period with cumulative outflow of US\$130.2mn during 9MFY20, as compared to an outflow of \$138.2mn in 3QFY20. Amongst domestic investor flows, individuals were net buyers (US\$144.4mn) aided by Insurance Companies (US\$94.0mn) and other Organizations (US\$25.1mn). This outflow was led by Mutual Funds (US\$85.10mn), Banks/DFI (US\$48.0mn) and Broker Proprietary Trading (US\$8.6mn).

Going forward we expect a reversal in the trend in index as significant correction of the market has opened up valuations where KSE-100 is currently trading at a forward P/E multiple of 5.4x compared to Asia Pacific regional average of 10.3x. SBP in its last Monetary Policy has further slashed interest rates by 2% to 9%, taking the cumulative monetary easing to 4.25%. Much awaited monetary easing will provide impetus to the index, along with the upcoming result announcements for the quarter ending March which will further drive direction of the index. However, recent announcement of relaxation in debt payment and disbursement of \$1.4 billion cannot be overlooked. Furthermore, the recently bailout package for the construction industry with an underlying "amnesty" scheme of sorts will eventually lead to positive economic activity, while in the meantime investors will remain focused for now on the spread of the virus and eventual opening of the country for business, as we believe this is an opportune time to accumulate stocks.

MONEY MARKET REVIEW:

During 9MFY20, twenty (20) T-Bill auctions were carried out by the SBP, where the Government successfully managed to raise PKR 12.44 trillion. Weighted average yield on the 3-month, 6-month, and 12-month period were 13.33%, 13.33%, and 13.20% respectively, as compared to 9.10%, and 9.41% respectively for same period last year. There was no participation recorded in the 12 month paper during 9MFY19. It is pertinent to note however that the yield curve has been on a declining trend since touching its high of 13.75%, 13.95% and 14.22% for 3-months, 6-months and 12-months T-bills respectively, depicting an inversion in the yield curve within the short tenure papers as well.

To further address demand for liquidity, the SBP conducted nine (9) auctions of Pakistan Investment Bonds (PIBs) and was successful in raising PKR 1,671.14 billion during 9MFY20 with weighted average maturity yield on 3-year, 5-year, and 10-year of 12.56%, 12.12%, and 11.98%, as compared to 9.07%, 10.29%, and 10.18% respectively, during the same period last year. It is pertinent to note that bids were received and accepted in 20-year tenure PIB with the weighted average yield of 11.80%, after a gap of more than 5 years. In the recent auction result held in mid of April, it was encouraging to note that the weighted average maturity yields for 5 year/ 10 years had fallen by 222.65bps/177.94bps to 8.7085%/ 8.9725% respectively.

The Monetary Policy Committee (MPC) announced six (6) Monetary Policy Statements (MPS) in 9MFY20 where the committee cut the interest rate cumulatively by 225bps to 11.00%. In its recent emergency MPS held on March 25th 2020, the MPC decided to cut the policy rate further by 150bps amid the Covid-19 pandemic with an aim to cushion the slowdown in growth rate while maintaining its inflation outlook. The SBP conducted 93 Open Market Operations (OMO) in 9MFY20 of different maturities, in which it injected an average amount of PKR561.20 billion per OMO at an average cut-off yield of 13.19%, and mopped up an average amount of PKR214.01 billion per OMO at an average cut-off yield of 12.49%.

As per the auction calendar of the SBP, it will raise PKR330 billion by issuing 3 year to 20 year tenor Pakistan Investment Bonds (PIBs) and PKR2.30 trillion by issuing 3 months to 12-months tenor T-Bills to pay back the maturing debt of PKR1.98 trillion, in the next quarter. In addition, SBP will raise another PKR150 billion through the auction of a 10-Year Floating PIB, in the next quarter.

FUTURE OUTLOOK:

Following the expectations of a contraction in the economy by various international organizations, the IMF estimates Pakistan's GDP to contract by 1.5% during FY20, a first in the country's history since its independence in 1947. The State Bank of Pakistan took an unorthodox step of curtailing the policy rate further by 200bps to 9% p.a. in its latest monetary policy in an attempt to support the ailing economy. The emergency rate cut came on back of improved inflation outlook following a plunge in commodity prices. Market positively reacted to the step taken by SBP and surged by 2,170 (6.93%) subsequent two days as the rate cut will provide much needed cushion primarily by reducing borrowing cost and debt service burden on individuals and firms, as well as maintain financial stability.

Like stock markets globally, commodities have been no exception and volatility in the international crude oil prices led by deteriorating fundamentals has pushed prices to historical lows and is expected to drive the local benchmark index as Oil and Gas exploration sector which represents 11.8% of the index weight with earnings linked to global crude prices. Monetary easing by the central bank is also expected to result in a decline in Net interest Income of the Banking sector (Index Weight: 25.4%). While on the one hand valuations remain compelling, investor sentiment will remain mixed to negative in the short term as index heavy weights absorb the new norm following the pandemic. With the upcoming result season, near term market performance will largely be guided by earnings reads and how well the market perceives that companies have performed during these testing times. The KSE-100 index currently trades at a forward Price-to-earnings (P/E) and Dividend Yield (DY) of 5.4x and 9.5% respectively as compared to Regional Markets P/E and DY of 10.3x and 3.3% respectively.

Reportedly, Pakistan has asked world lenders to provide debt relief to developing countries so that countries should focus on combating COVID-19 devastation efficiently where economic costs of containment remain substantial. Pakistan has paid \$7bn in first half of the Fiscal Year, whereas it is scheduled to pay another \$11.8bn, \$6.2bn, \$7.8bn and \$5.8bn during FY20-FY23 respectively. Pakistan is planning to renegotiate payment of some of its external debt which will help the country maintain its reserve positions and arrest volatility in the local currency. Recently the IMF announced the disbursement of \$1.4 billion to support Pakistan's efforts in containing the economic cost resulting from the virus, plus providing relaxation for repayment of loans for the upcoming year are significant positives, the impact of which will be much more visible as the country returns to normality. More importantly, the said incentives will support foreign exchange reserves and Current Account Deficit, while a stable Pak rupee will boost investor confidence and provide impetus to economic activity and in turn the stock market. On the Fixed Income side, in the recent auction result held in mid of April, weighted average maturity yields for 5 year/ 10 years had fallen by 222.65bps/177.94bps to 8.7085%/ 8.9725% respectively. This rapid decrease in short term and long term yields of Government bonds suggests a market consensus of a foreseeable decline in interest rates by the central bank. Recently Government of Pakistan has announced various fiscal measures to boost the economic

activity. The incentive offered include: PKR 200bn for labor unemployed due to Pandemic COVID, PKR 100bn tax refunds for Export Industry, Ehsas Program for Low income families, PKR 100bn and deferral of interest payment for SME, PKR 280 billion for procurement of Wheat, and deferent exemptions for construction sector. The said incentive may rejuvenate halted economic activity in the current crisis situation. Investor is closely watching the increase in cases of COVID-19 and resumptions of economic activity before making any investment decision.

For and on behalf of the board

Imran Motiwala
Chief Executive Officer

Abdul Karim Memon
Chairman

Karachi: April 29, 2020

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.

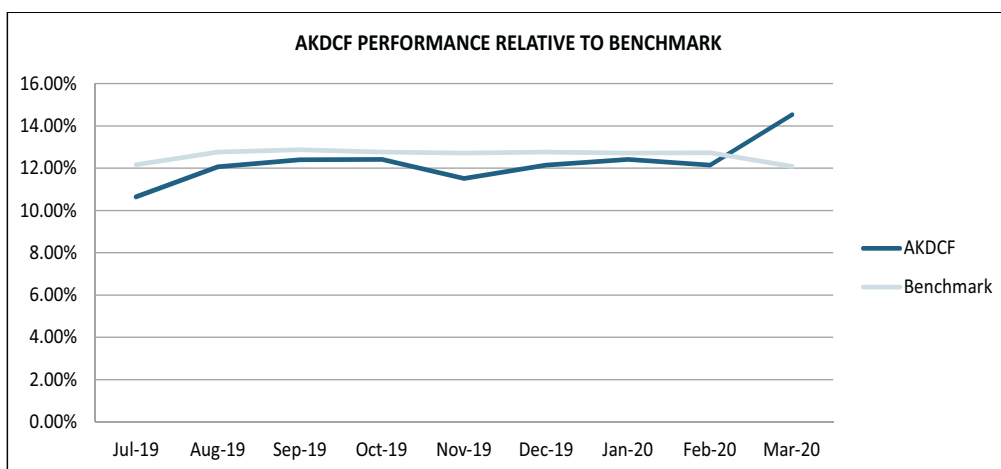
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the 9MFY20, the annualized return of AKD Cash Fund (AKDCF) stood at 12.80% compared to benchmark return of 12.62%.

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 return	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
AKDCF	10.64%	12.07%	12.40%	12.42%	11.51%	12.15%	12.42%	12.15%	12.15%
Benchmark	12.16%	12.77%	12.88%	12.76%	12.71%	12.76%	12.72%	12.73%	12.73%

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 fund are generated primarily through investment in high quality short term government securities. AKDCF is fully complied with the relevant policies and procedures as per fund's regulatory requirements.

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

Asset Allocation (% of Total Asset)	31-Mar-20	31-Dec-19
Cash and Cash Equivalents	91.78%	71.78%
Commercial Papers	7.96%	-
Placements with Banks and DFIs	-	28.06%
Other Assets Including Receivables	0.25%	0.16%

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

9MFY20 Return	14.14%
Benchmark (annualized)	13.58%

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

Net Asset Value			NAV Per Unit	
31-Mar-20	31-Dec-19	Change	31-Mar-20	31-Dec-19
(Rupees In "000")			Rs.	
741,395	1,065,357	-30.41%	55.34	53.58

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:

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MONEY MARKET REVIEW:

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FUTURE OUTLOOK:

Following the expectations of a contraction in the economy by various international organizations, the IMF estimates Pakistan's GDP to contract by 1.5% during FY20, a first in the country's history since its independence in 1947. The State Bank of Pakistan took an unorthodox step of curtailing the policy rate further by 200bps to 9% p.a. in its latest monetary policy in an attempt to support the ailing economy. The emergency rate cut came on back of improved inflation outlook following a plunge in commodity prices. Market positively reacted to the step taken by SBP and surged by 2,170 (6.93%) subsequent two days as the rate cut will provide much needed cushion primarily by reducing borrowing cost and debt service burden on individuals and firms, as well as maintain financial stability.

Like stock markets globally, commodities have been no exception and volatility in the international crude oil prices led by deteriorating fundamentals has pushed prices to historical lows and is expected to drive the local benchmark index as Oil and Gas exploration sector which represents 11.8% of the index weight with earnings linked to global crude prices. Monetary easing by the central bank is also expected to result in a decline in Net Interest Income of the Banking sector (Index Weight: 25.4%). While on the one hand valuations remain compelling, investor sentiment will remain mixed to negative in the short term as index heavy weights absorb the new norm following the pandemic. With the upcoming result season, near term market performance will largely be guided by earnings reads and how well the market perceives that companies have performed during these testing times. The KSE-100 index currently trades at a forward Price-to-earnings (P/E) and Dividend Yield (DY) of 5.4x and 9.5% respectively as compared to Regional Markets P/E and DY of 10.3x and 3.3% respectively.

Reportedly, Pakistan has asked world lenders to provide debt relief to developing countries so that countries should focus on combating COVID-19 devastation efficiently where economic costs of containment remain substantial. Pakistan has paid \$7bn in first half of the Fiscal Year, whereas it is scheduled to pay another \$11.8bn, \$6.2bn, \$7.8bn and \$5.8bn during FY20-FY23 respectively. Pakistan is planning to renegotiate payment of some of its external debt which will help the country maintain its reserve positions and arrest volatility in the local currency. Recently the IMF announced the disbursement of \$1.4 billion to support Pakistan's efforts in containing the economic cost resulting from the virus, plus providing relaxation for repayment of loans for the upcoming year are significant positives, the impact of which will be much more visible as the country returns to normality. More importantly, the said incentives will support foreign exchange reserves and Current Account Deficit, while a stable Pak rupee will boost investor confidence and provide impetus to economic activity and in turn the stock market.

On the Fixed Income side, In the recent auction result held in mid of April, weighted average maturity yields for 5 year/ 10 years had fallen by 222.65bps/177.94bps to 8.7085%/ 8.9725% respectively. This rapid decrease in short term and long term yields of Government bonds suggests a market consensus of a foreseeable decline in interest rates by the central bank.

Recently Government of Pakistan has announced various fiscal measures to boost the economic activity. The incentive offered include: PKR 200bn for labor unemployed due to Pandemic COVID, PKR 100bn tax refunds for Export Industry, Ehsas Program for Low income families, PKR 100bn and deferral of interest payment for SME, PKR 280 billion for procurement of Wheat, and deferent exemptions for construction sector. The said incentive may rejuvenate halted economic activity in the current crisis situation. Investor is closely watching the increase in cases of COVID-19 and resumption of economic activity before making any investment decision.

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	245
10,000 - 49,999	23
50,000 - 99,999	4
100,000 - 499,999	4
500,000 and above	7
	283

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.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

			(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note		----- (Rupees in '000) -----	
Assets				
Bank balances	4	12,605	10,496	
Investments	5	734,489	94,450	
Profit receivable	6	1,240	49	
Security Deposit, prepayments and other receivables	7	640	191	
Total assets		748,974	105,186	
Liabilities				
Payable to the Management Company	8	1,749	720	
Payable to the Trustee	9	65	16	
Payable to Securities and Exchange Commission of Pakistan	10	122	127	
Accrued expenses and other liabilities	11	5,643	1,922	
Total liabilities		7,579	2,785	
Net assets		741,395	102,401	
Unit holders' fund (as per statement attached)		741,395	102,401	
Contingencies and commitments	12			
		Number of units		
Number of units in issue		13,396,110	2,028,240	
		----- Rupees -----		
Net assets value per unit		55.3441	50.4876	

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

	Note	For the Nine Months ended March 31,		For the quarter ended March 31,	
		2020	2019	2020	2019
-----('Rupees in '000) -----					
Income					
Net unrealised (diminution) / appreciation on remeasurement 'investments 'at fair value through profit or loss'	5.1	1,423	(34)	1,574	(7)
Income from government securities		72,685	10,650	30,653	4,113
Income from Letter of Placement		4,326	-	3,316	-
Income from Commercial Paper		1,124	-	1,124	-
Capital Gain/(Loss) on sale of investments - net		471	(184)	581	(56)
Profit on bank deposits		1,799	1,561	369	504
Total income		81,828	11,993	37,617	4,554
Expenses					
Remuneration of the Management Company	8.1	2,754	558	1,315	179
Sales tax on the remuneration of the Management Company	8.2	357	73	171	24
Remuneration of the Trustee	9.1	396	209	175	67
Sales tax on the Trustee remuneration	9.2	51	27	22	9
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	122	105	54	34
Expenses allocated by the Management Company	8.4	609	140	269	45
Brokerage and settlement charges		88	21	33	7
Auditors' remuneration		193	339	62	87
Bank charges		90	19	42	9
Fee and subscription		28	28	5	7
Printing and related cost		113	118	38	50
Legal and professional charges		223	201	68	61
Provision against Sindh Workers' Welfare Fund		1,536	203	707	79
Total expenses		6,560	2,041	2,961	658
Net income for the period before taxation		75,268	9,952	34,656	3,896
Taxation	14	-	-	-	-
Net income for the period after taxation		75,268	9,952	34,656	3,896
Allocation of net income for the period					
Net income for the period after taxation		75,268	9,952	34,656	3,896
Income already paid on units redeemed		(43,471)	(6,916)	(32,185)	(6,200)
		31,797	3,036	2,471	(2,304)
Accounting income available for distribution					
- Relating to capital gains		1,423	-	1,574	-
- Excluding capital gains		30,374	3,036	897	-
		31,797	3,036	2,471	-

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited (Management Company)

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

AKD Cash Fund - Quarterly Report March 2020

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

	For the Nine Months ended March 31,		For the quarter ended March 31,	
	2020	2019	2020	2019
	-----('Rupees in '000) -----			
Net income for the period after taxation	75,268	9,952	34,656	3,896
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	75,268	9,952	34,656	3,896

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

AKD Opportunity Fund - Quarterly Report March 2020

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

	For the Nine Months ended March 31, 2020			For the Nine Months ended March 31, 2019		
	----- Rupees in '000 -----					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period	100,790	1,611	102,401	159,857	3,356	163,213
Issue of 33,572,298 units (2019: 13,933,660 units)						
- Capital value (at net asset value per unit at beginning of the period)	1,694,992	-	1,694,992	700,535	-	700,535
- Element of income	54,470	-	54,470	18,787	-	18,787
Total proceeds on issuance of units	1,749,462	-	1,749,462	719,322	-	719,322
Redemption of 22,204,428 units (2019: 15,092,733 units)						
- Capital value (at net asset value per unit at beginning of the period)	1,121,053	-	1,121,053	758,809	-	758,809
- Amount paid out of element of income relating to net income for the year after taxation	-	43,471	43,471	-	6,916	6,916
- Element of income	21,212	-	21,212	16,543	-	16,543
Total payments on redemption of units	1,142,265	43,471	1,185,736	775,352	6,916	782,268
Total comprehensive income for the period	-	75,268	75,268	-	9,952	9,952
Distribution during the period	-	-	-	-	(2,030)	(2,030)
Refund of capital	-	-	-	(5,159)	-	(5,159)
Net income for the period less distribution	-	75,268	75,268	(5,159)	7,922	2,763
Net assets at end of the period	707,987	33,408	741,395	98,668	4,362	103,030
Distribution for the year						
Undistributed income brought forward						
- Realised income	-	1,685	1,685	-	3,371	3,371
- Unrealised income	-	(74)	(74)	-	(15)	(15)
	-	1,611	1,611	-	3,356	3,356
Accounting income available for distribution						
- Relating to capital gains	-	1,423	1,423	-	-	-
- Excluding capital gains	-	30,374	30,374	-	3,036	3,036
	-	31,797	31,797	-	3,036	3,036
Distribution during the period at Rs. Nil (June 30, 2019: 0.78101 per unit)	-	-	-	-	2,030	2,030
Undistributed income carried forward	-	33,408	33,408	-	4,362	4,362
Undistributed income carried forward						
- Realised income	-	31,985	31,985	-	4,396	4,396
- Unrealised income	-	1,423	1,423	-	(34)	(34)
	-	33,408	33,408	-	4,362	4,362
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>50.4876</u>			<u>52.5930</u>
Net assets value per unit at end of the period			<u>55.3441</u>			<u>52.9921</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited (Management Company)

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

AKD Cash Fund - Quarterly Report March 2020

CONDENSED INTERIM STATEMENT OF CASHFLOWS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

Note	For the Nine Months ended March 31,		For the quarter ended March 31,	
	2020	2019	2020	2019
	-----('Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	75,268	9,952	34,656	3,896
Adjustments				
Net unrealised diminution / (appreciation) on remeasurement of investments 'at fair value through profit or loss'	(1,423)	34	(1,574)	7
Capital loss / (gain) on sale of investment	(471)	184	(581)	56
Provision against Sindh Workers' Welfare Fund	1,536	203	707	79
	74,910	10,373	33,208	4,038
(Increase) / decrease in assets				
Profit receivable	(1,191)	(161)	(80)	394
Security Deposit, prepayments and other receivables	(449)	(8)	(94)	5
	(1,640)	(169)	(174)	399
Increase / (decrease) in liabilities				
Payable to the Management Company	1,029	(12)	245	(81)
Payable to the Trustee	49	4	(2)	(24)
Payable to Securities and Exchange Commission of Pakistan	(5)	12	54	34
Accrued expenses and other liabilities	2,185	396	2,822	470
	3,258	400	3,119	399
Investments - net	(67,644)	(218)	(67,383)	(63)
Net cash generated from / (used in) operating activities	8,884	10,386	(31,230)	4,773
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	1,749,462	705,090	229,938	172,693
Payment against redemption of units	(1,185,736)	(782,268)	(588,556)	(393,750)
Dividend paid	-	(2,030)	-	-
Net cash generated from / (used in) financing activities	563,726	(79,208)	(358,618)	(221,057)
Net increase in cash and cash equivalents	572,610	(68,822)	(389,848)	(216,284)
Cash and cash equivalents at beginning of the period	104,946	164,666	1,067,404	312,128
Cash and cash equivalents at end of the period	677,556	95,844	677,556	95,844

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

For AKD Investment Management Limited
(Management Company)

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM STATEMENT OF CASHFLOWS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Cash Fund (the Fund) was established under a Trust Deed, dated August 15, 2011, executed between AKD Investment Management Limited (AKDIML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on January 11, 2012. The initial Public Offering (IPO) of the Fund was made during the period from January 19, 2012 to January 20, 2012 .

The Management Company of the Fund is registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

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

The Fund is classified as a "Money Market Fund". 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 Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of 'AM3++' to the Management Company dated February 8, 2020. PACRA has also assigned fund stability rating of "AA+(f)" to the Fund dated October 30, 2019.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2020.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain investments are measured at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES, RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted in the preparation of this condensed interim financial information is consistent with those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.2 The significant judgements made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2019.

3.3 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

AKD Cash Fund - Quarterly Report March 2020

	Note	(Unaudited) March 31, 2020	(Audited) June 30, 2019
----- (Rupees in '000) -----			
4. BANK BALANCES			
In current accounts	4.1	10	10
In savings accounts		12,595	10,486
		12,605	10,496

4.1 Mark-up rates on these accounts range between 11.25% to 11.50% per annum (June 30, 2019: 10% to 10.5% per annum).

	Note	(Unaudited) March 31, 2020	(Audited) June 30, 2019
----- (Rupees in '000) -----			
4.2 CASH AND CASH EQUIVALENTS			
Bank Balances	4.1	12,605	10,496
Market treasury bills		664,951	94,450
		677,556	104,946

5 INVESTMENTS

At fair value through profit or loss

- Government Securities - Market treasury bills	5.1	674,843	94,450
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At amortised cost

- Commercial Paper	5.2	59,646	-
- Commercial Paper	5.3	-	-
		734,489	94,450

5.1 Government Securities- 'at fair value through profit or loss'

Instrument	Face value				Balance at March 31, 2020			Market Value as percentage of	
	At July 1, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Carrying value	Market Value	Unrealized (deficit) / surplus	Net assets	Investments
----- Rupees in '000 -----									
T-Bills (3 months)	95,000	6,545,000	5,965,000	675,000	663,548	664,951	1,403	89.69%	90.53%
T-Bills (6 months)	-	330,000	320,000	10,000	9,872	9,892	20	1.33%	1.35%
Total March 31, 2020					673,420	674,843	1,423		
Total June 30, 2019					94,524	94,450	(74)		

5.1.1 The cost of investment as at March 31, 2020 amounts to Rs. 668.83 million (June 30, 2019: 93.07 million). They carry profit at the rate of 12.50% to 13.38% (June 30, 2019: 10.91% to 12.46%) per annum and will mature from April 23, 2020 to June 4, 2020.

5.2 Commercial Paper

Investee Company	Face value				Balance at March 31, 2020	Rating	Rate of return	Maturity	Face value as a percentage of	
	At July 1, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Carrying value				Net sssets	Investments
----- Rupees in '000 -----										
K-ELECTRIC	-	64,000	-	64,000	59,646	A1+	14.64%	August 13, 2020	8.05%	8.12%
Total March 31, 2020					59,646					
Total June 30, 2019					-					

5.3 Letter of placement

Investee Company	Face value				Balance at March 31, 2020	Rating	Rate of return	Maturity	Face value as a percentage of	
	At July 1, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Carrying value				Net sssets	Investments
----- Rupees in '000 -----										
Pair Investment Company Limited	-	100,000	100,000	-	-	-	-	-	-	-
Zarai Taraqiyati Bank	-	100,000	100,000	-	-	-	-	-	-	-
Pak China Investment Company	-	100,000	100,000	-	-	-	-	-	-	-
Total March 31, 2020					-					
Total June 30, 2019					-					

AKD Cash Fund - Quarterly Report March 2020

	Note	(Unaudited) March 31, 2020	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
5.2	Net unrealised diminution on re-measurement of investments 'at fair value through profit or loss'		
	Market value of investments	674,843	94,450
	Carrying amount of investments	(673,420)	(94,524)
		1,423	(74)
6.	PROFIT RECEIVABLE		
	Profit receivable on bank	115	49
	Commercial Paper	1,125	-
		1,240	49
7.	OTHER RECEIVABLE		
	Security Deposit - Central Depository Company of Pakistan Limited	100	-
	Prepaid PSX annual listing fee	5	-
	Advance tax	535	191
		640	191

- 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, during the period ended December 31, 2019, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1 (43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs 0.535 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 March 31, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

AKD Cash Fund - Quarterly Report March 2020

	Note	March 31, 2020 ----- (Rupees in '000) ----- (Unaudited)	June 30, 2019 ----- (Audited)
8. PAYABLE TO MANAGEMENT COMPANY			
Remuneration	8.1	417	36
Sales tax on management fees	8.2	53	5
Federal Excise Duty Payable	8.3	669	669
Expenses allocated by the Management Company	8.4	610	10
		1,749	720

- 8.1** The Management Company has charged remuneration at the rate of 0.4% to 0.5% (June 30, 2019: 0.4%) per annum of the average daily net assets. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2** Sindh Sales Tax has been charged at the rate of 13% (June 30, 2019: 13%) on gross value of management fee under the provisions of Sindh Sales Tax on Services Act, 2011.
- 8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to Provincial Sales Tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made amounting to Rs 0.669 million is being retained in the condensed interim financial information of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2020 would have been higher by Re 0.05 per unit (June 30, 2019: Re 0.3301 per unit).

- 8.4** Uptill 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.

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However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for the periods i.e. from July 1, 2019 to March 31, 2020, being lower than actual expenses.

		(Unaudited) March 31, 2020	(Audited) June 30, 2019
9. PAYABLE TO THE TRUSTEE		----- (Rupees in '000) -----	
Trustee fee	9.1	57	14
Sindh Sales Tax payable on trustee fee	9.2	8	2
		65	16

9.1 The Trustee was entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document as per the tariff specified therein, based on 0.15% of the daily net assets value of the Fund. However, tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019 where by the revised tariff is 0.065% of net assets. The remuneration is paid to the Trustee on monthly basis in arrears.

9.2 Sindh Sales Tax has been charged at the rate of 13% (June 30, 2019: 13%) on gross value of trustee fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

		(Unaudited) March 31, 2020	(Audited) June 30, 2019
10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)		----- (Rupees in '000) -----	

Annual fee payable to SECP	10.1	122	127
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10.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a Collective Investment Scheme categorised as a money market scheme was required to pay an annual fee, to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075 percent of the average annual net assets of the scheme. However, as per S.R.O. 685(i) / 2019 dated June 28, 2019, effective from July 01, 2019, all categories of Collective Investment Schemes are now required to pay annual fee at an amount equal to 0.02 percent of the average annual net assets of the scheme. The fee is payable annually in arrears.

		(Unaudited) March 31, 2020	(Audited) June 30, 2019
11. ACCRUED EXPENSES AND OTHER LIABILITIES		----- (Rupees in '000) -----	
Auditors remuneration		186	281
Provision for Sindh Workers' Welfare Fund	11.1	2,152	617
Rating fee payable		130	155
Brokerage Payable		10	2
Withholding tax payable		2,996	463
Other payables		169	404
		5,643	1,922

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

Had the SWWF not been provided, the NAV per unit would have been higher by Re 0.1606 (June 30, 2019: Re 0.30).

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2020 and June 30, 2019.

13. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the nine month period ended March 31, 2020 is 0.81% (March 31, 2019: 1.10%) , which includes 0.26% (March 31, 2019: 0.22%) representing Government levies, Provision for SWWF and SECP fee. This maximum limit of 2% prescribed under NBFC Regulations of collective investment scheme categorized as Money Market Fund.

14. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause IIA of Part IV to the Second Schedule of the Income Tax Ordinance, 2001. Supertax introduced in Finance Act, 2015 is also not applicable on funds (Section 48 of Income Tax Ordinance, 2001). The management intends to distribute the income earned by the Fund during the year to the unit holders in cash in the manner as explained above, accordingly, no provision for current and deferred tax has been made in this condensed financial information.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AKD Investment Management Limited, being the Management CDC Limited, being the Trustee, Aqeel Karim Dhedhi Securities (Private) Limited, AKD Securities Limited, directors, officers and other connected persons of the Management Company, and directors of the Company and their connected persons.

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

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(Unaudited)
For the nine month ended
March 31,
2020 2019
----- (Rupees in '000) -----

15.1 Transactions during the period

AKD Investment Management Limited - Management Company

Remuneration to Management Company	2,754	558
Sindh sales tax on management remuneration	357	73
Expenses allocated by the Management Company	609	140
Issue of Nil units (2019: 844 units)	-	43
Redemption of Nil units (2018: 19,754 units)	-	995
Dividend paid	-	9
Refund of capital of Nil units (2019 :691 units)	-	35

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration	396	209
Sindh Sales Tax on trustee remuneration	51	27

AKD Investment Management Limited - Staff Provident Fund

Issue of 94,575 units (2019: 97,517 units)	5,080	5,030
Redemption of 94,575 units (2019: 67,078 units)	5,202	3,461
Dividend paid	-	1
Refund of capital of Nil units (2019 :372 units)	-	19

Hasan Ahmed - Director of the Management Company

Issue of Nil units (2019: 4 units)	-	-
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Imran Motiwala - CEO of the Management Company

Issue of Nil units (2019: 36,503 units)	-	1,883
Redemption of Nil units (2019: 36,503 units)	-	1,889

Sehr Imran Motiwala - Spouse of CEO of the Management Company

Issue of Nil units (2019: 2,440,354 units)	-	125,962
Redemption of Nil units (2019: 2,440,354 units)	-	126,051

Unit holders holding 10% or more of the units in issue

Durain Cassim**

Issue of 7,114,614 units (2018: Nil units)	370,000	-
Redemption of 3,658,137 units (2018: Nil units)	200,000	-

Unit holders holding 10% or more of the units in issue

Dinaz Cassim**

Issue of 5,048,633 units (2018: Nil units)	260,000	-
Redemption of 3,572,324 units (2018: Nil units)	195,000	-

Askari General Insurance Co. Limited**

Issue of 2,918,996 units (2019: Nil units)	157,782	-
Redemption of 350,740 units (2019: Nil units)	18,321	-

Interworld Travels (Pvt) Limited*

Issue of Nil units (2019: 272,765 units)	-	14,065
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Sajjad Hussain*

Issue of Nil units (2019: 94,732 units)	-	4,861
Dividend paid	-	237
Refund of capital of Nil units (2019: 72 units)	-	4

* Prior period connected party, current period figures not shown

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

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	(Unaudited) March 31, 2020	(Audited) June 30, 2019
	----- (Rupees in '000) -----	
15.2 Balances outstanding at the period / year end		
AKD Investment Management Limited - Management Company		
Management remuneration payable	417	36
Federal excise duty payable on management remuneration	669	669
Sindh Sales tax payable on management remuneration	53	5
Payable against expenses allocated by the Management Company	610	10
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	57	14
Sindh Sales Tax on trustee remuneration payable	8	2
Hasan Ahmed - Director of the Management Company		
Units held 126 (June 30, 2019: 126)	7	6
Unit holders holding 10% or more of the units in issue		
Durain Cassim**		
Units held 3,456,477 Units (June 30, 2019: Nil)	191,296	-
Dinaz Cassim**		
Units held 1,476,309 Units (June 30, 2019: Nil)	81,705	-
Unit holders holding 10% or more of the units in issue		
Askari General Insurance Co. Limited**		
Units held 2,568,256 Units (June 30, 2019: Nil)	142,138	-
Sajjad Hussain*		
Units held Nil units (June 30, 2019: 212,192 units)	-	10,713
Amir Ali Kamruddin / Abdul Sultan Merchant*		
Units held Nil units (June 30, 2019: 276,767 units)	-	13,973
Hum Network Limited Employees Provident Fund*		
Units held Nil units (June 30, 2019: 203,922 units)	-	10,296
Murree Brewery Company Limited*		
Units held Nil units (June 30, 2019: 291,362 units)	-	14,710
Zeba Rashid Faruqi*		
Units held Nil units (June 30, 2019: 352,115 units)	-	17,777

* Prior period connected party, current period figures not shown

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

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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The fair value of financial assets and liabilities traded in active markets (i.e. listed securities) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements 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:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	March 31, 2020 (Unaudited)						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)						
Financial assets measured at fair value							
Government Securities	674,843	-	674,843	-	674,843	-	674,843

Financial assets not measured at fair value

Commercial Paper	-	59,646	59,646
Bank balances	-	12,605	12,605
Profit receivable	-	1,240	1,240
		73,491	73,491

Financial liabilities not measured at fair value

Payable to the Management Company	-	1,749	1,749
Payable to the Trustee	-	65	65
Accrued expenses and other liabilities	-	495	495
		2,309	2,309

	June 30, 2019 (Audited)						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)						
Financial assets measured at fair value							
Government Securities	94,450	-	94,450	-	94,450	-	94,450

Financial assets not measured at fair value

Bank balances	-	10,496	10,496
Profit receivable on bank deposits and letter of placement	-	49	49
		10,545	10,545

Financial liabilities not measured at fair value

Payable to the Management Company	-	720	720
Payable to Trustee	-	16	16
Accrued expenses and other liabilities	-	842	842
		1,578	1,578

17. GENERAL

17.1 Figures have been rounded off to the nearest thousand Rupees.

17.2 This condensed interim financial information are unaudited.

17.3 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 29, 2020 by the Board of Directors of the Management Company.

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

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director



**AKD Investment
Management Ltd.**

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