

Funds Managed by:
AKD Investment Management Ltd.

2018



annual report



**Partner with
AKD Profit from the Experience**



**AKD Investment
Management Ltd.**

TABLE OF CONTENTS

02	Corporate Information
04	Vision
05	Mission Statement
06	Key Management Profile
08	Report of the Directors of the Management Company
15	AKD Opportunity Fund - Financial Statements 2018
61	AKD Index Tracker Fund - Financial Statements 2018
109	AKD Cash Fund - Financial Statements 2018
149	AKD Aggressive Income Fund - Financial Statements 2018
195	AKD Islamic Income Fund - Financial Statements for the period from February 19, 2018 to June 30, 2018
233	AKD Islamic Stock Fund - Financial Statements for the period from February 19, 2018 to June 30, 2018
274	Report of the Directors of the Management Company (Urdu)

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

CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Munir Abdullah

CHIEF OPERATING OFFICER AND COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Muhammad Yaqoob Sultan, CFA

HEAD OF COMPLIANCE OF THE MANAGEMENT COMPANY

Mr. Rashid Ahmed

AUDIT COMMITTEE

Mr. Ali Wahab Siddiqui (Chairman)
Mr. Hasan Ahmed (Member)
Mr. Saim Mustafa Zuberi (Member)
Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

HUMAN RESOURCE AND REMUNERATION (HR & R) COMMITTEE

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

RATING

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

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 24 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 Nineteen 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 22 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 Stock Fund (AKDISSF) and AKD Islamic Income Fund (AKDISIF) is pleased to present its annual report along with the Funds' audited financial statements for the year ended June 30, 2018.

FUNDS' FINANCIAL PERFORMANCE

AKD Opportunity Fund (AKDOF)

For the FY18, the return of AKD Opportunity Fund stood at -13.51% compared to the benchmark KSE-100 Index return of -10.00%.

AKD Index Tracker Fund (AKDITF)

For the FY18, the return of AKD Index Tracker Fund stood at -11.55% compared to the benchmark KSE-100 Index return of -10.00%.

The Board of Directors of the Management Company declared distribution (including refund of element) on July 06, 2018 of Rs 0.50809 per unit on the face value of Rs 10 each amounting to Rs 16.250 million. The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of these distributions which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

AKD Cash Fund (AKDCF)

For the FY18, the return of AKD Cash Fund stood at 4.69% compared to benchmark return of 5.35%.

The Board of Directors of the Management Company declared distribution (including refund of element) on July 06, 2018 of Rs 2.3165 per unit on the face value of Rs 50 each amounting to Rs 7.189 million. The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of these distributions which will be accounted for in the financial statements of the Fund for the year ending 30 June 2019.

AKD Aggressive Income Fund (AKDAIF)

For the FY18, the return of AKD Aggressive Income Fund stood at 3.58% compared to the benchmark return of 6.69%.

The Board of Directors of the Management Company declared distribution (including refund of element) on July 06, 2018 of Rs 2.2 per unit on the face value of Rs 50 each amounting to Rs 29.949 million. The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of these distributions which will be accounted for in the financial statements of the Fund for the year ending 30 June 2019.

AKD Islamic Income Fund (AKDISIF)

For the FY18, the annualized return of AKD Islamic Income Fund (AKD Islamic Income Fund was launched on 20th Feb, 2018) stood at 4.42% compared to benchmark return of 2.41%.

The Board of Directors of the Management Company declared distribution (including refund of element) on July 06, 2018 of Re 0.78101 per unit on the face value of Rs 50 each amounting to Rs 3.5427 million. The financial statements of the Fund for the period from February 19, 2018 to June 30, 2018 do not include the effect of these distributions which will be accounted for in the financial statements of the Fund for the year ending 30 June 2019.

AKD Islamic Stock Fund (AKDISSF)

For FY18, the return of AKD Islamic Stock Fund (AKD Islamic Stock Fund was launched on 20th Feb, 2018) was -6.00% compared to the benchmark KMI-30 Index return of -1.81%.

MACRO PERSPECTIVE

Pakistan's real GDP continued its upward trajectory, displaying a thirteen year high growth of 5.8% in FY18 up from 5.3% in FY17. This growth was led by impressive private sector credit performance, improving agricultural output, notable manufacturing & services growth, recovery in exports, lowest policy rate, increase in FDI and remittances, improvement in energy supply to various sectors and higher LSM growth. At the same time, progress on China Pakistan Economic Corridor (CPEC) projects, improved law and order and contained inflation fueled growth. The large scale manufacturing sector which constitutes 80% of total manufacturing and 11% of the overall GDP exhibited a growth of 6% during July-May 18 as opposed to 5.6% during the same period last year. This was particularly led by growth in electronics (36%), Iron & Steel Products (22.02%), automobiles (18.03%), and Coke & Petroleum products (13.53%)

The performance of the agricultural sector was remarkable in FY18 as it achieved 3.81% growth, above its target of 3.5%. This significant growth was achieved on the back of higher yields, attractive output prices, supportive government policies and timely availability of agriculture inputs including fertilizer and pesticides. On the contrary, the service sector disappointingly posted negative growth of 7% YoY in FY18.

During FY18, Consumer Price Index (CPI) clocked in at 3.92% as compared to 4.16% in FY17. CPI remained much below the annual target of 6% set by the SBP. However, ground realities are changing rapidly as evident from rising headline and core inflation for June'18, clocking in at 5.2% and 7.1% (YoY) respectively following second round impact of currency depreciation (~16% in FY18). Therefore, State Bank of Pakistan (SBP) raised the policy rate by 100bps to 7.5% in July-18 monetary policy statement to prevent economy from overheating.

According to SBP, the current account deficit (provisional) clocked in at USD 17.99 billion (5.7% of GDP) in FY18 against USD 12.62 billion (4.1% of GDP) in corresponding period last year. This substantial increase is mainly due to imports growth, up 14.7% YoY, sluggish exports, up 12.6% YoY and dismal growth in remittances, up by a mere 1.41% YoY.

On the fiscal front, Federal Board of Revenue (FBR) collected total tax revenue of PKR 3.84 trillion in FY18 but failed to achieve its revised target of PKR 3.93 trillion in FY18. The total revenue collected from the much hyped Amnesty Scheme for undisclosed foreign and domestic assets was around Rs120 billion, out of which Rs 97 billion was collected in FY18, much below expectations.

The Federal Budget 2018-2019 introduced tough policies for various sectors, primarily autos, cements, and real estate. Restriction on non-filers for purchase of new cars has adversely impacted the auto sector as majority of the population falls in this category. Moreover, real estate sector has taken a hit by further restrictions on non-filers for purchase of property over 5 million PKR. On the other hand, these measures are expected to improve tax collection in the long run with improvement in tax base in country. Furthermore, curtailment of PSDP announced in Federal Budget-18/19, due to restricted fiscal space, is expected to dampen the overall demand in economy particularly cements and steel sector.

Going forward, agriculture sector growth is expected to remain below target in FY19 mainly due to looming water crisis which is likely to constrain agriculture production whereas the manufacturing sector is expected to remain steady owing to high base effect, ongoing monetary tightening and some sector specific issues. Consequently, SBP expects FY19 GDP growth to be around 5.5% as compared to annual target of 6.2%. Depreciation of PKR, will make the imports expensive and exports competitive internationally, thereby relieving some pressure on current account. Furthermore, possible bailout from IMF, financial assistance from other countries (China, Saudi Arabia) and expected improvement in remittances due to support of overseas Pakistanis for PTI government may provide much needed breather to the external account.

CPEC investments will continue to play a major role in attracting investment in Pakistan to provide an impending support to the deteriorating external account. That said, any deterioration on the external front (increase in oil prices, stagnant in remittances, worsening trade balance) pose a major risk to PKR-USD parity in our view. Furthermore, the circular debt situation has reached alarming levels again in the power sector and will need concrete steps to arrest its rise. However, given the limited fiscal space, any one off settlement seems unlikely. Overall, clarity about the economic policies of the incoming PTI government will remain a key determinant of macro performance.

EQUITY MARKET REVIEW

During FY18, KSE-100 index started the year at 46,565 points and ended the year at 41,911 KSE-100 index, exhibiting a decline of 10.00%.

This decline can be largely attributed to faltering investor confidence stemming from political uncertainty in election year, growing economic concerns (BOP, currency movement) which worsened with SBP's Fx reserves falling below US\$10bn (just 2months import cover). Moodys' downgraded outlook on Pakistan to negative and continuous foreign selling from emerging markets (US \$ 289mn) resulted in trading volumes also dropping during the period under review.

Sector specific events also played a significant role in the equity market performance. Cement sector (KSE 100 Index weight ~8%) led the decline (down 41.3%) as raised concerns of overcapacities in the medium run and indications of price war intensified. Moreover, hike in interest rate (75bps in FY18) was unable to make heavy weight banks (KSE 100 Index weight ~24%) to provide support to plummeting index and negatively impacted the auto sector (KSE-100 Index weight ~ 4%). On the contrary, E&P (KSE 100 Index weight ~15%) and chemical sector (KSE-100 Index weight ~ 2%) were the star performers for the year on the back of recovering oil prices and currency devaluation (16%).

Moving ahead, we believe that drastic and unprecedented economic reforms are on the cards under the new PTI government. Austerity measures (curb in PSDP, unproductive spending), strict steps against rampant corruption, call for widespread accountability across the board, radical efforts to expand tax base and focus on addressing core issues (health, education, justice, unemployment) will determine the equity market direction and overall performance of economy. Moreover, sector specific policies including for cements (Dam, PSDP), autos (interest rate, auto policy), fertilizer (subsidy, gas prices), and steel (import duties) among others will set the tone for the market. Recovering of wealth parked abroad and role of overseas Pakistanis will remain a key component of the policies of incoming Government.

The KSE-100 index currently trades at a forward PE of ~7.57x with a dividend yield of 6.60%, which offers a significant discount compared to MSCI Emerging Markets Index and regional economies.

FUTURE OUTLOOK

Overall, we believe that the economic outlook for FY19 remains challenging. Real growth is expected to maintain its momentum as CPEC activities gear while average inflation to remain above its target due to recent depreciation of PKR. Likely, IMF program with stringent conditions will remain a major issue to deal with for the new Government. Current account deficit remains a grave concern and needs urgent remedial measures to boost foreign inflow and control unproductive imports. Key risks can stem from any increase in international oil prices and stagnant exports. There is hope that overseas Pakistanis will support the PTI government and increasing remittances will provide some respite. The impact of the radical measures being announced by incoming Government is yet to be seen and will majorly influence any possible improvement in economy.

Moreover, the increasing level of inflation is expected to warrant further hikes in discount rates, where we expect another 50bps hike in Sep-18 MPS. We believe its impact on market would be negative as Investors will realign their portfolio from equity market to debt market for higher yield. However, our market mostly consists of cash rich corporate sector with healthy profits, operating in an economy with a domestic market of approximately 207 million consumers might provide some relief in medium to long term.

In our view the KSE-100 Index trading at a forward Price-to-earnings (P/E) and Dividend Yield (DY) of 7.57x and 6.60% respectively (compared to Emerging Market P/E and DY of 13.80x and 2.62% respectively), offers an attractive investment opportunity.

MONEY MARKET REVIEW

During FY18, The State Bank of Pakistan (SBP) carried out 26 T-bills auctions where the government managed to raise PKR 17.29 trillion. During this period, weighted average yield on 3, 6, and 12 months T-bills were at 5.98%, 6.13% and 6.04% respectively up from 5.92%, 5.94% and 5.95% during the corresponding period last year.

SBP also conducted 12 auctions of PIB's and managed to raise PKR 101.73 billion during FY18. The PIB auctions followed suit where weighted average maturities yield on 3, 5 and 10 years PIB increased to 7.06%, 7.86% and 8.40% respectively from 6.30%, 6.81% and 7.87% in the corresponding period last year.

The domestic debt consists of 31% of short term T-bills while long term PIB's consist of 20% of the total domestic debt. This debt profiling is indicative of a rising interest rate scenario moving ahead. This debt management strategy has increased the re-financing risk for the Government due to shortening of maturity profile.

The Government announced Monetary Policy Statement on July, 2018, where the committee decided to hike the policy rate by 100bps to 7.5% in view of reversal of international oil and commodities prices and to address the domestic demand pressures as well as exchange rate movement. During 01 July-30 March, FY2018 Broad Money (M2) observed an expansion of Rs 770.9 billion (growth of 5.29 percent) compared to expansion of Rs 756.1 billion (5.9 percent) in the same period last year. Similarly, reserve money growth contained at 5.6 percent during 01 July-30 March, FY2018 compared to the growth of 7.9 percent during the comparable period of last year.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

S.No.	Name of Director	MEETINGS ATTENDANCE					
		29-Sep-17	28-Oct-17	23-Feb-18	27-Apr-18	Attended	Leave
1	Mr. Abdul Karim	✓	✓	✓	✓	4	0
2	Mr. Imran Motiwala	✓	✓	✓	✓	4	0
3	Ms. Anum Dhedhi	✓	✓	✓	✓	4	0
4	Mr. Saim Mustafa Zuberi	✓	X	✓	✓	3	1
5	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
6	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
7	Ms. Aysha Ahmed	✓	✓	✓	✓	4	0

S.No.	Name of Director	MEETINGS ATTENDANCE					
		29-Sep-17	28-Oct-17	23-Feb-18	27-Apr-18	Attended	Leave
1	Mr. Ali Wahab Siddiqui	✓	✓	✓	✓	4	0
2	Mr. Hasan Ahmed	✓	✓	✓	✓	4	0
3	Mr. Saim Mustafa Zuberi	✓	X	✓	✓	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)
AKD OPPORTUNITY FUND				
1.	Mr. Imran Motiwala	Director & CEO	16,127.0264	-
2.	Ms. Anum Dehdi	Director & CIO	8,481.7292	(43,020.1033)
3.	Mr. Muhammad Yaqoob	COO & Company Secretary	2,120.4323	-

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
AKD OPPORTUNITY FUND				
1.	Ms. Sehr Imran Motiwala	Spouse CEO	32,257.9757	-
2.	Mr. Murtaza Wahab Siddiqui	Spouse Director	22,415.6692	-

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
AKD CASH FUND				
1.	Mr. Hasan Ahmed	Director	113.5383	-

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
AKD ISLAMIC INCOME FUND				
1.	Mr. Muhammad Munir	CFO	6,756.4094	-
2.	Mr. Muhammad Yaqoob	COO & Company Secretary	15,769.1461	-

S.No.	Trades by	Designation	Investment (No. of units)	Redemption (No. of units)
AKD ISLAMIC STOCK FUND				
1.	Mr. Saim Mustafa Zuberi	Director	10,077.9625	-
2.	Ms. Anum Dhedhi	Director & CIO	74,433.5416	-

RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager rating of AM3++ (A M three Plus Plus) to AKD Investment Management Limited (AKDIML) on December 22, 2017.

RATING OF THE FUNDS

AKD OPPORTUNITY FUND

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 4-Star Performance Ranking in long term [based on performance review of trailing 36 months (3 Year) and trailing 60 months (5 Year) for the period ended December 31, 2017] and 3-Star in the Short term [based on performance review of trailing 12 months (1 Year) for the period ended December 31, 2017] to AKD Opportunity Fund (AKDOF) on May 24, 2018.

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 June 30, 2018.

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 June 30, 2018.

PATTERN OF UNITHOLDING

The detailed pattern of unit holding as required by the Companies Act, 2017 and the Code of Corporate Governance is enclosed.

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 2018-2019 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 2018-2019 as recommended by the Audit Committee.

The Board re-appointed M/s Deloitte Yousuf Adil, Chartered Accountants as statutory auditors for AKD Islamic Income Fund (AKDISIF) and AKD Islamic Stock Fund (AKDISSF) for the year 2018-2019 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 2018-2019 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 support to the Mutual Fund Community as a whole and our trustees M/s Central Depository Company of Pakistan Limited and M/s MCB Financial Services Limited for their cooperation and support to us. 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 unitholders of the Funds for their confidence in the Management Company and their continued support and guidance.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Abdul Karim
Chairman

Karachi: September 28, 2018

AKD INDEX TRACKER FUND

Financial Statements - 2018

Contents

→	62	→	Fund Information
→	63	→	Fund Manager's Report
→	67	→	Details of Pattern of Holding (Units)
→	68	→	Trustee Report to the Unit Holders
→	69	→	Independent Auditors' Report to the Unit Holders
→	73	→	Statement of Assets and Liabilities
→	74	→	Income Statement
→	75	→	Statement of Comprehensive Income
→	76	→	Statement of Movement in Unit Holders' Fund
→	77	→	Cash Flow Statement
→	78	→	Notes to the Financial Statements
→	107	→	Proxy Details Issued

AKD Index Tracker Fund



MANAGEMENT COMPANY

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

TRUSTEE

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

BANKERS

Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
United Bank Limited

AUDITORS

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
1st Floor, Modern Motors House,
Beaumont Road, Karachi.

LEGAL ADVISER

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

REGISTRAR

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

DISTRIBUTORS

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

RATING

Asset Management Company
PACRA: AM3++(AM-Three Plus Plus)

FUND MANAGER'S REPORT

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

Open - end Scheme investing in Equity Securities of KSE-100 Index.

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

The Objective of the AKD Index Tracker Fund (AKDITF) is to trail the return of KSE-100 Index and provide investors with a high quality, in-depth diversification instrument.

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

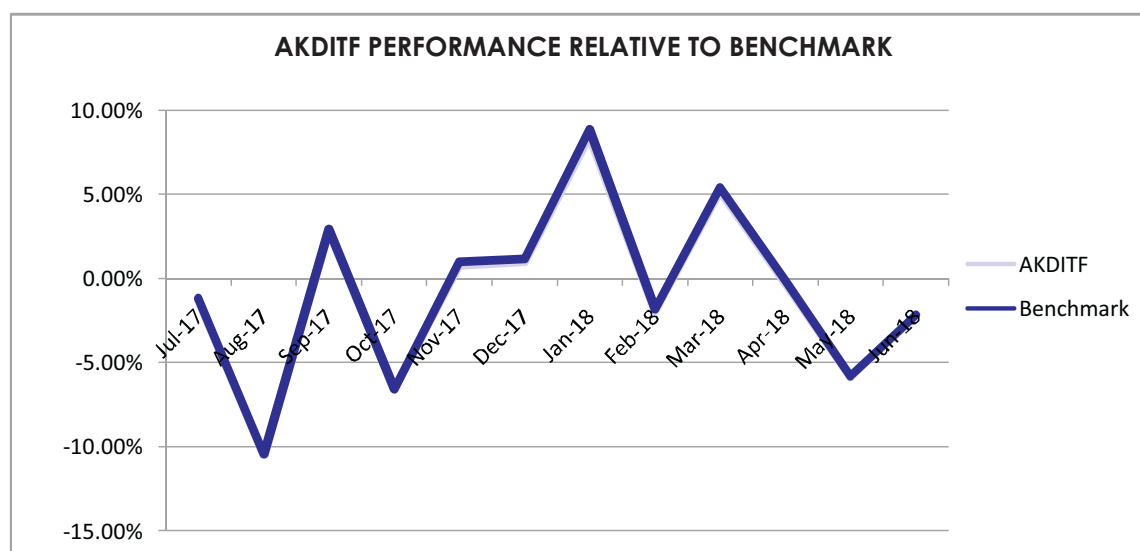
For the FY18, the return of AKD Index Tracker Fund stood at -11.55% compared to the benchmark KSE-100 Index return of -10.00%

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

KSE-100 Index

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

Monthly yield	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
AKDITF	-1.28%	-10.52%	2.80%	-6.60%	0.72%	0.97%	8.45%	-1.93%	5.15%	-0.35%	-5.89%	-2.25%
Benchmark	-1.19%	-10.44%	2.92%	-6.58%	0.99%	1.15%	8.84%	-1.84%	5.37%	-0.16%	-5.81%	-2.18%



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

AKD Index Tracker Fund is a passively managed open end equity portfolio; its performance is directly linked to the performance of KSE-100 Index with up to 85% accuracy. The Fund Manager attempts to trail the movement of the Index by using the weights of the respective stocks in the KSE-100 Index.

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

Asset Allocation (% of Total Asset)	30-Jun-18	31-Mar-18
Equities	96.30%	96.91%
Cash	2.97%	1.84%
Other Assets	0.73%	1.25%

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

FY18 Return	-11.55%
Benchmark	-10.00%

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

Net Assets Value		Change in Net Assets	NAV Per Unit	
30-Jun-18	31-Mar-18		30-Jun-18	31-Mar-18
(Rupees In "000")			Rs.	Rs.
461,098	500,004	-7.78%	14.42	15.72

- x) **Statement on the characteristics and general composition of the index:**

AKD Index Tracker Fund tracks the returns of the KSE-100 Index with up to 85% accuracy, providing investors with high quality, in depth diversification instrument.

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

MACRO PERSPECTIVE

Pakistan's real GDP continued its upward trajectory, displaying a thirteen year high growth of 5.8% in FY18 up from 5.3% in FY17. This growth was led by impressive private sector credit performance, improving agricultural output, notable manufacturing & services growth, recovery in exports, lowest policy rate, increase in FDI and remittances, improvement in energy supply to various sectors and higher LSM growth. At the same time, progress on China Pakistan Economic Corridor (CPEC) projects, improved law and order and contained inflation fueled growth. The large scale manufacturing sector which constitutes 80% of total manufacturing and 11% of the overall GDP exhibited a growth of 6% during July-May 18 as opposed to 5.6% during the same period last year. This was particularly led by growth in electronics (36%), Iron & Steel Products (22.02%), automobiles (18.03%), and Coke & Petroleum products (13.53%)

The performance of the agricultural sector was remarkable in FY18 as it achieved 3.81% growth, above its target of 3.5%. This significant growth was achieved on the back of higher yields, attractive output prices, supportive government policies and timely availability of agriculture inputs including fertilizer and pesticides. On the contrary, the service sector disappointingly posted negative growth of 7% YoY in FY18.

During FY18, Consumer Price Index (CPI) clocked in at 3.92% as compared to 4.16% in FY17. CPI remained much below the annual target of 6% set by the SBP. However, ground realities are changing rapidly as evident from rising headline and core inflation for June'18, clocking in at 5.2% and 7.1% (YoY) respectively following second round impact of currency depreciation (~16% in FY18). Therefore, State Bank of Pakistan (SBP) raised the policy rate by 100bps to 7.5% in July-18 monetary policy statement to prevent economy from overheating.

According to SBP, the current account deficit (provisional) clocked in at USD 17.99 billion (5.7% of GDP) in FY18 against USD 12.62 billion (4.1% of GDP) in corresponding period last year. This substantial increase is mainly due to imports growth, up 14.7% YoY, sluggish exports, up 12.6% YoY and dismal growth in remittances, up by a mere 1.41% YoY.

On the fiscal front, Federal Board of Revenue (FBR) collected total tax revenue of PKR 3.84 trillion in FY18 but failed to achieve its revised target of PKR 3.93 trillion in FY18. The total revenue collected from the much hyped Amnesty Scheme for undisclosed foreign and domestic assets was around Rs120 billion, out of which Rs 97 billion was collected in FY18, much below expectations.

The Federal Budget 2018-2019 introduced tough policies for various sectors, primarily autos, cements, and real estate. Restriction on non-filers for purchase of new cars has adversely impacted the auto sector as majority of the population falls in this category. Moreover, real estate sector has taken a hit by further restrictions on non-filers for purchase of property over 5 million PKR. On the other hand, these measures are expected to improve tax collection in the long run with improvement in tax base in country. Furthermore, curtailment of PSDP announced in Federal Budget-18/19, due to restricted fiscal space, is expected to dampen the overall demand in economy particularly cements and steel sector.

Going forward, agriculture sector growth is expected to remain below target in FY19 mainly due to looming water crisis which is likely to constrain agriculture production whereas the manufacturing sector is expected to remain steady owing to high base effect, ongoing monetary tightening and some sector specific issues. Consequently, SBP expects FY19 GDP growth to be around 5.5% as compared to annual target of 6.2%. Depreciation of PKR, will make the imports expensive and exports competitive internationally, thereby relieving some pressure on current account. Furthermore, possible bailout from IMF, financial assistance from other countries (China, Saudi Arabia) and expected improvement in remittances due to support of overseas Pakistanis for PTI government may provide much needed breather to the external account.

CPEC investments will continue to play a major role in attracting investment in Pakistan to provide an impending support to the deteriorating external account. That said, any deterioration on the external front (increase in oil prices, stagnant in remittances, worsening trade balance) pose a major risk to PKR-USD parity in our view. Furthermore, the circular debt situation has reached alarming levels again in the power sector and will need concrete steps to arrest its rise. However, given the limited fiscal space, any one off settlement seems unlikely. Overall, clarity about the economic policies of the incoming PTI government will remain a key determinant of macro performance.

EQUITY MARKET REVIEW

During FY18, KSE-100 index started the year at 46,565 points and ended the year at 41,911 KSE-100 index, exhibiting a decline of 10.00%.

This decline can be largely attributed to faltering investor confidence stemming from political uncertainty in election year, growing economic concerns (BOP, currency movement) which worsened with SBP's Fx reserves falling below US\$10bn (just 2 months import cover). Moody's downgraded outlook on Pakistan to negative and continuous foreign selling from emerging markets (US \$ 289mn) resulted in trading volumes also dropping during the period under review.

Sector specific events also played a significant role in the equity market performance. Cement sector (KSE 100 Index weight ~8%) led the decline (down 41.3%) as raised concerns of overcapacities in the medium run and indications of price war intensified. Moreover, hike in interest rate (75bps in FY18) was unable to make heavy weight banks (KSE 100 Index weight ~24%) to provide support to plummeting index and negatively impacted the auto sector (KSE-100 Index weight ~ 4%). On the contrary, E&P (KSE 100 Index weight ~15%) and chemical sector (KSE-100 Index weight ~ 2%) were the star performers for the year on the back of recovering oil prices and currency devaluation (16%).

Moving ahead, we believe that drastic and unprecedented economic reforms are on the cards under the new PTI government. Austerity measures (curb in PSDP, unproductive spending), strict steps against rampant corruption, call for widespread accountability across the board, radical efforts to expand tax base and focus on addressing core issues (health, education, justice, unemployment) will determine the equity market direction and overall performance of economy. Moreover, sector specific policies including for cements (Dam, PSDP), autos (interest rate, auto policy), fertilizer (subsidy, gas prices), and steel (import duties) among others will set the tone for the market. Recovering of wealth parked abroad and role of overseas Pakistanis will remain a key component of the policies of incoming Government.

The KSE-100 index currently trades at a forward PE of ~7.57x with a dividend yield of 6.60%, which offers a significant discount compared to MSCI Emerging Markets Index and regional economies.

FUTURE OUTLOOK

Overall, we believe that the economic outlook for FY19 remains challenging. Real growth is expected to maintain its momentum as CPEC activities gear while average inflation to remain above its target due to recent depreciation of PKR. Likely, IMF program with stringent conditions will remain a major issue to deal with for the new Government. Current account deficit remains a grave concern and needs urgent remedial measures to boost foreign inflow and control unproductive imports. Key risks can stem from any increase in international oil prices and stagnant exports. There is hope that overseas Pakistan will buy into the PTI government and increasing remittances will provide some respite. The impact of the radical measures being announced by incoming Government is yet to be seen and will majorly influence any possible improvement in economy.

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

There were no significant changes in the state of affairs during the period under review.

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

There were no unit splits during the period.

xiv) Break down of unit holdings by size:

Range (Units)	No. of Investors
0.1 - 9,999	628
10,000 - 49,999	25
50,000 - 99,999	3
100,000 - 499,999	5
500,000 and above	1
	662

xv) Disclosure of circumstances that materially affect any interests of unit holders:

Investments are subject to credit and market risk.

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

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

DETAILS OF PATTERN OF HOLDING (UNITS)

As At June 30, 2018

	No. of Unitholders	Units Held	% of Total
Associated Companies	-	-	-
Directors and CEO			
Individuals	653	2,128,256	6.65%
Insurance Companies	-	-	-
Banks/DFIs	-	-	-
Retirement funds	2	29,289,354	91.58%
Public Limited Companies	1	17,740	0.06%
Others	6	546,380	1.71%
	662	31,981,730	100.00%

TRUSTEE REPORT TO THE UNIT HOLDERS

AKD INDEX TRACKER 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 Index Tracker 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, 2018 in accordance with the provisions of the following:

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

Karachi: September 28, 2018

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF AKD INDEX TRACKER FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of AKD Index Tracker Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2018, and the related income statement, statement of comprehensive income, statement of movement in unit holders' funds and cash flow statement for the year then ended and notes to and forming part of 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, 2018, and of its financial performance and 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.

The following are the Key Audit Matters:

Key Audit Matter	How the matter was addressed in our audit
<p>Element of Income</p> <p>(Refer note 3.10 to the annexed financial statements)</p> <p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of notification [SRO 756(I)/2017] dated August 3, 2017 by the Securities and Exchange Commission of Pakistan (SECP). The above change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of</p>	<p>We understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income.</p> <p>We performed walkthrough tests for ensuring compliance with the revised requirements and in this respect obtained reports of distribution of income and refund of capital by the Fund.</p> <p>We verified on a test basis transactions with the underlying records of the reports provided by the management.</p> <p>We recalculated the amount available for distribution taking into account amount already distributed at the time of redemption.</p> <p>We verified the accuracy of the management report for allocation of distributable amount between "distribution out of income" and</p>

Key Audit Matter	How the matter was addressed in our audit
<p>Movement in Unit Holders' Fund. Element of income is explained in note 3.10.</p> <p>The SECP notification also stipulates that the accounting income available for distribution as appearing in the "Income Statement" excludes income already paid on units redeemed during the year. Accordingly, the net amount appearing on the "Income Statement" after deducting the income already paid on units redeemed is to be considered as the distributable amount.</p> <p>In order to avail tax exemption, the Fund has to distribute 90 percent of its accounting income (excluding realised and unrealised capital gains). However, at the time of distribution of income, the element of income contributed on issue of units recognised in the equity during the year is required to be refunded on the units in the same proportion in which income is distributed from the Income Statement i.e after taking into account the amount of income already paid on units redeemed. Management has developed a system for carrying out the calculations for such distributions. These calculations are important from the point of view of ensuring compliance with the applicable requirements.</p> <p>The above matter is a significant accounting and regulatory development/event for the mutual fund industry affecting the financial statements for the current year and therefore we considered this as a key audit matter.</p>	<p>"refund of capital". This included testing the parameters of the report.</p> <p>We verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.</p>
<p>Net Asset Value</p> <p>(Refer notes 4 and 5 to the financial statements)</p> <p>The investments and balances with banks constitute the most significant component of the net assets value. The investments of the Fund as at June 30, 2018 amounted to Rs 452.453 million and balances with banks aggregated to Rs 13.965 million.</p> <p>The proper valuation of investments and balances with bank for the determination of NAV of the Fund as at June 30, 2018 was considered a significant area and therefore we considered this as a key audit matter.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> ● Tested the design and operating effectiveness of the key controls for valuation of investments;and ● Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

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 for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 misstatements, 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.

The Board of directors 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.

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 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 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, 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 Requirement

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

Ahsan Elahi Vohra

Karachi: September 28, 2018

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

	Note	2018 (Rupees in '000)	2017
Assets			
Bank balances	4	13,965	6,020
Investments	5	452,453	514,080
Dividend and other receivables	6	825	6,444
Security deposits	7	2,600	2,600
Total Assets		469,843	529,144
Liabilities			
Remuneration payable to the Management Company	8	292	329
Remuneration payable to the Trustee	9	77	87
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	451	491
Payable against redemption of units		-	273
Accrued expenses and other liabilities	11	4,197	7,391
Unclaimed dividend		3,728	622
Total Liabilities		8,745	9,193
Contingencies and Commitments	20	-	-
Net Assets		461,098	519,951
Unit holders' fund (as per statement attached)		461,098	519,951
(Number of Units)			
Number of units in issue	13	31,981,730	31,899,031
(Rupees)			
Net assets value per unit (face value per unit Rs. 10/-)		14.42	16.30

The annexed notes from 1 to 23 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Abdul Karim
Chairman

Muhammad Munir
Chief Financial Officer

Imran Motiwala
Chief Executive Officer

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 (Rupees in '000)	2017
Investment income			
Gain on sale of 'available for sale investments' - net		14,227	23,567
Dividend income from available for sale investments		23,357	24,597
Profit on bank balances		655	319
Reversal of provision against workers' welfare fund		-	2,679
		38,239	51,162
Expenses			
Remuneration to the Management Company	8	3,558	3,874
Remuneration to the Trustee	9	949	1,033
Annual fee to the Securities and Exchange Commission of Pakistan	10	451	491
Bank charges		21	3
Auditors' remuneration	14	329	289
Other expenses	15	2,456	3,210
		7,764	8,900
Net income from operating activities		30,475	42,262
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net		-	(56)
Net income for the year before taxation		30,475	42,206
Taxation	16	-	-
Net income for the year after taxation		30,475	42,206
Allocation of net income for the period:			
Net income for the year after taxation		30,475	
Income already paid on units redeemed		(199)	
Accounting income available for distribution		30,276	
-Relating to Capital gains		14,227	
-Excluding Capital gains		16,049	
		30,276	

The annexed notes from 1 to 23 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Abdul Karim
Chairman

Muhammad Munir
Chief Financial Officer

Imran Motiwala
Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

		2018 (Rupees in '000)	2017
Net income for the year after taxation	<i>Note</i>	30,475	42,206
Other comprehensive income for the year			
<i>Items that will be reclassified subsequently to income statement</i>			
- Unrealised (diminution) / appreciation during the year in the fair value of investments classified as 'available for sale' - net	5.3	(71,241)	68,333
- Diminution in fair value of 'available for sale' investments transferred to profit and loss account on sale - net	5.3	(18,608)	(19,301)
Total comprehensive (loss) / income for the year		<u>(59,374)</u>	<u>91,238</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

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

Abdul Karim
Chairman

Muhammad Munir
Chief Financial Officer

Imran Motiwala
Chief Executive Officer

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	2018				2017			
	Capital value	Undistributed income / (loss)	Unrealized (losses) / gains on available for sale investments	Total	Capital value	Undistributed income	Unrealized (losses) / gains on available for sale investments	Total
Net assets at beginning of the year	342,044	(49,318)	227,225	519,951	338,936	(65,392)	178,193	451,737
issue of 1,005,211 units (2017: 4,733,000 units)								
- Capital value (at net asset value per unit at the beginning of the year)	16,385	-	-	16,385				
- Element of income	(1,426)	-	-	(1,426)				
Total proceeds on issuance of units	14,959	-	-	14,959	67,487	13,978	-	81,465
Redemption of 922,512 units (2017: 4,515,016 units)								
- Capital value (at net asset value per unit at the beginning of the year)	15,037	-	-	15,037				
- Element of income	(798)	199	-	(599)				
Total payments on redemption of units	14,239	199	-	14,438	64,379	13,005	-	77,384
Element of income and capital gains included in prices of units sold less those in units redeemed - net	-	-	-	-	-	56	-	56
Total comprehensive income for the year	-	30,475	(89,849)	(59,374)	-	42,206	49,032	91,238
Distribution during the year	-	-	-	-	-	(27,161)	-	(27,161)
Net (loss) / income for the year less distribution	-	30,475	(89,849)	(59,374)	-	15,045	49,032	64,077
	342,764	(19,042)	137,376	461,098	342,044	(49,318)	227,225	519,951
Undistributed income brought forward		<u>(49,318)</u>				<u>(65,392)</u>		
Accounting income available for distribution								
- Relating to capital gains		14,227						
- Excluding capital gains		16,049						
		<u>30,276</u>						
Element of income- that form part of the unitholders' fund		-				1,029		
Net income for the year after taxation		-				42,206		
Distribution during the year		-				(27,161)		
Undistributed loss carried forward		<u>(19,042)</u>				<u>(49,318)</u>		
Net assets value per unit at beginning of the year				<u>(Rupees) 16.30</u>				<u>(Rupees) 14.26</u>
Net assets value per unit at end of the year				<u>14.42</u>				<u>16.30</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

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

Abdul Karim
Chairman

Muhammad Munir
Chief Financial Officer

Imran Motiwala
Chief Executive Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year after taxation	30,475	42,206
Adjustments for non cash items:		
Element of (gain) / loss and capital (gains)/ losses included in prices of units sold less those in units redeemed - net	-	56
	30,475	42,262
(Increase) / decrease in assets		
Investments	(28,222)	(23,350)
Receivable against sale of securities	-	47
Dividend and other receivables	5,619	(4,946)
	(22,603)	(28,249)
(Decrease) / Increase in liabilities		
Remuneration payable to the Management Company	(37)	62
Remuneration payable to the Trustee	(10)	17
Annual fee payable to the Securities and Exchange Commission of Pakistan	(40)	108
Payable against redemption of units	(273)	273
Payable against purchase of investment	-	(2,183)
Accrued expenses and other liabilities	(3,194)	(346)
Unclaimed dividend	3,106	-
	(448)	(2,069)
Net cash generated from operating activities	7,424	11,944
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received on issuance of units	14,959	81,465
Cash paid on redemption of units	(14,438)	(77,384)
Distribution to unit holders' in cash	-	(27,161)
Net cash flows generated from / (used in) financing activities	521	(23,080)
Net cash generated from/ (used in) cash and cash equivalents during the year	7,945	(11,136)
Cash and cash equivalents at beginning of the year	6,020	17,156
Cash and cash equivalents at end of the year	13,965	6,020

The annexed notes from 1 to 23 form an integral part of these financial statements.

For AKD Investment Management Limited
(Management Company)

Abdul Karim
Chairman

Muhammad Munir
Chief Financial Officer

Imran Motiwala
Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

AKD Index Tracker Fund ("The Fund") was established under a Trust Deed executed between AKD Investment Management Limited (AKDIML) as Asset Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 02 May 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 12 April 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Fund is registered as notified entity under Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Management Company of the Fund has obtained a license to act as an Asset Management Company under the NBFC Rules from SECP. Registered office of the Management Company is situated at Continental Trade Centre, Block-8, Clifton, Karachi, in the province of Sindh.

The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange Limited (formally Karachi Stock Exchange Limited). Its units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering the same to the Fund.

The Fund is categorized as Index Tracker Scheme as per circular 7 of 2009 by SECP. As per the circular, the Fund shall strive to remain fully invested in accordance with the stated index (i.e.KSE-100 index), however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subsets during the year based on monthly average investment calculated on daily basis. The units invested amount shall be kept in cash and / or near cash instrument where near cash instrument include cash in bank account (excluding TDRs), and treasury bills not exceeding 90 days maturity.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of 'AM3++' to the Management Company dated December 22, 2017. Due to specialized nature of the Fund, performance ranking has not been taken, as the comparable benchmark is not available.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 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 IFRS standards, 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, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

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

The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9	July 01, 2018
- IFRS-15 Revenue from contracts with customers	July 01, 2018
- IFRS-16	January 01, 2019

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity 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 are as follows:

- Classification and valuation of investments (note 3.2.1 and 5.1, 5.2 and 5.3)
- Impairment of financial assets (note 3.2.6)
- Taxation (note 3.6 and 16)

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 significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except for the change in accounting policies as explained in note 3.10 below.

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, are readily convertible to known amounts of cash, 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

The management determines the appropriate classification of the financial assets of the Fund in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of the purchase of the financial assets and re-evaluates this classification on a regular basis. The classification depends on the purpose for which the financial assets are acquired. The financial assets of the Fund are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.2.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.2.3 Regular way contracts

Regular purchases and sales of financial assets are recognized on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.4 Initial recognition and measurement

Financial assets 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 recognized at fair value and transaction costs are expensed in the Income Statement.

3.2.5 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Gains or losses arising, from changes in the fair value and on sale of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement.

Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in other comprehensive income until derecognised or impaired, when the accumulated fair value adjustments recognised in other comprehensive income are included in the Income Statement.

Basis of valuation

- The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the MUFAP website.
- Other debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009 previously used). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

3.2.6 Impairment

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

In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

3.2.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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 liabilities 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

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.

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.

3.7 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved by the Board of Directors of the Management Company.

Distributions declared including bonus units are recorded in the period in which they are approved. Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

3.8 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 / Management Company 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.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression

"accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the profit of the Fund would have been higher by Rs 0.17 million net of charge for SWWF in respect of element of income with immaterial effect on the NAV per unit of the Fund. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

3.11 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.

3.12 Revenue recognition

- Gains or loss on sale of investment is accounted for in the Income Statement in the period 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 period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as available for sale is included in other comprehensive income in the period in which it arises.
- Profit on bank deposits and Term Deposit Receipts is recognised on an accrual basis.
- Profit / mark-up on debt and government securities is recognised using effective interest method.
- Dividend income is recognised when the right to receive the dividend is established.

3.13 Expenses

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

3.14 Earnings per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year before taxation of the Fund by the weighted average number of units outstanding during the year.

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.

4. BANK BALANCES

2018 **2017**
(Rupees in '000)

Profit and loss sharing accounts	4.1	13,446	5,631
Current accounts		519	389
		<u>13,965</u>	<u>6,020</u>

4.1 These represents profit and loss sharing accounts maintained with various banks carrying profit at the rate ranging from 4.50% to 6.0% (30 June 2017: ranging from 3.75% to 4.75%) per annum.

5. INVESTMENTS

**Investments in securities
classified as 'available for sale'**

Listed equity securities	5.1	<u>452,453</u>	<u>514,080</u>
--------------------------	------------	-----------------------	----------------

5.1 Listed equity securities - available for sale

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2017	Acquired during the year	Bonus / right shares received	Disposed during the year	Holding at end of the year 30 June 2018	Cost as of the year ended 30 June 2018	Carrying value (before revaluation as of the year ended 30 June 2018)	Market value as of 30 June 2018	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
----- (Number of Shares) -----						----- (Rupees in '000) -----			----- Percentage -----		
AUTOMOBILE ASSEMBLER											
Atlas Honda Limited	-	2,100	-	-	2,100	1,066	1,066	1,071	0.23	0.24	0.00
Honda Atlas Cars (Pakistan) Limited	6,100	-	-	-	6,100	1,399	5,293	1,930	0.42	0.43	0.00
Indus Motor Company Limited	2,869	100	-	-	2,969	756	5,323	4,220	0.92	0.93	0.00
Millat Tractors Limited (Note 5.2)	5,243	300	-	500	5,043	2,714	6,906	5,991	1.30	1.32	0.01
Pak Suzuki Motor Company Limited	4,720	-	-	-	4,720	385	3,683	1,856	0.40	0.41	0.01
						6,320	22,271	15,068			
AUTOMOBILE PARTS & ACCESSORIES											
Agriauto Industries Limited		4,000	-	-	4,000	1,296	1,296	1,180	0.26	0.26	0.01
Thal Limited (Face Value Rs.5/ each)	6,971	200	-	-	7,171	924	4,335	3,424	0.74	0.76	0.01
						2,220	5,631	4,604			
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited (Note 5.2)	53,775	-	-	-	53,775	3,198	5,932	1,907	0.41	0.42	0.01
						3,198	5,932	1,907			
CEMENT											
Attock Cement Pakistan Limited	3,500	1,000	-	4,500	-	-	-	-	0.00	0.00	-
Bestway Cement Limited	6,200	-	-	-	6,200	1,659	1,359	812	0.18	0.18	0.00
Cherat Cement Company Limited	24,796	-	-	1,700	23,096	1,604	4,129	2,246	0.49	0.50	0.01
D.G. Khan Cement Company Limited	53,387	1,000	-	5,700	48,687	2,888	10,313	5,574	1.21	1.23	0.01
Fauji Cement Company Limited	159,850	8,000	-	-	167,850	2,230	6,780	3,835	0.83	0.85	0.01
Kohat Cement Company Limited	9,500	-	-	-	9,500	1,167	2,178	1,169	0.25	0.26	0.01
Lucky Cement Limited	28,733	700	-	500	28,933	6,458	23,972	14,696	3.19	3.25	0.01
Maple Leaf Cement Factory Limited	52,900	21,000	6,612	20,000	60,512	3,175	5,904	3,070	0.67	0.68	0.01
Pioneer Cement Limited (Note 5.2)	26,100	-	-	-	26,100	1,765	3,393	1,223	0.27	0.27	0.01
						20,946	58,028	32,625			
CHEMICAL											
Archroma Pakistan Limited	-	1,950	-	-	1,950	1,141	1,141	985	0.21	0.22	0.01
Engro Polymer & Chemicals Limited	-	50,000	-	-	50,000	1,853	1,853	1,568	0.34	0.35	0.01
Engro Polymer & Chemicals Limited-Letter of Rights	-	-	18,497	-	18,497	-	-	163	0.04	0.04	-
Colgate-Palmolive (Pakistan) Limited	1,016	-	-	-	1,016	324	2,339	3,199	0.69	0.71	0.00
ICI Pakistan Limited	3,038	-	-	-	3,038	619	3,325	2,435	0.53	0.54	0.00
						3,937	8,658	8,350			
CLOSE - END MUTUAL FUND											
PICIC Growth Fund	56,012	-	-	-	56,012	937	1,736	1,709	0.37	0.38	0.02
						937	1,736	1,709			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2017	Acquired during the year	Bonus / right shares received	Disposed during the year	Holding at end of the year 30 June 2018	Cost as of the year ended 30 June 2018	Carrying value (before revaluation as of the year ended 30 June 2018)	Market value as of 30 June 2018	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----				----- (Rupees in '000) -----			----- Percentage -----			
COMMERCIAL BANKS											
Allied Bank Limited	37,162	1,000	-	-	38,162	2,338	3,424	3,936	0.85	0.87	0.00
Askari Bank Limited	80,813	-	-	-	80,813	1,175	1,630	1,767	0.38	0.39	0.01
Bank AL Habib Limited	157,332	6,000	-	3,000	160,332	4,761	9,110	12,639	2.74	2.79	0.01
Bank Alfalah Limited	123,805	1,500	-	-	125,305	2,037	5,046	6,552	1.42	1.45	0.01
Faysal Bank Limited	98,497	19,000	12,183	29,000	100,680	870	2,077	2,618	0.57	0.58	0.01
Habib Bank Limited	146,183	22,900	-	5,000	164,083	31,334	42,503	27,310	5.92	6.04	0.01
Habib Metropolitan Bank Limited	101,568	3,000	-	-	104,568	2,167	3,467	4,533	0.98	1.00	0.01
MCB Bank Limited	86,728	8,000	-	2,500	92,228	15,238	19,411	18,240	3.96	4.03	0.01
Meezan Bank Limited	32,032	57,000	1,921	56,200	34,753	2,212	2,655	2,840	0.62	0.63	0.00
National Bank of Pakistan	113,238	-	-	-	113,238	4,471	6,682	5,364	1.16	1.19	0.01
Soneri Bank Limited	72,947	-	-	72,947	-	-	-	-	0.00	0.00	-
Standard Chartered Bank (Pak) Ltd	40,848	-	-	-	40,848	327	960	980	0.21	0.22	0.00
The Bank of Punjab	140,159	100,500	-	-	240,659	2,369	2,576	2,905	0.63	0.64	0.01
The Bank of Punjab-Letter of Rights	98,111	-	-	98,111	-	-	-	-	0.00	0.00	-
United Bank Limited	109,729	2,700	-	3,500	108,929	16,182	25,552	18,407	3.99	4.07	0.01
						85,481	125,093	108,091			
ENGINEERING											
Amreli Steels Limited	-	16,000	-	-	16,000	1,496	1,496	1,129	0.24	0.25	0.01
International Industries Limited	-	12,000	-	-	12,000	3,181	3,181	2,787	0.60	0.62	0.01
International Steels Limited	38,000	1,500	-	-	39,500	949	5,037	4,017	0.87	0.89	0.01
Crescent Steel & Allied Products Limited	8,500	-	-	600	7,900	1,233	1,885	720	0.16	0.16	0.01
						6,859	11,599	8,653			
FERTILIZER											
Arif Habib Corporation Limited	28,437	-	-	28,437	-	-	-	-	0.00	0.00	-
Dawood Hercules Corporation Limited	75,396	-	-	-	75,396	4,955	10,281	8,352	1.81	1.85	0.02
Engro Corporation Limited	64,074	1,500	-	1,500	64,074	10,867	20,796	20,110	4.36	4.44	0.01
Engro Fertilizers Limited	133,775	3,500	-	4,000	133,275	9,451	7,413	9,984	2.17	2.21	0.01
Fatima Fertilizer Company Limited (Note 5.2)	93,734	-	-	22,000	71,734	1,851	2,417	2,324	0.50	0.51	0.00
Fauji Fertilizer Bin Qasim Limited	72,451	-	-	-	72,451	2,465	3,104	2,797	0.61	0.62	0.01
Fauji Fertilizer Company Limited	151,550	8,500	-	4,000	156,050	14,368	12,923	15,432	3.35	3.41	0.01
						43,957	56,934	58,999			
FOOD & PERSONAL CARE PRODUCTS											
Engro Foods Limited	16,674	-	-	-	16,674	1,597	2,026	1,485	0.32	0.33	0.00
Murree Brewery Company Limited	2,317	-	-	-	2,317	323	1,788	1,680	0.36	0.37	0.01
National Foods Limited (Face value of Rs.5/ each)	8,150	-	-	2,500	5,650	1,183	1,531	1,802	0.39	0.40	0.01
Nestle Pakistan Limited	989	960	-	480	1,469	14,436	17,249	16,894	3.66	3.73	0.00
						17,539	22,594	21,861			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2017	Acquired during the year	Bonus / right shares received	Disposed during the year	Holding at end of the year 30 June 2018	Cost as of the year ended 30 June 2018	Carrying value (before revaluation as of the year ended 30 June 2018)	Market value as of 30 June 2018	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000) -----			----- Percentage -----		
GLASS & CERAMICS											
Ghani Glass Limited	26,733	10,500	-	14,000	23,233	1,704	1,844	1,433	0.31	0.32	0.01
Ghani Glass Limited-Letter of Rights	-	-	-	-	-	-	-	-	0.00	0.00	-
						1,704	1,844	1,433			
INSURANCE											
Adamjee Insurance Company Limited	58,240	4,000	-	-	62,240	1,927	4,210	3,033	0.66	0.67	0.02
EFU General Insurance Limited	20,937	-	-	5,700	15,237	745	2,209	2,281	0.49	0.50	0.01
IGI Insurance Limited	7,797	-	-	1,000	6,797	457	2,153	1,964	0.43	0.43	0.01
Jubilee General Insurance Company Limited	9,304	-	-	9,304	-	-	-	-	0.00	0.00	-
Jubilee Life Insurance Company Limited	3,347	600	-	1,500	2,447	1,017	2,028	1,676	0.36	0.37	0.00
						4,146	10,600	8,954			
INV. BANKS / INV. COS. / SECURITIES COS.											
Jahangir Siddiqui & Co. Ltd.	59,203	-	-	8,000	51,203	572	1,169	931	0.20	0.21	0.01
Pakistan Stock Exchange Limited	-	40,000	-	-	40,000	1,035	1,035	790	0.17	0.17	0.00
						1,607	2,204	1,721			
JUTE											
Crescent Jute Products Limited	500	-	-	-	500	3	2	-	0.00	0.00	0.00
						3	2	-			
LEASING COMPANIES											
Orix Leasing Pakistan Limited	14,534	-	-	-	14,534	774	571	632	0.14	0.14	0.01
						774	571	632			
LEATHER & TANNERIES											
Bata Pakistan Limited	377	-	-	-	377	192	1,244	716	0.16	0.16	0.00
Service Industries Limited	1,188	-	-	1,188	-	-	-	-	0.00	0.00	-
						192	1,244	716			
MISCELLANEOUS											
Pakistan Services Limited (Note 5.2)	6,200	-	-	550	5,650	1,747	5,099	5,565	1.21	1.23	0.02
Shifa International Hospitals Limited	4,454	1,000	-	-	5,454	924	1,772	1,473	0.32	0.33	0.01
						2,671	6,871	7,038			
MODARABAS											
Allied Rental Modaraba	9,500	-	1,326	10,826	-	-	-	-	0.00	0.00	-
First Habib Modaraba	-	4,500	-	-	4,500	50	50	48	0.01	0.01	0.00
						50	50	48			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2017	Acquired during the year	Bonus / right shares received	Disposed during the year	Holding at end of the year 30 June 2018	Cost as of the year ended 30 June 2018	Carrying value (before revaluation as of the year ended 30 June 2018)	Market value as of 30 June 2018	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
----- (Number of Shares) ----- ----- (Rupees in '000) ----- ----- Percentage -----											
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited	4,781	160	-	-	4,941	802	7,775	7,442	1.61	1.64	0.00
Oil & Gas Development Company Limited (Note 5.2.2)	144,737	6,000	-	7,000	143,737	18,227	20,306	22,368	4.85	4.94	0.00
Pakistan Oilfields Limited	23,679	1,000	-	700	23,979	8,362	11,126	16,109	3.49	3.56	0.01
Pakistan Petroleum Limited	104,324	7,000	-	4,200	107,124	12,201	16,180	23,021	4.99	5.09	0.01
						39,592	55,387	68,940			
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited	3,650	800	-	-	4,450	1,496	2,744	2,625	0.57	0.58	0.01
Hascal Petroleum Limited	13,100	11,000	2,040	14,900	11,240	2,675	2,824	3,527	0.76	0.78	0.01
Pakistan State Oil Company Limited	27,356	6,000	5,197	6,000	32,553	6,040	10,631	10,362	2.25	2.29	0.01
Shell Pakistan Limited	4,751	-	-	-	4,751	469	2,734	1,502	0.33	0.33	0.00
Sui Northern Gas Pipelines Limited (Note 5.2)	63,670	5,000	-	4,000	64,670	4,311	9,615	6,481	1.41	1.43	0.01
Sui Southern Gas Company Limited	56,828	10,000	-	-	66,828	1,305	2,396	2,193	0.48	0.48	0.01
						16,296	30,944	26,690			
PAPER & BOARD											
Cherat Packaging Limited	4,000	-	540	4,540	-	-	-	-	0.00	0.00	-
Packages Limited	6,789	-	-	-	6,789	1,524	4,722	3,325	0.72	0.73	0.01
						1,524	4,722	3,325			
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited	4,515	-	-	-	4,515	3,499	4,220	3,093	0.67	0.68	0.00
Ferozsons Laboratories Limited	2,550	-	-	2,550	-	-	-	-	0.00	0.00	-
GlaxoSmithKline Pakistan Limited	11,073	-	-	-	11,073	603	2,180	1,838	0.40	0.41	0.00
The Searle Company Limited	15,242	700	2,525	1,950	16,517	3,407	7,047	5,608	1.22	1.24	0.01
						7,509	13,447	10,539			
POWER GENERATION & DISTRIBUTION											
The Hub Power Company Limited	167,741	7,000	-	19,000	155,741	9,194	18,154	14,353	3.11	3.17	0.01
K-Electric Limited (Face value of Rs .3.5/- each)	599,148	20,000	-	-	619,148	3,401	4,275	3,517	0.76	0.78	0.00
Kot Addu Power Company Limited	101,779	2,000	-	3,000	100,779	6,609	7,233	5,433	1.18	1.20	0.01
Nishat Chunian Power Limited	38,465	-	-	-	38,465	944	1,714	1,082	0.23	0.24	0.01
Nishat Power Limited	34,570	-	-	2,500	32,070	704	1,515	951	0.21	0.21	0.01
Saif Power Limited	39,500	-	-	-	39,500	1,157	1,192	1,046	0.23	0.23	0.01
						22,009	34,083	26,382			
REAL ESTATE INVESTMENT TRUST											
Dolmen City REIT	120,000	-	-	-	120,000	1,245	1,420	1,548	0.34	0.34	0.01
						1,245	1,420	1,548			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2017	Acquired during the year	Bonus / right shares received	Disposed during the year	Holding at end of the year 30 June 2018	Cost as of the year ended 30 June 2018	Carrying value (before revaluation as of the year ended 30 June 2018)	Market value as of 30 June 2018	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000) -----			----- Percentage -----		
REFINERY											
Attock Refinery Limited	7,419	-	-	-	7,419	1,138	2,838	1,597	0.35	0.35	0.01
National Refinery Limited	5,493	-	-	-	5,493	1,317	3,988	2,433	0.53	0.54	0.01
						2,455	6,826	4,030			
SUGAR & ALLIED INDUSTRIES											
JDW Sugar Mills Limited	5,850	-	-	3,800	2,050	225	841	643	0.14	0.14	0.00
						225	841	643			
SYNTHETICS AND RAYON											
Ibrahim Fibres Limited	3,000	-	-	-	3,000	216	206	189	0.04	0.04	0.00
						216	206	189			
TECHNOLOGY & COMMUNICATION											
Hum Network Limited (Face value of Rs.1/ each)	119,600	15,000	-	-	134,600	944	1,538	1,089	0.24	0.24	0.01
Pakistan Telecommunication Company Ltd	127,017	-	-	-	127,017	1,451	1,983	1,453	0.32	0.32	0.00
Systems Limited	-	13,000	-	-	13,000	1,246	1,246	1,316	0.29	0.29	0.01
TRG Pakistan Limited	99,855	3,000	-	-	102,855	3,190	4,091	2,946	0.64	0.65	0.02
						6,831	8,858	6,804			
TEXTILE COMPOSITE											
Kohinoor Textile Mills Limited	46,128	3,500	2,767	2,700	49,695	1,657	4,995	2,733	0.59	0.60	0.02
Nishat Chunian Limited	25,830	-	-	2,000	23,830	809	1,223	1,131	0.25	0.25	0.01
Nishat Mills Limited (Note 5.2)	38,347	-	-	2,500	35,847	2,064	5,687	5,052	1.10	1.12	0.01
						4,530	11,905	8,916			
TEXTILE SPINNING											
Indus Dyeing & Manufacturing Co. Limited	550	-	-	550	-	-	-	-	0.00	0.00	-
Gadoon Textile Mills Limited	-	1,500	-	-	1,500	300	300	378	0.08	0.08	0.01
						300	300	378			
TEXTILE WEAVING											
Feroze1888 Mills Limited	4,000	-	-	-	4,000	1,366	442	242	0.05	0.05	0.00
						1,366	442	242			
TOBACCO											
Pakistan Tobacco Company Limited	2,740	-	-	-	2,740	371	4,643	6,110	1.33	1.35	0.00
Philip Morris (Pakistan) Limited	580	100	-	-	680	1,293	1,981	1,917	0.42	0.42	0.00
						1,664	6,624	8,027			

Sectors / companies (Ordinary shares have a face value of Rs. 10 each unless stated otherwise)	Holding at beginning of the year 1st July 2017	Acquired during the year	Bonus / right shares received	Disposed during the year	Holding at end of the year 30 June 2018	Cost as of the year ended 30 June 2018	Carrying value (before revaluation as of the year ended 30 June 2018)	Market value as of 30 June 2018	Market value as a percentage of net assets	Percentage in relation to total market value of investment	Percentage of paid-up capital of the investee company held
	----- (Number of Shares) -----					----- (Rupees in '000) -----			----- Percentage -----		
TRANSPORT											
Pakistan International Bulk Terminal Limited	172,902	8,000	-	-	180,902	5,165	4,135	2,054	0.45	0.45	0.01
Pakistan International Bulk Terminal-Letter of Righ	-	-	36,533	-	36,533	-	-	50	0.01	0.01	-
Pakistan International Container Terminal Limited	3,600	-	-	-	3,600	1,180	1,253	822	0.18	0.18	0.00
						6,345	5,388	2,926			
VANASPATI & ALLIED INDUSTRIES											
Punjab Oil Mills Limited	300	-	-	300	-	-	-	-	0.00	0.00	-
Unity Foods Limited	-	15,000	-	-	15,000	405	405	440	0.10	0.10	0.01
						405	405	440			
WOOLLEN											
Bannu Woollen Mills Limited	500	-	-	-	500	24	34	25	0.01	0.01	0.01
						24	34	25			
Total as at 30 June 2018						315,077	523,694	452,453			
Total as at 30 June 2017						286,855	445,747	514,080			

- 5.2 These investments held by the Fund exceeded the maximum limit prescribed by the regulation 55(6) of the NBFC regulations. The said regulation state that the value of the security invested into shall not exceed the weight of the security in the index or its subset. Arrangements has made to adjust these investments with the weight prescribed in the NBFC regulations. However the financial impact is not material.
- 5.2.2 These include 100,000 shares having market value of Rs. 15.562 million of Oil and Gas Development Company Limited as pledged with National Clearing Company of Pakistan Limited as on 30 June 2018.

5.3 Unrealised gain on revaluation of available for sale investments are as follows:

	2018	2017
	(Rupees in '000)	
Balance as of 01 July	227,225	178,193
Unrealised (diminution) / appreciation in the value of investments during the year	(71,241)	68,333
Gain recognised in the income statement on sale - net	(18,608)	(19,301)
Balance as of 30 June, recognised directly into unit holders' fund (difference of column a and b in the above table)	<u>137,376</u>	<u>227,225</u>

6. DIVIDEND AND OTHER RECEIVABLES

Dividend receivables	743	1,570
Profit receivable on bank balances	58	20
Others	24	24
Receivable from AKD Cash Fund against conversion of units	-	4,830
	<u>825</u>	<u>6,444</u>

7. SECURITY DEPOSITS

National Clearing Company of Pakistan Limited	2,500	2,500
Central Depository Company of Pakistan Limited	100	100
	<u>2,600</u>	<u>2,600</u>

8. REMUNERATION TO THE MANAGEMENT COMPANY

The Management Company is entitled to remuneration for services rendered to the Equity Fund under the provisions of the amended NBFC Regulations dated November 25, 2015 of an amount not exceeding 1.5% percent of the average daily net assets of the Fund. The Management company charged remuneration at the rate of 0.75% per annum of the average daily net assets of the Fund (2017: 0.75% p.a). This amount was settled subsequent to the year end.

	2018	2017
	(Rupees in '000)	
Balance at beginning of the year	329	267
Remuneration for the year	3,558	3,874
Paid during the year	(3,595)	(3,812)
Balance at end of the year	<u>292</u>	<u>329</u>

9. REMUNERATION TO THE TRUSTEE

The Trustee is entitled to monthly remuneration for services under the provision of Trust Deed.

Net assets up to Rs. 1 billion

Rs. 0.7 million or 0.20% per annum of the daily average net assets of the Fund, which ever is higher.

Net assets exceeding Rs. 1 billion

Rs. 2 million plus 0.10% per annum of the daily average net assets of the Fund exceeding Rs. 1 billion.

	2018	2017
	(Rupees in '000)	
Balance at beginning of the year	87	70
Remuneration for the year	949	1,033
Paid during the year	(959)	(1,016)
Balance at end of the year	<u>77</u>	<u>87</u>

10. ANNUAL FEE TO THE SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to the Securities and Exchange Commission of Pakistan (SECP) in accordance with Rule 62 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, whereby the Fund is required to pay annual fee to SECP at the rate of 0.095% of the average daily net assets of the Fund.

	Note	2018 (Rupees in '000)	2017
Balance at beginning of the year		491	383
Remuneration for the year		451	491
Paid during the year		(491)	(383)
Balance at end of the year		451	491
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		212	254
Sales tax payable on Management Company's remuneration	11.1	38	43
Federal excise duty on management remuneration	11.2	1,357	1,357
Allocated expenses by the Management Company	11.3	120	318
Payable to management company against expenses		1	77
Provision against Sindh Workers' Welfare Fund	11.4	2,179	1,557
Sindh sales tax on trustee fees & CDS Charges		10	11
Withholding tax payable		19	3,413
Zakat payable		-	131
Other liabilities		261	230
		4,197	7,391

11.1 During the current year, an amount of Rs. 0.463 million (2017: 0.504) was charged on account of sales tax on Management fee levied through Sindh Sales Tax on Services Act, 2011 and 0.125 million (2017: 0.136 million) on trustee remuneration & CDS charges levied through Sindh Sales Tax on Finance Act 2015. As at year end, sales tax on Management Company remuneration of Rs. 0.04 million (2017: 0.043 million) and on trustee remuneration & CDS charges amounting 0.01 million (2017: 0.01 million) was due, which was paid subsequent to the year end to the Management Company and Central Depository Company respectively, for onwards payment to the Government of Sindh.

11.2 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.

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2018 amounting to Rs 1.357 million (2017: Rs 1.357 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, 2018 would have been higher by Re 0.042 per unit (2017: Re 0.043 per unit).

15. OTHER EXPENSES	Note	2018 (Numbers)	2017
Printing and stationery		219	99
National Clearing Company of Pakistan Limited charges		368	250
Central Depository Company of Pakistan Limited charges		13	13
Pakistan Stock Exchange listing fee		27	44
Legal and professional charges		137	81
Fees and subscription		7	9
Sales tax on Management Company's remuneration	11.1	463	504
Sales tax on trustee fees & CDS Charges		125	136
Federal excise duty on management remuneration	11.2	-	-
Allocated Expenses by the management company	11.3	474	517
Sindh workers' welfare fund		623	1,557
		2,456	3,210

16. TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 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 intends to distribute the required minimum percentage of income earned by the Fund for the year ended June 30, 2018 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

17. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include AKD Investment Management Limited (AKDIML), being the asset management company of the Fund, Aqeel Karim Dhedhi Securities (Private) Limited, AKD Securities Limited (holding company of the management company) being the related companies of the management company, Central Depository Company of Pakistan Limited being the trustee, associated companies of the Management Company / holding company of the management company and other associates, other collective investment schemes managed by the Management Company and directors and key management personnel of the Management Company and also includes entities holding 10% or more in the units of the Fund as at 30 June 2018. It also includes staff retirement funds of the above connected persons / related parties and entities in which the above parties or their connected persons have a material interest. All related party transactions have been transacted at arm's length basis. Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively. Purchase and redemptions of the Fund's units by the connected persons / related parties are recorded at the applicable net asset value per unit. Other transactions are recorded in accordance with the agreed terms.

17.1	Details of transactions with connected persons / related parties during the period	2018 (Audited)	2017 (Audited)
		(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund			
	Remuneration for the period	3,558	3,874
	Sindh Sales tax on Management Company's Remuneration*	463	504
	Allocated expenses by the management company	474	517
	Sales Load	11	52
* Sales tax and FED is paid / payable to the management company for onwards payment to			
AKD Securities Limited - Brokerage House			
	Commission paid on purchase and sale of marketable securities	-	10
AKD Investment Management Limited Staff Provident Fund			
	Units issued : 683,057 (2017: 826,001)	10,036	14,633
	Redemption of units : 661,740 (2017: 512,876)	10,406	14,373
Central Depository Company of Pakistan Limited - Trustee			
	Trustee Fee	949	1,033
	Central Depository Service charges	13	13
	Sindh Sales Tax on Trustee Fee and CDS Charges	125	136
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)			
	Units issued : Nil (2017: 1,365,203)	-	21,741
	Dividend paid	-	24,847
17.2	Balances outstanding at the period / year end	2018 (Audited)	2017 (Audited)
		(Rupees in '000)	
AKD Investment Management Limited - Management Company of the Fund			
	Remuneration payable	292	329
	Allocated expenses by management company payable	120	318
	Payable to Management Company - Others	1	77
	Sindh sales tax payable on Management Company's remuneration*	38	43
	Federal Excise Duty payable on Management Company's remuneration*	1,357	1,357
	Sales Load payable	1	2
Payable to Central Depository Company of Pakistan - Trustee			
	Remuneration payable	77	87
	Security deposit	100	100
	CDS charges payable	3	1
	Sales tax CDS charges & Trustee Fee payable	10	11
*Sales tax and FED is paid / payable to the management company for onwards payment to the Government.			
	Mr. Aqeel Karim Dhedhi - Chairman of the Group		
	Units outstanding - 390 (30 June 2017: 390) units	6	6

	2018 (Audited) (Rupees in '000)	2017 (Audited)
AKD Investment Management Limited Staff Provident Fund		
Number of units outstanding : 316,708 (30 June 2017: 295,391)	<u>4,566</u>	<u>4,812</u>
National Bank of Pakistan Employees Pension Fund (having invested more than 10% in the units of the Fund)		
Number of units outstanding : 28,972,646 90.59% of the total units in issue as at the period end) (30 June 2017 : 28,972,646 (90.83% of the total units in issue as at the year end))	<u>417,716</u>	<u>471,964</u>

18. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Fund has exposure to following risks from its use of financial instruments:

- Credit risk (refer note 18.1)
- Liquidity risk (refer note 18.2)
- Market risk (refer note 18.3)

Risk management framework

The Fund's board of directors has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyze the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

18.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, return / mark-up receivable, receivable against sale of marketable securities and security deposits.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analysing of credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

Exposure to credit risk

The maximum exposure to credit risk as at 30 June 2018 was as follows:

	2018		2017	
	Balance as per the Statement	Maximum Exposure	Balance as per the Statement	Maximum Exposure
	(Rupees in '000)		(Rupees in '000)	
Bank balances (including profit receivable)	14,023	14,023	6,040	6,040
Investments	452,453	-	514,080	-
Dividend receivables	743	743	1,570	1,570
Security deposits	2,600	2,600	2,600	2,600
	469,819	17,366	524,290	10,210

Difference in balance as per the statement of assets and liabilities and maximum exposure in investments is due to the fact that investments in equity securities of Rs. 452.45 million (30 June 2017: Rs. 514.080 million) is not exposed to credit risk.

Bank balances

The Fund held cash and cash equivalents at 30 June 2018 with banks having following credit ratings:

Ratings	2018	2017	2018	2017
	(Rupees)		(%)	
A1+	13,965	6,020	100	100
Total	13,965	6,020	100	100

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS (as of 30 June 2018).

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

Details of Fund's concentration of credit risk of financial instruments by industrial distribution are as follows:

	Note	2018		2017	
		(Rupees in '000)	(%)	(Rupees in '000)	(%)
Commercial banks (including profit receivable)	4 & 6	14,023	80	6,040	59
Receivable against sale of shares due from National Clearing Company of Pakistan Limited (NCCPL)		-	-	-	-
Dividend receivables from	6				
- Power Generation Company		-	-	335	3
- Oil and Gas sector		331	2	491	5
- Fertilizer		-	-	471	5
- Others		412	2	273	3
NCCPL - security deposit	7	2,500	14	2,500	24
Central Depository Company - security deposit	7	100	1	100	1
		17,366	99	10,210	100

Past due and impaired assets and collaterals held

None of the financial assets of the Fund are past due or impaired as at 30 June 2018.

None of the financial instruments of the Fund are secured.

Settlement risk

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

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

18.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash.

As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six days from the date of the redemption request.

In addition, the Fund is entitled to borrow, with prior approval of trustee, for meeting redemptions. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, during the period no such option was exercised or considered necessary.

Maturity analysis for financial liabilities

Following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

	2018			
	Carrying amount of liabilities	Total	Less than 1 month	Within 3 months
------(Rupees"000")-----				
Non-derivative financial liabilities (excluding unit holders' fund)				
Remuneration Payable to the Management Company (excluding Sindh sales tax and federal excise duty)	292	292	292	-
Remuneration payable to the Trustee	77	77	77	-
Annual fee payable to the Securities and Exchange Commission of Pakistan	451	451	-	451
Payable against purchased of investment	-	-	-	-
Accrued expenses and other liabilities *	474	474	474	-
Unclaimed dividend	3,728	3,728	3,728	-
	5,022	5,022	4,571	451
Unit holders' fund	461,098	461,098	461,098	-

* excluding sindh sales tax payable on Management Company's remuneration, Sales tax payable on trustee fee, federal excise duty payable on Management Company's remuneration, withholding tax and zakat payable.

	2017			
	Carrying amount of liabilities	Total	Less than 1 month	Within 3 months
------(Rupees"000")-----				
Non-derivative financial liabilities (excluding unit holders' fund)				
Remuneration Payable to the Management Company (excluding Sindh sales tax and federal excise duty)	329	329	329	-
Remuneration payable to the Trustee	87	87	87	-
Annual fee payable to the Securities and Exchange Commission of Pakistan	491	491	-	491
Payable against purchase of investment	-	-	-	-
Accrued expenses and other liabilities *	561	561	561	-
Unclaimed dividend	622	622	622	-
	2,090	2,090	1,599	491
Unit holders' fund	519,951	519,951	519,951	-

* excluding sindh sales tax payable on Management Company's remuneration, federal excise duty payable on Management Company's remuneration, withholding tax and zakat payable.

18.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risks

The Fund 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 regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

The Fund is exposed to interest rate risk and equity price risk.

18.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

Exposure to interest rate risk

The interest rate profile of the Fund's interest-bearing financial instruments as reported to the management of the Fund is as follows:

	2018	2017
	(Rupees in '000)	
Variable rate instruments		
Financial assets (bank balances)	<u>13,446</u>	<u>5,631</u>

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) unit holder fund and income statements by Rs. 0.1345 (2017: Rs. 0.056) The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Above bank balances are reprised by the bank after changes in the State Bank of Pakistan's policy rate and do not have any contractual maturity.

None of the Fund's financial liabilities are subject to interest rate risk.

The above variable rate financial instruments represent PLS account bank balances and carry profits rates ranging between 4.75% to 6% per annum. These are withdrawable as demanded.

18.3.2 Other market price risk

The Fund is exposed to equity price risk i.e. the risk of unfavourable changes in the fair value of equity securities as a result changes in the levels of Pakistan Stock Exchange Index (PSX- 100 Index) and the value of individual shares, which arises from investments measured at fair value through income statement.

The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sectors and benchmarking the sector weighting to that of the KSE 100 Index. The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed. The table below is a summary of the significant sector concentrations within the equity portfolio.

Sector wise portfolio

	<u>As at 30 June 2018</u>	
	<u>Fund's equity</u> <u>portfolio (%)</u>	<u>KSE-100</u> <u>benchmark</u> <u>portfolio (%)</u>
Automobile Assembler	3.27	3.34
Automobile Parts & Accessories	1.00	1.03
Cable & Electrical Goods	0.41	0.41
Cement	7.08	7.24
Chemicals	1.81	1.80
Close - End Mutual Fund	0.37	0.39
Commercial Banks	23.44	23.85
Engineering	1.88	1.89
Fertilizer	12.80	12.98
Food & Personal Care Products	4.74	4.96
Glass & Ceramics	0.31	0.30
Insurance	1.94	2.02
Inv. Banks / inv. Cos. / securities cos.	0.37	0.39
Jute	-	-
Leasing Companies	0.14	0.15
Leather & Tannaries	0.16	0.16
Miscellaneous	1.53	1.54
Modarabas	0.01	0.04
Oil & Gas Exploration Companies	14.95	15.10
Oil & Gas Marketing Companies	5.79	5.92
Paper and Board	0.72	0.74
Pharmaceuticals	2.29	2.34
Power Generation & Distribution	5.72	5.77
Real Estate Investment Trust	0.34	0.35
Refinery	0.87	0.92
Sugar & Allied Industries	0.14	0.14
Synthetic & Rayon	0.04	0.05
Technology & Communication	1.48	1.53
Textile Composite	1.93	1.93
Textile Spinning	0.08	0.10
Textile Weaving	0.05	0.06
Tobacco	1.74	1.78
Transport	0.63	0.64
Vanaspati & Allied Industries	0.10	0.11
Woollen	0.01	0.01

	As at 30 June 2017	
	Fund's equity portfolio (%)	KSE-100 benchmark portfolio (%)
<u>Sector wise portfolio</u>		
Automobile Assembler	4.10	4.16
Automobile Parts & Accessories	0.81	0.84
Cable & Electrical Goods	1.14	1.19
Cement	11.59	11.92
Chemicals	1.09	1.13
Close - End Mutual Fund	0.33	0.36
Commercial Banks	23.23	23.07
Engineering	1.32	1.38
Fertilizer	11.25	11.55
Food & Personal Care Products	3.10	3.10
Glass & Ceramics	0.40	0.27
Insurance	2.55	2.32
Inv. Banks / inv. Cos. / securities cos.	0.26	0.26
JUTE	-	-
Leasing Companies	0.07	0.07
Leather & Tannaries	0.55	0.50
Miscellaneous	1.36	1.33
Modarabas	0.05	0.05
Oil & Gas Exploration Companies	10.42	10.73
Oil & Gas Marketing Companies	6.08	6.34
Paper and Board	1.09	1.15
Pharmaceuticals	2.92	2.76
Power Generation & Distribution	6.87	7.06
Real Estate Investment Trust	0.27	0.28
Refinery	1.31	1.38
Sugar & Allied Industries	0.46	0.37
Synthetic & Rayon	0.04	0.04
Technology & Communication	1.42	1.51
Textile Composite	2.36	2.41
Textile Spinning	0.07	0.07
Textile Weaving	0.09	0.09
Tobacco	1.21	1.22
Transport	1.01	1.02
Vanapati & Allied Industries	0.02	0.02
Woollen	0.01	0.01

Refer Note 5.1 also.

Sensitivity analysis - Equity price risk

In case of 5% increase / (decrease) in PSX 100 index on 30 June 2018, with all other variables held constant, other comprehensive income of the Fund for the year would have increased / (decreased) by Rs. 22.62 million (30 June 2017: Rs. 25.70 million) whereas the net assets would have increased / (decreased) by the same amount, as a result of gains / (losses) on equity securities at fair value through income statement for the year.

This represents management's best estimate of a reasonable possible shift in the PSX-100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of 30 June 2018 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX-100 index.

18.4 Unit holder's fund risk management

The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market

confidence and to continue as a going concern so that it can continue to provide returns to its unit holders. Management monitors the return on capital as well as the level of dividends to unit holders and makes adjustments to it in the light of changes in markets' conditions.

Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

18.5 Fair value of financial instruments

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The table also sets out the fair values of financial instruments not measured at fair value and analyses it by the level in the fair value hierarchy into which each fair value measurement is categorised.

The Fund's accounting policy on fair value measurements is discussed in note 3.2.5.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs that are quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at 30 June 2018, all investments were categorised in Level 1.

19. SUPPLEMENTARY INFORMATION

The information regarding top brokers, performance table, unit holding pattern, members of the Investment Committee, Fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company are as follows:

		2018 commission paid %
19.1	List of top ten brokers by percentage of commission paid	
	i Summit Capital (Private) Limited	14.11
	ii FDM Capital Securities (Pvt) Limited	13.43
	iii Muhammad Munir Muhammad Ahmed Khanani Securities (Pvt.) Ltd.	12.95
	iv Ghani Osman Securities (Private) Limited	11.67
	v First Capital Equities Limited	10.96
	vi Shajar Capital Pakistan (Private) Limited	10.92
	vii Aba Ali Habib Securities (Pvt) Limited	9.28
	viii Alfalah Securities (Pvt) Limited	8.87
	ix Next Capital Limited	7.81

	2017 Commission paid %
i FDM Capital Securities (Private) Limited	13.55
ii Ghani Osman Securities (Private) Limited	12.49
iii Shajar Capital Pakistan (Private) Limited	11.85
iv Alfalah Securities (Pvt) Limited	11.72
v Aba Ali Habib Securities (Private) Limited	11.68
vi Summit Capital (Private) Limited	10.19
vii Next Capital Limited	10.11
viii AKD Securities Limited	6.80
ix Creative Capital Securities (Private) Limited	5.63
x Topline Securities Limited	5.16

19.2 Performance table

	2018	2017	2016
Total net assets value - Rupees in '000	461,098	519,951	451,737
Net assets value per unit at the end of year - Rupees	14.42	16.30	14.26
Net income / (loss) for the year - Rupees in '000	30,475	42,206	29,584
Total return of the Fund - Rupees in '000			
- Income distribution - Rupees in '000	-	27,161	22,780
- Accumulated capital growth - Rupees in '000	(66,942)	(97,417)	(112,462)
Distribution per unit (annual) - Rupees [announced on 22 June 2017 & 24 June 2016 respectively]	-	0.90	0.75
Selling price per unit as at 30 June - Rupees	14.57	16.47	14.41
Repurchase price per unit as at 30 June - Rupees	14.41	16.29	14.25
Highest selling price per unit during the year - Rupees	16.63	19.76	15.49
Lowest selling price per unit during the year - Rupees	13.35	14.41	12.72
Highest repurchase price per unit during the year - Rupees	16.46	19.56	15.33
Lowest repurchase price per unit during the year - Rupees	13.20	14.25	12.58
Average annual return of the Fund			
- Last one year	-11.55%	20.77%	4.73%
- Last two years	4.61%	12.75%	8.97%
- Last three years	4.65%	12.90%	18.11%

The income distribution have been shown against the year to which they relate although these were declared and distributed during the year.

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

The portfolio composition of the Fund has been disclosed in note 5 to the financial statements.

19.3 Unit holding pattern of the Fund

Category	Number of unit holders	Units held	Investment amount	Percentage of total
30 June 2018				
(Rupees in '000)				
Individuals	653	2,128,256	30,683	6.66
Retirement Funds	2	29,289,354	422,282	91.58
Others	7	564,120	8,133	1.76
	662	31,981,730	461,098	100.00
30 June 2017				
(Rupees in '000)				
Individuals	654	2,066,874	33,690	6.48
Retirement Funds	2	29,268,037	477,066	91.75
Others	7	564,120	9,195	1.77
	663	31,899,031	519,951	100.00

19.4 Particulars of the Fund manager and Investment Committee

Following are the details of the fund manager:

Name of fund manager	Qualification	Name of other funds managed
Laraib Mohib	BBA	AKD Islamic Stock Fund

Following are the members of the investment committee of the Management Company:

Name of members	Designation	Qualification	Experience in years
Mr. Imran Motiwala	Chief Executive Officer	BBA	24
Ms. Anum Dhedhi	Chief Investment Officer	BSC	7
Mr. Muhammad Yaqoob	Chief Operating Officer, and Company Secretary	MBA, CFA	14
Mr. Nadeem Saulat Siddiqui	Director Corporate Sales	MBA	25
Mr. Abdul Rehman	Fund Manager	BBA	3
Ms. Laraib Mohib	Fund Manager	BBA	4
Mr. Asad Uz-Zafar	Risk Manager	ACCA	5
Mr. Muhammad Waqas	Investment Analyst	ACCA	3
Mr. Ambrat Khemani	Investment Analyst	MBA	3

19.5 Directors meeting attendance

During the year 72th, 73rd, 74th and 75th board meetings were held on September 29, 2017, October 28, 2017, February 23, 2018 and April 27, 2018 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	4	4	-	-
Mr. Imran Motiwala	4	4	-	-
Mr. Ali Wahab Siddiqui	4	4	-	-
Ms. Anum Dhedhi	4	4	-	-
Ms. Aysha Ahmed	4	4	-	-
Mr. Hasan Ahmed	4	4	-	-
Mr. Saim Mustafa	4	3	1	73rd

19.6 Rating of the Fund and the management company

AKD Investment Management Limited
(Management Company of the Fund)

Agency	PACRA	PACRA
Asset Manager Rating/Mangement Quality Rating	AM3 ++	AM3 ++
Date	22-Dec-17	8-Jun-17

Due to specialised nature of the Fund, performance ranking of the Fund has not been carried out, as the comparable benchmark is not available.

20. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2018 (2017: Nil)

21. GENERAL

21.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation.

22. NON-ADJUSTING EVENTS AFTER REPORTING PERIOD

The Board of Directors of the Management Company declared distribution (including refund of element) on July 06, 2018 of Rs 0.50809 per unit (2017: Nil per unit) on the face value of Rs 10 each amounting to Rs 16.250 million (2017: Rs Nil). The financial statements of the Fund for the year ended June 30, 2018 do not include the effect of these distributions which will be accounted for in the financial statements of the Fund for the year ending June 30, 2019.

23. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on September 28, 2018 by the Board of Directors of the Management Company.

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

Abdul Karim
Chairman

Muhammad Munir
Chief Financial Officer

Imran Motiwala
Chief Executive Officer

PROXY DETAILS ISSUED BY FUND FOR THE YEAR ENDED JUNE 30, 2018

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

During the year the Management Company on behalf of the Fund participated in 5 shareholders' meetings. Moreover, details of summarized proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	14	14	0	0	-
(%ages)	100	100	0	0	-

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

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

AKD انویسٹمنٹ مینجمنٹ لمیٹڈ (AKDIML)، مینجمنٹ کمپنی برائے AKD اپرچونٹی فنڈ (AKDOF)، AKD انڈیکس ٹریڈر فنڈ (AKDITF)، AKD کیش فنڈ (AKDCF)، AKD اگریسیو انکم فنڈ (AKDAIF)، AKD اسلامک اسٹاک فنڈ (AKDISSF) اور AKD اسلامک انکم فنڈ (AKDISIF) کے بورڈ آف ڈائریکٹرز 30 جون 2018 کو اختتام پذیر سال پر سالانہ رپورٹ بمع تمام فنڈز کی محتسب شدہ (audited) مالیاتی دستاویزات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

فنڈز کی مالیاتی کارکردگی

AKD اپرچونٹی فنڈ (AKDOF)

سال 2018 میں AKD اپرچونٹی فنڈ کا منافع بیچ مارک KSE-100 کے منفی 9.99 فیصد منافع کے مقابلے میں منفی 13.51 فیصد رہا۔

AKD انڈیکس ٹریڈر فنڈ (AKDITF)

سال 2018 میں بیچ مارک KSE-100 انڈیکس کی آمدنی منفی 9.99 فیصد کے مقابلے میں AKD انڈیکس ٹریڈر فنڈ (AKDITF) کی آمدنی منفی 11.55 فیصد رہی۔ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 06 جولائی 2018 کو 10 روپے کی فیس ویلیو کے ہر یونٹ پر 0.50809 روپے فی یونٹ کی تقسیم (بشمول ری-فنڈ کا عنصر) کا اعلان کیا ہے جس کی مالیت 16.250 ملین روپے بنتی ہے۔ 30 جون 2018 کو اختتام پذیر سال پر فنڈ کی مالیاتی دستاویزات میں اس تقسیم کے اثرات شامل نہیں کئے گئے ہیں جو 30 جون 2019 کو اختتام پذیر سال پر فنڈ کی مالیاتی دستاویزات میں پیش ہوں گے۔

AKD کیش فنڈ (AKDCF)

سال 2018 میں 5.35 فیصد بیچ مارک کے مقابلے میں AKD کیش فنڈ (AKDCF) کی آمدنی 4.69 فیصد رہی۔ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 06 جولائی 2018 کو 50 روپے کی فیس ویلیو کے ہر یونٹ پر 2.3165 روپے فی یونٹ کی تقسیم (بشمول ری-فنڈ کا عنصر) کا اعلان کیا ہے جس کی مالیت 7.189 ملین روپے بنتی ہے۔ 30 جون 2018 کو اختتام پذیر سال پر فنڈ کی مالیاتی دستاویزات میں اس تقسیم کے اثرات شامل نہیں کئے گئے ہیں جو 30 جون 2019 کو اختتام پذیر سال پر فنڈ کی مالیاتی دستاویزات میں پیش ہوں گے۔

AKD اگریسیو انکم فنڈ (AKDAIF)

سال 2018 میں 6.69 فیصد بیچ مارک کے مقابلے میں AKD اگریسیو انکم فنڈ (AKDAIF) کی آمدنی 3.58 فیصد رہی۔ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 06 جولائی 2018 کو 50 روپے کی فیس ویلیو کے ہر یونٹ پر 2.2 روپے فی یونٹ کی تقسیم (بشمول ری-فنڈ کا عنصر) کا اعلان کیا ہے جس کی مالیت 29.949 ملین روپے بنتی ہے۔ 30 جون 2018 کو اختتام پذیر سال پر فنڈ کی مالیاتی دستاویزات میں اس تقسیم کے اثرات شامل نہیں کئے گئے ہیں جو 30 جون 2019 کو اختتام پذیر سال پر فنڈ کی مالیاتی دستاویزات میں پیش ہوں گے۔

AKD اسلامک اسٹاک فنڈ (AKDISSF)

سال 2018 میں بیچ مارک KMI-30 انڈیکس کی آمدنی منفی 1.81 فیصد کے مقابلے میں AKD اسلامک اسٹاک فنڈ (AKD) اسلامک اسٹاک فنڈ کو 20 فروری 2018 کو لانچ کیا گیا) کی آمدنی منفی 6.00 فیصد رہی۔

سال 2018 میں 2.41 فیصد شیئ مارک کے مقابلے میں AKD اسلامک انکم فنڈ (AKD) اسلامک انکم فنڈ کو 20 فروری 2018 کو لانچ کیا گیا) کی سالانہ آمدنی 4.42 فیصد رہی۔

مینیجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز 06 جولائی 2018 کو 50 روپے کی فیس ویلیو کے ہر یونٹ پر 0.7810 روپے فی یونٹ کی تقسیم (بشمول ری-فنڈ کا عنصر) کا اعلان کیا ہے جس کی مالیت 3.5427 ملین روپے بنتی ہے۔ 30 جون 2018 کو اختتام پذیر سال پر فنڈ کی مالیاتی دستاویزات میں اس تقسیم کے اثرات شامل نہیں کئے گئے ہیں جو 30 جون 2019 کو اختتام پذیر سال پر فنڈ کی مالیاتی دستاویزات میں پیش ہوں گے۔

وسیع پس منظر

پاکستان کی حقیقی قومی مجموعی پیداوار (GDP) نے بلندی کا سفر جاری رکھا اور سال 2107 کی 5.3 فیصد کے مقابلے میں 13 سالوں کی 5.8 فیصد کی بلند ترین نمود کھائی۔ ترقی کی وجہ متاثر کن نئی شعبے کی قرضوں کی کارکردگی، زرعی پیداوار میں بہتری، نمایاں صنعت پیداوار اور خدمات کی نمو، برآمدات کی بحالی، کم ترین پالیسی نرخ، غیر ملکی براہ راست سرمایہ کاری (FDI) میں اضافہ اور اندرونی ترسیل زر میں اضافہ، متعدد شعبوں کو توانائی کی فراہمی میں بہتری اور بلند تر بڑے پیمانے کی صنعتی پیداواری ادارے (LSM) میں نمو ہیں۔ اسی کے ساتھ ساتھ چین پاکستان اقتصادی راہداری (CPEC) منصوبہ کی ترقی، امن و امان کی بہتر ہوتی ہوئی صورتحال اور افراط زر کو قابو رکھنے نے ترقی کی رفتار میں اضافہ کر دیا۔ بڑے پیمانے کے صنعتی پیداواری سیکٹر کا کل پیداوار میں 80 فیصد کا حصہ اور مجموعی قومی پیداوار میں 11 فیصد جس نے مئی۔ جولائی 2018 میں 6 فیصد کی نمود کھائی جبکہ گذشتہ سال اسی مدت میں یہ 5.6 فیصد تھی۔ یہ خاص طور پر الیکٹرانکس (36 فیصد)، لوہا اور اسٹیل کی مصنوعات (22.02 فیصد)، گاڑیوں میں (18.03 فیصد) اور کھانسی اور پیٹرو لیوم کی مصنوعات میں (13.53 فیصد) کی ترقی کی وجہ سے ہوا۔

سال 2018 میں زرعی شعبے کی کارکردگی غیر معمولی تھی جس نے نمو کے 3.5 فیصد کے ہدف کے مقابلے میں 3.81 فیصد نمو حاصل کی۔ یہ اہم ترقی بلند تر پیداواری نتائج (yields)، پرکشش پیداواری قیمتیں، گورنمنٹ کی معاون پالیسیاں اور بروقت زرعی خام مال (inputs) بشمول کھاد اور کیڑے مار دوا کی دستیابی کی وجہ سے حاصل ہوئیں۔ اس کے برخلاف، سال 2018 میں خدمات کے سیکٹر نے سال بہ سال کی 7 فیصد کی مایوس کن منفی نمود کھائی۔

سال 2018 کے دوران، صارف کی قیمتوں کا انڈیکس (CPI) 3.92 فیصد رہا اس کے مقابلے میں سال 2017 یہ 4.16 فیصد تھی۔ CPI بینک دولت پاکستان کے سالانہ ہدف سے بہت کم رہا۔ تاہم زمینی حقائق تیزی سے تبدیل ہو رہے ہیں جیسا کہ کرنسی کی قدر میں کمی (سال 2018 میں تقریباً 6 فیصد) کے مقابلے میں جون 2018 کے لیے بڑھتا ہوا شاہ سرخیوں اور بنیادی افراط زر بالترتیب 5.2 فیصد اور 7.1 فیصد (سال بہ سال) رہا۔ اس لیے بینک دولت پاکستان نے اپنے جولائی 2018 کے مالی پالیسی کے بیان میں پالیسی نرخ میں 100bps کے اضافے سے برہا کر 7.5 فیصد کر دیا تاکہ معیشت میں زیادہ خرابی کو روکا جائے۔

SBP کے مطابق، سال 2018 میں جاری کھاتے کا خسارہ (عارضی) 17.99 ارب امریکی ڈالر (مجموع قومی پیداوار کا 5.7 فیصد) رہا جبکہ گذشتہ سال اسی مدت میں یہ 12.62 ارب امریکی ڈالر (مجموع قومی پیداوار کا 4.1 فیصد) تھا۔ یہ خاصہ اضافے کی وجہ درآمدات میں نمو، سال بہ سال 14.7 فیصد، جامد برآمدات میں سال بہ سال 12.6 فیصد، اور بہت بری اندرونی ترسیل زر میں سال بہ سال 1.41 فیصد ہیں۔

مالیاتی محاذ پر، فیڈرل بورڈ آف ریونیو (FBR) نے سال 2018 میں کل محصول کی مال گذاری (revenue) 3.84 کھرب روپے کی لیکن وہ اپنے ترمیم شدہ 3.93 کھرب کا ہدف حاصل کرنے میں ناکام رہا۔ بہت زیادہ شور مچائی ہوئی پاکستانیوں کے ملکی اور غیر ملکی خفیہ اثاثہ جات کے لیے اعلان کردہ ٹیکس ایمنسٹی اسکیم سے کل حاصل ہونے والی مال گذاری 120 ارب روپے رہی جس میں توقعات سے بہت کم 97 ارب روپے سال 2018 میں جمع ہوئے۔

سال 2018-2019 کا وفاقی بجٹ نے متعدد سیکٹرز، بنیادی طور پر آٹو، سیمنٹ اور ریئل اسٹیٹ کے لیے پالیسیاں متعارف کروائیں۔ ٹیکس کے نان فائلرز پر نئی گاڑیوں کی خریداری پر پابندی نے آٹو کی صنعت کو بری طرح سے متاثر کیا کیونکہ اکثریت اسی کیٹیگری میں آتی ہے۔ علاوہ ازیں، ریئل اسٹیٹ کو ٹیکس کے نان فائلرز پر 5 بلین سے زیادہ کے مالیت کے مکان کی خریداری پر پابندی لگانے سے بڑا دھچکا لگا۔ دوسری جانب، ان اقدامات سے توقع ہے کہ طویل مدت میں محصول کی وصولی میں اضافہ ہوگا جس ملک کی محصول کی بنیاد میں بہتری آئے گی۔ اس کے علاوہ، بجٹ 18-19 کے وفاقی بجٹ میں محدود مالیاتی گنجائش کی وجہ سے PSDP میں اعلان کردہ کٹوتی سے توقع ہے کہ وہ

معیشت میں مجموعی طلب کو کم کر دے گی خاص طور پر سیمنٹ اور اسٹیل کے سیکٹرز میں۔

آگے بڑھتے ہوئے، سال 2019 میں توقع ہے کہ زرعی سیکٹر اپنے ہدف سے کم رہے گا جس کی وجہ بڑھتی ہوئی پانی کی ہنگامی صورتحال ہے جو امکانی طور زرعی پیداوار میں رکاوٹ ڈالے جبکہ توقع ہے کہ صنعتی پیداواری سیکٹر متوازن رہے گا جس کی وجہ اس کی بلند بنیاد کے اثرات ہیں، جاری مالیاتی سختی اور کچھ سیکٹرز کے مخصوص معاملات ہیں۔ نتیجے میں SBP کو توقع ہے کہ GDP کی نمو تقریباً 5.5 فیصد رہے گی جبکہ اس کا سالانہ ہدف 6.2 فیصد ہے۔ روپے کی قدر میں کمی درآمدات مہنگی ہو جائیں گی اور برآمدات عالمی طور پر مسابقتی ہو جائیں گے، اس طرح سے جاری کھاتے پر دباؤ میں کمی آئے۔ مزید یہ کہ IMF کی جانب سے ممکنہ بیل آؤٹ پیکیج، دیگر ملکوں سے مالی امداد (چین، سعودی عرب)، اور PTI کی حکومت کی حمایت میں متوقع ترسیل زر میں سمندر پار پاکستانیوں کی جانب سے اضافے سے بیرونی کھاتے میں متوقع مدد فراہم کرے۔ CPEC میں سرمایہ کاری پاکستان میں سرمایہ کاری لانے میں ایک بڑا اہم کردار ادا کرنا جاری رکھے گا جو جلد ابتر ہوتے ہوئے بیرونی کھاتے کی معانت کرے گا۔ ہمارے خیال میں کسی بھی قسم کی بیرونی محاذ پر مزید ابتری (تیل کی قیمتوں میں اضافہ، جامد ترسیل زر، خراب تر ہونا ہوا تجارتی توازن) سے روپے-امریکی ڈالر کی مبادلہ کی مساوات کو بڑا خطرہ ہے۔ علاوہ ازیں، توانائی کے سیکٹرز میں گردش قرضے کی صورتحال دوبارہ خطرے کے نشان کی سطح پر پہنچ گئی ہے اور اس میں اضافے کو روکنے کے لیے سخت اقدامات کی ضرورت ہے۔ تاہم، محدود مالیاتی گنجائش میں، کوئی ایک تصفیہ ہوتا ہوا نظر نہیں آ رہا۔ بڑی کارکردگی کے لیے مجموعی طور پر PTI گورنمنٹ کی معاشی پالیسیوں کی وضاحت اہم کردار ادا کرے گی۔

اکویٹی (Equity) مارکیٹ کا جائزہ

سال 2018 کے دوران KSE-100 انڈیکس نے سال کا آغاز 46,565 پونٹس اور سال کا اختتام 41,911 پونٹس پر ہوا اور KSE-100 انڈیکس نے 9.99 فیصد کی کمی دکھائی۔ یہ کمی زیادہ تر سرمایہ کاروں کے لڑکھڑاتے ہوئے اعتماد سے منسوب کی جاسکتی ہے جو انتخابی سال میں سیاسی غیر یقینی سے نکلتا ہے، بڑھتے ہوئے معاشی خدشات (BOP، کرنسی کی حرکت) جس نے SBP کے پاس موجود غیر ملکی زرمبادلہ کے ذخائر 10 ارب امریکی ڈالر سے نیچے گرا دیا (دوماہ کی درآمدات کا احاطہ)۔ موڈی نے پاکستان کی آؤٹ لک کا درجہ کم کر کے منفی اور ابھرتی ہوئی منڈی سے مسلسل غیر ملکی فروخت (289 ملین امریکی ڈالر) جس کا نتیجہ، زیر غور مدت میں تجارتی حجم بھی گر گیا۔

سیکٹرز کے لیے مخصوص واقعات نے ملکیتی سرمائے کی منڈی کی کارکردگی میں اہم کردار ادا کیا۔ سیمینٹ سیکٹر (KSE 100 انڈیکس کا وزن 8 فیصد) میں کمی (41.3 فیصد کم) نے وسطی مدت میں زیادہ استعداد کے بارے میں خدشات بڑھادیے ہیں اور اس بات کا اشارہ ہے قیمت کی جنگ تیز ہو جائے گی۔ علاوہ ازیں، سودی نرخ میں اضافہ (سال 2018 میں 75bps) ناکام تھا کہ بڑے بینکوں (KSE 100 انڈیکس وزن 24 فیصد) کو آمادہ کرے کہ کم ہوتی ہوئی انڈیکس کی مدد کرے اور جس نے منفی طور پر آؤٹ سیکٹر (KSE 100 انڈیکس وزن 4 فیصد) کو متاثر کیا۔ اس کے برخلاف، سال میں تیل کی بحال ہوتی ہوئی قیمتیں اور روپے کی قدر میں کمی (16 فیصد) کے پس منظر میں E&P (KSE 100 انڈیکس وزن 15 فیصد) اور کیمیکل سیکٹر (KSE 100 انڈیکس وزن 2 فیصد) جو اسٹار کارکردگی دکھانے والے سیکٹرز تھے۔

آگے بڑھتے ہوئے، ہمارا خیال ہے کہ نئی PTI کی حکومت لیے بہت سخت اور بے مثل معاشی اصلاحات کرنے کی ضرورت ہے۔ سادگی کے اقدامات (PSDP میں کٹوتی، غیر پیداوار یا خراجات) بدعنوانی کے لیے سخت اقدامات کا تقاضہ ہے کہ بلا تفریق وسیع تر احتساب ہے، ٹیکس کی بنیاد میں توسیع کرنے کے لیے بنیادی کوششیں اور بنیادی مسائل (صحت، تعلیم، انصاف اور بے روزگاری) کو حل کرنے پر توجہ کا ہونا یہ طے کرے گا کہ ملکیتی سرمائے (equity) کی منڈی کی سمت اور معیشت کی کارکردگی کا تعین کریں گی۔ اس کے علاوہ، سیکٹرز کے مخصوص پالیسیاں بشمول سیمنٹ (Dam, PSDP)، آؤٹ (سودی نرخ، آؤٹ کے لیے پالیسی)، کھاد (اعانت، گیس کی قیمتیں) اور اسٹیل اور دیگر منڈی کے لہجہ کا تعین کرے گا۔ غیر ممالک میں لوٹی ہوئی دولت کی واپسی اور سمندر پار پاکستانیوں کا کردار آنے والی حکومت کی پالیسیوں کا اہم جز ہوگا۔

موجودہ KSE-100 کی تجارت فارورڈ PE کے $x \sim 7.57$ کے ساتھ 6.60 فیصد منقسمہ منافع پر ہو رہی ہے، جو MSCL ابھرتی ہوئی منڈی انڈیکس اور علاقائی معیشتوں کے مقابلے میں خاصی رعایتی پیش کرتی ہے۔

مستقبل کا منظر نامہ

مجموعی طور پر ہم سمجھتے ہیں کہ سال 2019 میں معیشت کا منظر نامہ چیلنجنگ رہے گا۔ توقع ہے کہ CPEC کی سرگرمیوں کے بڑھنے سے حقیقی نمو اپنی رفتار برقرار رکھے گی جبکہ روپے

کی قدر میں کمی کی وجہ سے اوسط افراط زر اپنے ہدف سے زیادہ رہے گا۔ امکانی طور پر نئی گورنمنٹ کے لیے ایک بڑا مسئلہ IMF پروگرام کی کڑی شرائط کے ساتھ معاملہ ہوگا۔ جاری کھاتے کا خسارہ ایک سنگین معاملہ ہے اور یہ فوری تدارک کے اقدامات کا تقاضہ کرتا ہے تاکہ غیر ملکی زرمبادلہ کی ترسیل میں اضافے سے بے نتیجہ درآمدت کو قابو کریں۔ اہم خطرہ کسی بھی بین الاقوامی تیل کی قیمتوں میں اضافے اور جامد برآمدات سے ہو سکتا ہے۔

تیل کی عالمی قیمتوں میں اضافہ اور جامد برآمدات سے اہم خطرات پیدا ہو سکتے ہیں۔

پاکستانی عوام بشمول سمندر پار پاکستانیوں نے PTI کی حکومت کی ترسیل زر میں اضافے کی کوششوں کو سراہا ہے۔ حکومت کی جانب سے جو اعلان کردہ انقلابی اقدامات کئے جا رہے ہیں ان سے آنے والی حکومت ان اقدامات کے معیشت پر پڑنے والے بڑے اثرات ابھی دیکھنا باقی ہیں۔

زر کی منڈی کا جائزہ

سال 2018 کے دوران، بینک دولت پاکستان (SBP) نے T-26 بلز کی نیلامی کی جس سے گورنمنٹ 17.29 کھرب روپے کا انتظام کر سکی۔ اس مدت کے دوران T بلز کی 6،3 اور 12 ماہ کی وزنی اوسط آمدنی (weighted average yield) بالترتیب 5.98 فیصد، 6.13 فیصد اور 6.04 فیصد تھیں جو زیادہ تھیں گذشتہ سال اسی مدت کی 5.92 فیصد، 5.94 فیصد اور 5.95 فیصد کی وزنی اوسط آمدنی سے۔

سال 2017 میں SBP نے 12 کی PIBs کی نیلامیاں کیں جس سے 101.73 ارب روپے کا اضافہ کر پائی۔ PIBs کی نیلامیوں پر 3،5 اور 10 سالوں پر تکمیلی مدت پر وزنی اوسط آمدنی (weighted average yield) گذشتہ سال اسی مدت کی بالترتیب 6.30 فیصد، 6.81 فیصد اور 7.87 فیصد کے مقابلے میں بڑھ کر 7.06 فیصد، 7.86 فیصد اور 8.40 فیصد رہیں۔

کل ملکی قرضوں کا 31 فیصد قلیل المدت T بلز جبکہ 20 فیصد طویل المدت sPIB پر مشتمل ہے۔ اس قرضے کی پروفائٹنگ آنے والے وقت میں بڑھتے ہوئے سودی نرخ کا منظر نامہ کی صورتحال پیش کرتی ہے۔ اس قرضے کی انتظامی حکمت عملی نے حکومت کے لیے دوبارہ فنانسنگ کے خطرے کو بڑھا چکی ہے جس کی وجہ سے پوری پروفائل کا گھٹنا ہے۔

گورنمنٹ جولائی 2018 میں مالیاتی پالیسی کا بیان جاری کیا، جہاں کمیٹی نے فیصلہ کیا کہ بین الاقوامی تیل اور اجناس کی قیمتوں میں واپس اضافے کے پس منظر میں پالیسی نرخ، 100 بیس پوائنٹس کے اضافے، سے بڑھ کر 7.5 فیصد بڑھا دیا تاکہ ملکی طلب کے ساتھ ساتھ مبادلہ نرخ میں حرکت کے دباؤ میں کمی لٹی جاسکے۔ سال 2018 کی 01 جولائی تا 31 مارچ کے دوران براڈ منی (Broad Money) (M2) کے حجم میں 770.9 ارب روپے (نمو 5.29 فیصد) اضافہ ہوا اس کے مقابلے میں گذشتہ سال اسی مدت میں حجم میں 756.1 ارب روپے کا اضافہ (نمو 5.99 فیصد) تھا۔ اسی طرح سے، سال 2018 کی 01 جولائی تا 31 مارچ میں ذخائر کی منی کی نمو 5.6 فیصد رہی جبکہ گذشتہ سال اسی مدت میں یہ 7.9 فیصد تھی۔

اداراتی اور مالیاتی رپورٹنگ ڈھانچے کا بیان

(a) فنڈز کی انتظامی کمپنی 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۔

(b) کمپنی نے موزوں کھاتوں کی کتابیں (Books of Accounts) قائم رکھی ہوئی ہیں۔

(c) 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۔

(d) 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۔

- (e) اندرونی کنٹرول کا نظام کا ڈیزائن مضبوط ہے اور اسکی موثر نفاذ اور نگرانی کی گئی ہے۔
- (f) فنڈز 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 اور آڈٹ کمیٹیوں کے اجلاسوں میں حاضری کا بیان درج ذیل ہے:

بورڈ اجلاس						ڈائریکٹر کا نام
رخصت	شرکت کی	27 اپریل 18	23 فروری 18	28 اکتوبر 17	29 ستمبر 17	
0	4	✓	✓	✓	✓	1 جناب عبدالکریم
0	4	✓	✓	✓	✓	2 جناب عمران موتی والا
0	4	✓	✓	✓	✓	3 محترمہ انعم ڈھیڈی
1	3	✓	✓	X	✓	4 جناب صائم مصطفیٰ زبیری
0	4	✓	✓	✓	✓	5 جناب علی وہاب صدیقی
0	4	✓	✓	✓	✓	6 جناب حسن احمد
0	4	✓	✓	✓	✓	7 محترمہ عائشہ احمد

آڈٹ کمیٹی اجلاس						ڈائریکٹر کا نام
رخصت	شرکت کی	27 اپریل 18	23 فروری 18	28 اکتوبر 17	29 ستمبر 17	
0	4	✓	✓	✓	✓	1 جناب علی وہاب صدیقی
0	4	✓	✓	✓	✓	2 جناب حسن احمد
1	3	✓	✓	X	✓	3 جناب صائم مصطفیٰ زبیری

- (a) مینجمنٹ کمپنی کے ڈائریکٹرز، CEO، CFO، کمپنی سیکریٹری اور ان کے شرکاء حیات اور ان کے نابالغ بچوں نے حصص کی کوئی خرید و فروخت نہیں کی ہے ماسوائے درج ذیل اور مالیاتی دستاویزات میں ظاہر کیا گیا ہے:

سودا کنندہ	عہدہ	سرمایہ کاری (اکائیوں کی تعداد)	مٹائی (اکائیوں کی تعداد)
AKD اپر چوٹی فنڈ (AKDOF)			
1 جناب عمران موتی والا	CEO	16,127.0264	-
2 محترمہ انعم ڈھیڈی	ڈائریکٹر اور CIO	8,481.7292	(43,020.1033)
3 جناب محمد یعقوب	COO اور کمپنی سیکریٹری	2,120.4323	-
AKD اپر چوٹی فنڈ (AKDOF)			
1 محترمہ سحر عمران موتی والا	CEO کی شریک حیات	32,257.9757	
2 جناب مرتضیٰ وہاب صدیقی	ڈائریکٹر کے شریک حیات	22,699.2413	
AKD کیش فنڈ (AKDCF)			
1 جناب حسن احمد	ڈائریکٹر	113.5383	
AKD اسلامک فنڈ (AKDISIF)			
1 جناب محمد منیر	CFO	6,756.4094	
2 جناب محمد یعقوب	کمپنی سیکریٹری اور COO	15,769.1481	
AKD اسلامک اشاک فنڈ (AKDISSF)			
1 جناب صائم مصطفیٰ زبیری	ڈائریکٹر	10,077.9625	
2 محترمہ انعم ڈھیڈی	CIO	75,433.5416	

مینجمنٹ کمپنی کی درجہ بندی

22 دسمبر 2018 کو پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) 8 جون 2017 کو AKD انویسٹمنٹ مینجمنٹ لمیٹڈ (AKDIM) کو اثاثہ جات میں 'AM3++' کی درجہ بندی تفویض کر چکی ہے۔

فنڈز کی درجہ بندی

AKD اپر چوٹی فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے 24 مئی 2018 میں [31 دسمبر 2017 کو اختتام پذیر سال پر گزرے ہوئے 36 ماہ (3 سال) اور 60 ماہ (5 سال) کی کارکردگی کی بنیاد پر AKD اپر چوٹی فنڈ (AKDOF) کو کارکردگی میں طویل المدت "Star-5" اور میں [31 دسمبر 2017 کو اختتام پذیر سال پر گزرے ہوئے 12 ماہ (1 سال) کی کارکردگی کی بنیاد پر [قلیل المدت "Star-3" درجہ بندی تفویض کر چکی ہے۔

AKD کیش فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) 30 جون 2018 کو AKD کیش فنڈ (AKDCF) کو استحکام کی 'AA+(f)' (دو مثبت) درجہ بندی تفویض کر چکی ہے۔

AKD اگریسیو انکم فنڈ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) 30 جون 2018 کو اگریسیو انکم فنڈ (AKDAIF) کو استحکام کی "A-(f)" (منفی A ایف) درجہ بندی تفویض کر چکی ہے۔

یونٹس رکھنے کا رجحان

کمپنیز ایکٹ 2017 کے تحت مطلوب اور اداراتی نظم و ضبط کے مطابق تفصیلی یونٹس رکھنے کا رجحان منسلک ہے۔

آڈیٹرز کی تقرری

بورڈ، آڈٹ کمیٹی کی سفارش پر سال 2018-2019 کے لیے میسرز۔ اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کا بطور دستوری آڈیٹرز کے، AKD اگریسیو انکم فنڈ (AKDAIF) اور AKD کیش فنڈ (AKDCF) کے لیے دوبارہ انتخاب کر چکا ہے۔

بورڈ، آڈٹ کمیٹی کی سفارش پر سال 2018-2019 کے لیے میسرز۔ نوید ظفر اشفاق اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کا بطور دستوری آڈیٹرز کے، AKD انڈیکس ٹریڈر فنڈ (AKDITF) اور AKD اپروچوٹی فنڈ (AKDOF) کے لیے دوبارہ انتخاب کر چکا ہے۔

بورڈ، آڈٹ کمیٹی کی سفارش پر سال 2018-2019 کے لیے میسرز۔ ڈیلوئٹ یوسف عادل، چارٹرڈ اکاؤنٹینٹس کا بطور دستوری آڈیٹرز کے، AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کے لیے دوبارہ انتخاب کر چکا ہے۔

بورڈ، آڈٹ کمیٹی کی سفارش پر سال 2018-2019 کے لیے میسرز۔ گرانٹ تھورن انجم رحمان، چارٹرڈ اکاؤنٹینٹس کا بطور دستوری آڈیٹرز کے، AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کے لیے دوبارہ انتخاب کر چکا ہے۔

اعتراف

ڈائریکٹرز اس موقع کا فائدہ اٹھاتے ہوئے سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان، وزارت مالیات، بینک دولت پاکستان اور اسٹاک ایکسچینج کی انتظامیہ کا میوچل فنڈ کی کمیونٹی کی معاونت کرنے کا مجموعی طور پر شکریہ ادا کرنا چاہتا ہوں اور ہمارے ٹرسٹی، سینٹرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ اور MCB فنانشل سروسز لمیٹڈ کے تعاون اور معاونت کا بھی شکریہ ادا کرنا چاہتے ہیں۔ بورڈ، AKD انویسٹمنٹ مینجمنٹ لمیٹڈ کے عملے اور افسران کی مخلصانہ کارکردگی کا بھی اعتراف کرتا ہے۔ بورڈ اپنے یونٹس کنندگان کا ان کے کمپنی پر اعتماد اور مسلسل حمایت اور رہنمائی کا بھی شکریہ ادا کرنا چاہتا ہے۔

منجانب بورڈ

عمران موتی والا
چیف ایگزیکٹو آفیسر

عبدالکریم
چیرمین

کراچی: 28 ستمبر 2018

www.jamapunji.pk








**Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ




**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



**AKD Investment
Management Ltd.**

Head Office:

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N : 92-21-111 AKDIML (111-253-465) | Fax : 92-21-35303125

Gulshan-e-Iqbal Branch:

Bungalow No. FL-3/12,
Ground Floor Block No. 5, KDA,
Scheme No. 24, Gulshan-e-Iqbal, Karachi.
Contact # 92-21-34823003-7

Abbottabad Branch:

Office No. 1 & 2, 2nd Floor, Zaman Plaza,
Near Complex Hospital,
Main Mansehra Road, Abbottabad.
Contact # 099-2381431-2

Lahore Branch:

Plaza # 250, 2nd Floor, Phase IV,
Block-FF, D.H.A., Lahore Cantt.
Contact # 0333-0342762-4

E-mail : info@akdinvestment.com
Website : www.akdinvestment.com